

Department of Finance and Administration

Legislative Impact Statement

Bill: SB541

Bill Subtitle: TO ALLOW REVENUES FROM THE TEMPORARY SALES AND USE TAX LEVIED UNDER AMENDMENT 91 TO THE ARKANSAS CONSTITUTION TO BE PLEDGED TO RETIRE LOCAL CAPITAL IMPROVEMENT BONDS ISSUED FOR CERTAIN PROJECTS.

Basic Change :

Senator Maloch

The bill provides authority for the governing body of a municipality or county to pledge by ordinance all or a specified portion of the municipality's or county's share of collections of the temporary one-half percent (0.5%) state sales and use tax levied under Amendment 91 to retire bonds issued for surface transportation projects. Fifteen percent of the tax collections resulting from the temporary one-half percent (0.5%) state sales and use tax for highways will be distributed to municipalities and fifteen percent to counties. An ordinance pledging the municipality's or county's share of the revenues would not be effective unless the issuance of the bonds is approved by a majority of the electors of the municipality or county. The bonds issued under this authority must have a final maturity date not later than July 1, 2023. The proposal contains an emergency clause and would be effective on the day it is signed by the Governor.

Revenue Impact :

No Impact on State General Revenues

Taxpayer Impact :

None

Resources Required :

None

Time Required :

Adequate time is allowed in the proposal

Procedural Changes :

None

Other Comments :

None

Legal Analysis :

SB541 allows revenues from sales and use taxes levied under Amendment 91 to the Arkansas Constitution to be pledged to retire county and municipal capital improvement bonds for surface transportation projects.

The bill has an emergency clause making it effective either upon approval by the Governor or upon the expiration of the time during which the Governor may veto the bill.