

INTERIM STUDY PROPOSAL 2007-042

State of Arkansas  
86th General Assembly  
Regular Session, 2007

**A Bill**

HOUSE BILL 2022

By: Representative Hyde

Referred to  
Joint Budget Committee  
by the House of Representatives  
on 04/02/2007

**For An Act To Be Entitled**

AN ACT TO PROVIDE ADDITIONAL FUNDING FOR THE  
MAINTENANCE AND ADMINISTRATION OF LOCAL AIRPORTS;  
AND FOR OTHER PURPOSES.

**Subtitle**

TO PROVIDE ADDITIONAL FUNDING FOR THE  
MAINTENANCE AND ADMINISTRATION OF LOCAL  
AIRPORTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 27-115-110 is amended to read as follows:  
27-115-110. Disposition of funds.

(a) All revenues derived from the levying of the Arkansas Gross Receipts Tax, as amended, § 26-52-101 et seq., upon aircraft and aviation fuel, aviation services, aircraft parts and accessories, and other gross receipts taxes remitted by aircraft dealers, airports, and flying fields shall be reported to the Director of the Department of Finance and Administration in a manner and on forms as he shall direct.

(b) The Arkansas Department of Aeronautics is authorized to accept donations and grants of all property, whether real or personal.

(c) Tax proceeds and grants and donations of money shall be special



1 revenues and shall be deposited in the State Treasury to the credit of the  
2 Arkansas Department of Aeronautics Fund, subject to the credit of funds to a  
3 local airport under subsection (d)(2) of this section, to be used for  
4 constructing and improving airports, civil airways, and other air navigation  
5 facilities and for preserving the history of aviation in the state.

6 (d)(1) The department shall administer the funds so deposited and  
7 shall use the funds for the sole purpose of building airports, civil airways,  
8 and other air navigation facilities in this state in those cities or towns as  
9 the department, in coordination with the Arkansas Economic Development  
10 Commission, shall determine would attract the greatest volume of industry to  
11 this state.

12 (2) Twenty-five percent (25%) of the sales tax collected under  
13 subsection (a) of this section from sales at a local airport shall be rebated  
14 to the local airport where the taxable sale originates.

15 (A) A seller of goods or services sold at a local airport  
16 shall submit to the Arkansas Department of Aeronautics quarterly a record of  
17 receipts designating the origin of the sale.

18 (B) No later than thirty (30) days after the submission of  
19 the record of receipts under subdivision (d)(2)(A) of this subsection, the  
20 Arkansas Department of Aeronautics shall rebate to a local airport an amount  
21 equal to twenty-five percent (25%) of the sales tax collected under  
22 subsection (a) of this section from sales at the local airport to be  
23 deposited in a bank or banks designated by the local airport for use by the  
24 local airport.

25 (C) The receipt of moneys under this subdivision (d)(2) of  
26 this subsection is in addition to any levy and collection of tax under § 14-  
27 364-101.

28 (D) A rebate received by an airport under subdivision  
29 (d)(2)(A) of this subsection shall be used for the administration, operation,  
30 and maintenance of the airport.

31 (E) The administration of the rebate under subdivision  
32 (d)(2)(A) of this subsection shall be in a manner and on forms as the  
33 director of the Arkansas Department of Aeronautics may require.

34 (e) Subject to the rebate to a local airport for the local airport's  
35 use under subsection (d)(2) of this section, ~~The the~~ Arkansas Department of  
36 Aeronautics funds may also be used use the funds for the purpose of:

1 (1) Matching funds with any federal funds made available for the  
2 purpose of this section;

3 (2) Establishing an aviation museum to preserve the history of  
4 aviation in the state. Assistance for the establishment of an aviation museum  
5 shall not exceed a total of twenty thousand dollars (\$20,000).

6 (f)(1) All revenues derived from the levying of the compensating use  
7 tax under the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,  
8 upon aircraft and aviation fuel, aviation services, and aircraft parts and  
9 accessories remitted by aircraft dealers, airports, and flying fields shall  
10 be reported to the director in a manner and on forms as he shall direct.

11 ~~(2) The first eight hundred thousand dollars (\$800,000) of the~~  
12 ~~state use tax collected after June 30, 1997, and collected through June 30,~~  
13 ~~1998, shall be deposited in the State Treasury as general revenues. The~~  
14 ~~remainder of the revenues collected during this period shall be special~~  
15 ~~revenues and shall be deposited in the State Treasury to the credit of the~~  
16 ~~fund, to be used for the purposes set forth in this subsection.~~

17 ~~(3) The first eight hundred thousand dollars (\$800,000) of the~~  
18 ~~state use tax collected after June 30, 1998, and collected through June 30,~~  
19 ~~1999, shall be deposited in the State Treasury as general revenues. The~~  
20 ~~remainder of the revenues collected during this period shall be special~~  
21 ~~revenues and shall be deposited in the State Treasury to the credit of the~~  
22 ~~fund, to be used for the purposes set forth in this subsection.~~

23 ~~(4) The first four hundred thousand dollars (\$400,000) of the~~  
24 ~~state use tax collected after June 30, 1999, and collected through June 30,~~  
25 ~~2000, shall be deposited in the State Treasury as general revenues. The~~  
26 ~~remainder of the revenues collected during this period shall be special~~  
27 ~~revenues and shall be deposited in the State Treasury to the credit of the~~  
28 ~~fund, to be used for the purposes set forth in this subsection.~~

29 ~~(5) The first two hundred thousand dollars (\$200,000) of the~~  
30 ~~state use tax collected after June 30, 2000, and collected through June 30,~~  
31 ~~2001, shall be deposited in the State Treasury as general revenues. The~~  
32 ~~remainder of the revenues collected during this period shall be special~~  
33 ~~revenues and shall be deposited in the State Treasury to the credit of the~~  
34 ~~fund, to be used for the purposes set forth in this subsection.~~

35 ~~(6)~~(2) Beginning July 1, 2001, all state use tax derived shall  
36 be special revenues and shall be deposited in the State Treasury to the

1 credit of the fund, to be used for the purposes set forth in this ~~subsection~~  
2 section.

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4 SECTION 2. Section 1 of this act becomes effective on the first day of  
5 the second calendar month following the effective date of this act.