

Department of Finance and Administration

Legislative Impact Statement

Bill: SB538

Bill Subtitle: TO IMPLEMENT ARKANSAS CONSTITUTION, AMENDMENT 97; TO AMEND THE LAW CONCERNING ECONOMIC DEVELOPMENT TAXES AND PUBLIC CORPORATIONS FOR ECONOMIC DEVELOPMENT; AND TO DECLARE AN EMERGENCY.

Basic Change :

Sponsor: Senator Maloch

The bill would amend provisions of the Arkansas Code, Title 14, Chapter 174, that provide for the levy of local sales and use taxes to be utilized for expenses associated with public facilities and local economic development programs.

The bill amends the code to specifically reference the types of businesses, facilities and services included within eligible projects and subject to funding through local sales and use taxes. The bill defines "economic development projects" subject to the provisions to include:

- (A) Manufacturing, production, and industrial facilities;
- (B) Research, technology, and development facilities;
- (C) Recycling facilities;
- (D) Distribution centers;
- (E) Call centers;
- (F) Warehouse facilities;
- (G) Job training facilities; and
- (H) Regional or national corporate headquarters facilities.

The bill also defines "economic development service" to include planning, marketing, and strategic advice and counsel regarding job recruitment, job development, job retention, and job expansion; supervision and operation of industrial parks or other such properties; and negotiation of contracts for the sale or lease of industrial parks or other such properties.

Expenditures related to an "economic development project" include costs for land, buildings, furnishings, equipment, facilities, infrastructure, and improvements that are required or suitable for the project.

The bill has an emergency clause and would be effective upon signature of the Governor.

Revenue Impact :

None.

Taxpayer Impact :

None.

Resources Required :

None.

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Time Required :

None.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

None.