

Hall of the House of Representatives
88th General Assembly - Regular Session, 2011
Amendment Form

Subtitle of House Bill No. 1891

TO DEDICATE THE SALES AND USE TAX REVENUE ON SALES OF MOTOR VEHICLES
AND AUTO-RELATED SALES AND SERVICES FOR THE CONSTRUCTION,
RECONSTRUCTION, AND MAINTENANCE OF HIGHWAYS, ROADS, STREETS,
BRIDGES, AND THEIR EXTENSIONS.

Amendment No. 1 to House Bill No. 1891

Amend House Bill No. 1891 as originally introduced:

Delete everything after the enacting clause and substitute the following:

"SECTION 1. Arkansas Code Title 19, Chapter 6, Subchapter 8 is amended to add an additional section to read as follows:

19-6-819. Highway Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Highway Fund".

(b)(1) As used in this section, "auto-related sales and services" means:

(A) All parts, including without limitation tires and batteries placed on or used by a motor vehicle; and

(B) All labor, installation, maintenance, and diagnostic services, including without limitation repair services performed on a motor vehicle.

(2) The Director of the Department of Finance and Administration shall promulgate rules to implement this section.

(c) Beginning the first day of September following the issuance of an annual report certified to the Chief Fiscal Officer of the State by the Treasurer of State in which the gross collection of general revenue for sales and use tax exceeds two billion two hundred million dollars (\$2,200,000,000), a ten-year phase-in of the sales and use tax representing auto-related sales shall begin as follows:

(1) Beginning September 1 of the first year, the Highway Fund shall consist of six-tenths percent (0.6%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;



(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund;

(2) Beginning September 1 of the second year, the Highway Fund shall consist of one and two-tenths percent (1.2%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund;

(3) Beginning September 1 of the third year, the Highway Fund shall consist of one and eight-tenths percent (1.8%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund;

(4) Beginning September 1 of the fourth year, the Highway Fund shall consist of two and four-tenths percent (2.4%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund;

(5) Beginning September 1 of the fifth year, the Highway Fund shall consist of three percent (3%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund;

(6) Beginning September 1 of the sixth year, the Highway Fund shall consist of three and six-tenths percent (3.6%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund;

(7) Beginning September 1 of the seventh year, the Highway Fund shall consist of four and two-tenths percent (4.2%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund;

(8) Beginning September 1 of the eighth year, the Highway Fund shall consist of four and eight-tenths percent (4.8%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund;

(9) Beginning September 1 of the ninth year, the Highway Fund shall consist of five and four-tenths percent (5.4%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund; and

(10) Beginning September 1 of the tenth year and thereafter, the Highway Fund shall consist of six percent (6%) of the portion of all revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-

317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

(A) Fifteen percent (15%) of the amount to the County Aid Fund;

(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund.

(d)(1) All funds credited to the State Highway and Transportation Department Fund under this section shall be used for the construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the state.

(2) All funds credited to the County Aid Fund under this section shall be used for the construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the county.

(3) All funds credited to the Municipal Aid Fund under this section shall be used for the construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the municipality.

(e) Once the phase-in begins under subsection (c) of this section, the State Highway Commission, each county, and each municipality shall provide to each member of the General Assembly on the first Monday in January and annually thereafter a report indicating how the funds provided by this section were spent, which highways, roads, streets, bridges, and their extensions were worked on, and what other progress was made regarding the plan outlined to the General Assembly by the State Highway Commission during the debate on this section.

SECTION 2. Arkansas Code § 26-52-510, concerning the payment of tax on a motor vehicle, is amended to add new subsections to read as follows:

(h) Beginning on the first day of September following the issuance of an annual report certified to the Chief Fiscal Officer of the State by the Treasurer of State in which the gross collection of general revenue for sales and use tax exceeds two billion two hundred million dollars (\$2,200,000,000), a ten-year phase-in of all taxes, interest, penalties, and costs received by the director from the taxes levied by this chapter on the sale of new or used motor vehicles, trailers, or semitrailers required to be licensed in this state shall be deposited into the State Treasury as follows:

(1) Beginning the first year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

general revenues; and

revenues as follows:

(i) Ninety percent (90%) shall be deposited as

Fund;

(ii) Ten percent (10%) shall be deposited as special

Fund;

Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(2) Beginning the second year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Eighty percent (80%) shall be deposited as general revenues; and

(ii) Twenty percent (20%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(3) Beginning the third year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Seventy percent (70%) shall be deposited as general revenues; and

(ii) Thirty percent (30%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(4) Beginning the fourth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Sixty percent (60%) shall be deposited as general revenues; and

(ii) Forty percent (40%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(5) Beginning the fifth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Fifty percent (50%) shall be deposited as general revenues; and

(ii) Fifty percent (50%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(6) Beginning the sixth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Forty percent (40%) shall be deposited as general revenues; and

(ii) Sixty percent (60%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(7) Beginning the seventh year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Thirty percent (30%) shall be deposited as general revenues; and

(ii) Seventy percent (70%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(8) Beginning the eighth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Twenty percent (20%) shall be deposited as general revenues; and

(ii) Eighty percent (80%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(9) Beginning the ninth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Ten percent (10%) shall be deposited as general revenues; and

(ii) Ninety percent (90%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund; and

(10) Beginning the tenth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be special revenues and deposited as follows:

(i) Fifteen percent (15%) to the County Aid Fund;

(ii) Fifteen percent (15%) to the Municipal Aid Fund; and

(iii) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund.

(i)(1) All funds credited to the State Highway and Transportation Department Fund under subsection (h) of this section shall be used for the construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the state.

(2) All funds credited to the County Aid Fund under subsection (h) of this section shall be used for construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the county receiving the funds.

(3) All funds credited to the Municipal Aid Fund under subsection (h) of this section shall be used for the construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the municipality receiving the funds.

(4) When the phase-in begins under subsection (h) of this section, the State Highway Commission, each county, and each municipality shall provide to each member of the General Assembly on the first Monday in January and annually thereafter a report indicating how the funds provided by subsection (h) of this section were spent, which highways, roads, streets, bridges, and their extensions were worked on, and what other progress was made regarding the plan outlined to the General Assembly by the State Highway Commission during the debate on this subsection and subsection (h) of this section.

SECTION 3. Arkansas Code § 26-53-126, concerning the payment of tax on motor vehicles, is amended to add new subsections to read as follows:

(g) Beginning on the first day of September following the issuance of an annual report certified to the Chief Fiscal Officer of the State by the Treasurer of State in which the gross collection of general revenue for sales and use tax exceeds two billion two hundred million dollars (\$2,200,000,000), a ten-year phase-in of all taxes, interest, penalties, and costs received by the director from the taxes levied by this chapter on the sale of new or used motor vehicles, trailers, or semitrailers required to be licensed in this state shall be deposited into the State Treasury as follows:

(1) Beginning the first year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Ninety percent (90%) shall be deposited as general revenues; and

(ii) Ten percent (10%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(2) Beginning the second year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Eighty percent (80%) shall be deposited as general revenues; and

(ii) Twenty percent (20%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(3) Beginning the third year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Seventy percent (70%) shall be deposited as general revenues; and

(ii) Thirty percent (30%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(4) Beginning fourth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Sixty percent (60%) shall be deposited as general revenues; and

(ii) Forty percent (40%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(5) Beginning the fifth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Fifty percent (50%) shall be deposited as general revenues; and

(ii) Fifty percent (50%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(6) Beginning the sixth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Forty percent (40%) shall be deposited as general revenues; and

(ii) Sixty percent (60%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(7) Beginning the seventh year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Thirty percent (30%) shall be deposited as general revenues; and

(ii) Seventy percent (70%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(8) Beginning the eighth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Twenty percent (20%) shall be deposited as general revenues; and

(ii) Eighty percent (80%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund;

(9) Beginning the ninth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be deposited as follows:

(i) Ten percent (10%) shall be deposited as general revenues; and

(ii) Ninety percent (90%) shall be deposited as special revenues as follows:

(a) Fifteen percent (15%) to the County Aid Fund;

(b) Fifteen percent (15%) to the Municipal Aid Fund; and

(c) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund; and

(10) Beginning the tenth year:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the director shall be special revenues and deposited as follows:

(i) Fifteen percent (15%) to the County Aid Fund;

(ii) Fifteen percent (15%) to the Municipal Aid Fund; and

(iii) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund.

(h)(1) All funds credited to the State Highway and Transportation Department Fund under subsection (g) of this section shall be used for the construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the state.

(2) All funds credited to the County Aid Fund under subsection (g) of this section shall be used for construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the county receiving the funds.

(3) All funds credited to the Municipal Aid Fund under subsection (g) of this section shall be used for the construction, reconstruction, and maintenance of highways, roads, streets, bridges, and their extensions located within the municipality receiving the funds.

(4) When the tax phase-in begins under subsection (g) of this section, the State Highway Commission, each county, and each municipality shall provide to each member of the General Assembly on the first Monday in January and annually thereafter a yearly report indicating how the funds provided by subsection (g) of this section were spent, which highways, roads, streets, bridges, and their extensions were worked on, and what other progress was made regarding the plan outlined to the General Assembly by the commission during the debate on this subsection and subsection (g) of this section.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the highways, roads, streets, and bridges of this state are in dire need of construction, reconstruction, and maintenance; that well-maintained roadways are necessary for economic development in this state; that dedicating a portion of the general revenue that represents the sales and use tax on motor vehicle repair and the retail sale of motor vehicle tires is necessary to help pay for the construction, reconstruction, and maintenance of our roadways; that dedicating the sales and use tax from the sale of new and used motor vehicles will be needed in order to construct, reconstruct, and repair those roadways; and that in order to lessen the loss of this money from general revenue, the transfer of these taxes will be phased in over a ten-year period. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2011."

The Amendment was read _____
By: Representative Baird
MMC/MMC - 03/11/11 09:38
MMC308

Chief Clerk