

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
4

As Engrossed: H3/14/97 H3/17/97

A Bill

HOUSE BILL 2000

5 By: Representative McJunkin
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For An Act To Be Entitled

9 "AN ACT TO PROVIDE THE ARKANSAS HIGHWAY COMMISSION AND
10 COUNTY AND CITY GOVERNMENTS IN ARKANSAS A PROGRAM OF
11 FINANCIAL AID TO ASSIST THEM IN CONSTRUCTING STATE
12 HIGHWAYS AND LOCAL ROADS AND STREETS WHICH ARE UNDER HIGH-
13 DENSITY USE BY VEHICULAR TRAFFIC; TO LEVY AN ADDITIONAL
14 ONE-HALF CENT GROSS RECEIPTS AND USE TAXES TO INCREASE
15 STATE GENERAL REVENUES; TO CAPTURE AND REDISTRIBUTE GROSS
16 RECEIPT TAXES ON MOTOR VEHICLE SALES AND ON MOTOR VEHICLE-
17 RELATED PRODUCTS AND SERVICES AS SPECIAL REVENUES TO THE
18 MOTOR VEHICLE SALES TAX FUND TO PROVIDE FUNDING FOR THE
19 PROGRAM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

21 "TO PROVIDE THE HIGHWAY COMMISSION AND
22 LOCAL GOVERNMENTS A PROGRAM OF FINANCIAL
23 AID TO CONSTRUCT HIGHWAYS AND ROADS
24 WHICH ARE UNDER HIGH-DENSITY USE."
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. This Act may be known and cited as the "Arkansas High-
30 Density Use Highway, Road and Street Development Act".
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32 SECTION 2. (a) There is established a program of the State of Arkansas
33 to identify those highways and local roads and streets in Arkansas which can
34 be considered as "high-density use" highways, roads, and streets and to
35 allocate increased level of highway construction and maintenance funding for
36 them to pay for new construction in areas of high-density use and for

1 maintenance costs to offset the excessive wear and tear caused on those
2 existing roads from high-density use. High-density use highways, roads, and
3 streets shall consist of those highways and local roads and streets which are
4 under the highest amount of use based on the density of traffic use or the
5 highest population densities in the affected areas.

6 (b) The Arkansas State Highway Commission is authorized to develop a
7 program of construction, reconstruction, and improvements to the Arkansas
8 state highway system for highways which are under the highest amount of use
9 based on the high density of traffic use or high population densities in the
10 affected areas. These high-density use highways and roads shall be placed as
11 a priority for use of these funds. The Commission is encouraged to develop
12 and present, from time to time, to the Arkansas General Assembly and its
13 relevant committees a program of construction and improvements to be made to
14 various highways in the state highway system and to county roads and city
15 streets qualified for improvements under this program.

16 (c) The Arkansas Highway and Transportation Department shall advise and
17 assist the county judges of the various counties and the mayors of the
18 municipalities on all matters connected with the laying out, planning,
19 developing, and constructing the road or street improvement program for their
20 respective counties or cities for the high-density use roads and streets in
21 their jurisdictions.

22 (d) The Arkansas Highway and Transportation Department shall use its
23 portion of the tax revenues received under this program primarily to
24 construct, reconstruct, and make improvements to the Arkansas state highway
25 system for highways which are identified as high-density use and to connect
26 the state highway system and state-aid roads to the high-density use county
27 roads and city streets improved under this program. Funds received under this
28 program by the State Highway Commission which are in excess of the
29 Commission's needs to construct, reconstruct, and make improvements to the
30 Arkansas state highway system for highways which are identified as high-
31 density use or to connect the state highway system to the county roads and
32 city streets may be used in any manner and on any other projects within the
33 Commission's discretion.

34 (e) Nothing in this Act shall be construed to deprive or diminish the
35 powers and duties of the Arkansas State Highway Commission in the exercise of
36 its constitutional control over the state highway system.

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SECTION 3. Arkansas Code § 26-52-302 is amended to add a new subsection to read as follows:

"(c) In addition to the excise tax levied upon the gross proceeds or gross receipts derived from all sales by the Arkansas Gross Receipts Act, § 26-52-101 et seq., there is hereby levied an excise tax of one-half of one percent (0.5%) upon all taxable sales of property and services subject to the tax levied in that act, and such tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of all other Arkansas gross receipts taxes. Provided that, in computing gross receipts or gross proceeds as defined in § 26-52-103(a)(4), a deduction shall be allowed for bad debts resulting from the sale of tangible personal property."

SECTION 4. Arkansas Code § 26-53-107 is amended to add a new subsection to read as follows:

"(c) In addition to the excise tax levied upon the privilege of storing, using, distributing, or consuming tangible personal property within the state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is hereby levied an excise tax of one-half of one percent (.5%) upon all tangible personal property subject to the tax levied in that act, and such tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of Arkansas compensating taxes."

SECTION 5. (a) There is established on the books of the State Treasurer, Auditor of State, and the Chief Fiscal Officer, a fund to be known as the Arkansas High-Density Use Highway, Road and Street Development Fund. The revenues credited to the Fund shall be used for construction, reconstruction, and improvements of the Arkansas highway system and local government road and street systems which are under high-density use.

(b) On the last day of each month after the effective date of this act, the Treasurer of State, after making the deductions required from the net general revenues as set out in § 19-5-202(b)(2)(B)(i), shall also deduct from said net general revenues such amounts as are certified by the Chief Fiscal Officer of the State as having accrued from the following sources and shall

1 transfer them to the High-Density Use Highway, Road, and Street Development

2 Fund:

3 (1) the gross receipts taxes levied on the sale of all new or used
4 motor vehicles, trailers, or semitrailers required to be licensed which are
5 levied and collected as provided for in Arkansas Code § 26-52-510;

6 (2) the gross receipts taxes levied on the sale of the service of
7 alteration, addition, cleaning, refinishing, replacement, and repair of motor
8 vehicles, motors of all kinds and types of motor vehicles, tires and
9 batteries, and any other motor vehicle related services under Arkansas Code §
10 26-52-301(3)C); and

11 (3) the rental vehicle tax under Arkansas Code § 26-52-311.

12 (c) From the moneys accruing in the High-Density Use Highway, Road, and
13 Street Development Fund, the State Treasurer shall, on the last day of the
14 month, then transfer all the available revenues in the Fund to the following
15 funds:

16 (1) Fifteen percent (15%) of the amount thereof, to the County
17 Aid Fund, to be further distributed in the same manner provided in § 27-70-
18 207(a);

19 (2) Fifteen percent (15%) of the amount thereof, to the Municipal
20 Aid Fund, to be further distributed in the same manner provided in § 27-70-
21 207(b); and

22 (3) Seventy percent (70%) of the amount thereof, to the State
23 Highway and Transportation Department Fund.

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25 SECTION 6. All provisions of this act of general and permanent nature
26 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
27 Revision Commission shall incorporate the same in the Code.

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29 SECTION 7. If any provision of this act or the application thereof to
30 any person or circumstance is held invalid, the invalidity shall not affect
31 other provisions or applications of the act which can be given effect without
32 the invalid provisions or application, and to this end the provisions of this
33 act are declared to be severable.

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35 SECTION 8. All laws and parts of laws in conflict with this act are
36 hereby repealed.

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SECTION 9. Emergency. It is hereby found and determined by the Eighty-
First General Assembly of the State of Arkansas that certain state highways
and certain local government roads and streets are under a higher level of
deterioration based on the density of traffic use and the high population
densities in their immediate areas; current sources of funding for state
highways and for city and county roads are inadequate to meet the needs of
these rapidly growing areas of Arkansas; and that current state gasoline taxes
do not provide a flexible source of funding for areas of the State of Arkansas
which are growing faster than the state average and are subject to higher
levels of traffic density. Therefore, in order to alleviate the gap between
the highway and street construction needs and the highway funding resources,
an emergency is hereby declared to exist, and this act being necessary for the
immediate preservation of the public peace, health, and safety shall become
effective on the date of its approval by the Governor. If the bill is neither
approved nor vetoed by the Governor, it shall become effective on the
expiration of the period of time during which the Governor may veto the bill.
If the bill is vetoed by the Governor and the veto is overridden, it shall
become effective on the date the last house overrides the veto.

/s/Rep. McJunkin