

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

496

By: Senator Canada

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 26-75-602 TO PERMIT CITIES OF THE FIRST CLASS TO LEVY A GROSS RECEIPTS TAX OF NOT TO EXCEED THREE PERCENT (3%) ON THE GROSS RECEIPTS OF HOTELS, MOTELS AND RESTAURANTS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 26-75-602 is hereby amended by adding the following new subsections:

"(d) (1) Any city of the first class may, by ordinance of the governing body thereof, levy a tax not to exceed three percent (3%) upon the gross receipts or gross proceeds from the renting, leasing, or otherwise furnishing of hotel or motel accommodations for profit in the city, or upon the gross receipts or gross proceeds of restaurants, cafes, cafeterias, and other business establishments as defined in the levying ordinance, engaged in the business of selling prepared food for consumption on the premises in the city.

(2) An ordinance levying a tax as authorized herein shall be subject to referendum in the manner prescribed in Amendment 7 to the Arkansas Constitution."

(e) Any city levying a tax of three percent (3%) pursuant to this subchapter shall create a city advertising and promotion commission to be composed of seven (7) members as follows:

(1) four (4) members shall be representative of tourism industry, at least three (3) of whom shall be owners, operators or managers of hotels, motels, or restaurants, and all of whom shall be appointed by the mayor with the approval of the governing body of the city for staggered terms of four (4) years; and

(2) the remaining three (3) members of the commission shall be the

mayor and two (2) members of the governing body of the city selected by the governing body.

(f) In any city which has heretofore or hereafter levied a tax at the rate of three percent (3%), as authorized in subsection (d) of this Section and created a commission as provided in subsection (e), the four (4) tourism industry representatives appointed by the mayor, at the first meeting of the commission, shall draw lots for terms so that:

- (1) one (1) of the members will serve for a term of one (1) year;
- (2) one (1) shall serve for a term of two (2) years;
- (3) one (1) shall serve for a term of three (3) years; and
- (4) one (1) shall serve for a term of four (4) years.

All successors to these members shall be appointed for terms of four (4) years."

SECTION 2. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. EMERGENCY. It is hereby found and determined by the General Assembly that some cities in the state are in urgent need of additional revenues to finance tourist oriented facilities to promote the tourist industry in the state and to thereby produce much needed general revenue receipts for the state of Arkansas; that this act is designed to authorize certain cities to increase the tax on gross receipts of hotels, motels and restaurants in such cities to produce such essential revenues and should be given effect immediately. Therefore, an emergency is hereby declared to exist and this act being necessary for the preservation of the public peace, health

and safety shall be in full force and effect from and after its passage and approval.