

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: H3/13/97

A Bill

HOUSE BILL 1915

4
5 By: Representative Ferguson

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 26-74-214 CONCERNING THE
10 DISPOSITION OF FUNDS FROM CERTAIN COUNTY SALES AND USE
11 TAXES; AND FOR OTHER PURPOSES."

Subtitle

14 "AN ACT CONCERNING THE DISPOSITION OF
15 FUNDS FROM CERTAIN COUNTY SALES AND USE
16 TAXES."

17
18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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20 SECTION 1. Arkansas Code 26-74-214 is amended to read as follows:
21 "26-74-214. Disposition of funds.

22 (a)(1) The director shall maintain a record of the amount of tax
23 collected pursuant to this subchapter in each county and shall deposit all
24 such revenues with the State Treasurer.

25 (2) Upon receipt of the funds, the State Treasurer shall deduct
26 three percent (3%) thereof as a charge by the state for its services as
27 specified in this subchapter and shall credit the three percent (3%) to the
28 Constitutional and Fiscal Agencies Fund. In addition, the State Treasurer is
29 authorized to retain in the Local Sales and Use Tax Trust Fund an amount not
30 to exceed five percent (5%) of the total amount received from the tax levied
31 by each county, to be used by the State Treasurer to:

32 (A) Make remittances to the county for rebates made by the
33 county for taxes in excess of amounts specified by the particular county
34 ordinances paid by a taxpayer on a single transaction;

35 (B) Make refunds for overpayment of the taxes; and

36 (C) Redeem dishonored checks and drafts received and

1 deposited in the Local Sales and Use Tax Trust Fund.

2 (b)(1) All funds received by the State Treasurer from the sales tax
3 levied by each county after deducting the three percent (3%) for the
4 Constitutional and Fiscal Agencies Fund shall be deposited in the Local Sales
5 and Use Tax Trust Fund and shall be credited to the account of the county in
6 which collected.

7 (2)(A) The State Treasurer shall monthly transmit to the county
8 treasurer and to the city treasurer of each municipality located in a county
9 levying the tax authorized in this subchapter their per capita share of the
10 moneys received by the State Treasurer from the sales tax levied by such
11 county and credited to the account of the county in the Local Sales and Use
12 Tax Trust Fund.

13 (B) However, if the ballot title used in any elections held
14 during 1987 designated a division of the revenues, then the State Treasurer
15 shall distribute the tax directly to the county and the municipalities in
16 accordance with the ballot title.

17 (C) The county treasurer of any county which has levied a
18 sales tax pursuant to this subchapter and which rebates taxes paid on a single
19 transaction in excess of a specified amount shall monthly certify to the State
20 Treasurer the total amount of rebates paid since the preceding certification,
21 and the State Treasurer shall remit that amount to the county treasurer from
22 the Local Sales and Use Tax Trust Fund. If a distribution formula other than
23 per capita is to be used, a copy of the interlocal agreement between the
24 affected county and its municipalities shall be furnished to the State
25 Treasurer and the distribution of the tax shall be as agreed upon.

26 (c) Funds received by the counties and municipalities pursuant to the
27 provisions of this subchapter may be used by the counties and municipalities
28 for any purpose for which the county general funds or the city general funds
29 may be used.

30 (d) The State Treasurer is authorized to make refunds for overpayment
31 of the county sales tax and to redeem dishonored checks and drafts issued in
32 payment of the county sales tax from the Local Sales and Use Tax Trust Fund.

33 (e) When any tax adopted by a county pursuant to this subchapter is
34 abolished, the director shall retain in the account of that county in the
35 Local Sales and Use Tax Trust Fund for a period of one (1) year an amount
36 equal to five percent (5%) of the final remittance to the county and

1 municipalities therein at the time of termination of the collection of the tax
2 to:

- 3 (1) Cover possible rebates by the county;
- 4 (2) Cover refunds for overpayment of taxes;
- 5 (3) Redeem dishonored checks and drafts deposited to the credit
6 of the Local Sales and Use Tax Trust Fund. After one (1) year has elapsed
7 after the effective date of the abolition of the tax in any county, the
8 director shall transfer the balance in that countys account to the county and
9 municipalities in the county and shall close the account.

10 (f) Any moneys collected which, as indicated by a certified copy of an
11 ordinance of the quorum court of the county previously filed with the director
12 and the State Treasurer, are pledged to secure lease rentals or the payment of
13 bonds authorized by this subchapter shall not be deposited in the State
14 Treasury but shall be deposited by the director in a bank or banks designated
15 by the county, as cash funds, and transmitted to the county subject to the
16 charges payable and retainage authorized in this section. Charges deducted
17 shall be transmitted to the State Treasurer and amounts retained shall be
18 retained by the director as cash funds."

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20 SECTION 2. All provisions of this act of a general and permanent nature
21 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
22 Revision Commission shall incorporate the same in the Code.

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24 SECTION 3. If any provision of this act or the application thereof to
25 any person or circumstance is held invalid, such invalidity shall not affect
26 other provisions or applications of the act which can be given effect without
27 the invalid provision or application, and to this end the provisions of this
28 act are declared to be severable.

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30 SECTION 4. All laws and parts of laws in conflict with this act are
31 hereby repealed.

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/s/Rep. Ferguson

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