

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001

A Bill

HOUSE BILL 2320

4
5 By: Representatives Files, Bond
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE TITLE 14, CHAPTER
10 164, SUBCHAPTER 3 TO CLARIFY AND MAKE TECHNICAL
11 CHANGES TO CERTAIN STATUTORY PROVISIONS REGARDING
12 THE LEVY OF LOCAL SALES AND USE TAXES TO BE
13 PLEDGED TO THE RETIREMENT OF CAPITAL IMPROVEMENT
14 BONDS; DECLARING AN EMERGENCY; AND FOR OTHER
15 PURPOSES.

Subtitle

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18 AN ACT TO AMEND ARKANSAS CODE TITLE 14,
19 CHAPTER 164, SUBCHAPTER 3 RELATING TO
20 THE LEVY OF LOCAL SALES AND USE TAXES TO
21 BE PLEDGED FOR THE RETIREMENT OF BONDS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code 14-164-327 is amended to read as follows:

27 14-164-327. Capital improvement bonds - Local sales and use tax - Levy.

28 (a) (1) In lieu of or in addition to the levying of an ad valorem tax
29 to retire bonds for capital improvement purposes, the legislative body of a
30 municipality or county may adopt an ordinance levying a local sales and use
31 tax in the amount of one-fourth of one percent (.25%), one-half of one
32 percent (0.5%), three-fourths of one percent (.75%), or one percent (1%) to
33 retire the bonds in accordance with the terms of this section and §§
34 14-164-328 - 14-164-335.

35 (2)(A) The ordinance may levy multiple taxes.

36 (B) However, there shall not be in effect at any one (1)

1 time taxes levied under this subchapter at an aggregate rate greater than one
2 percent (1%).

3 (b) A certified copy of the ordinance or ordinances authorizing the
4 levy of a local sales and use tax or taxes and the issuance of bonds secured
5 thereby shall be provided to the director and to the Treasurer of State as
6 soon as practicable after the adoption thereof.

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8 SECTION 2. Arkansas Code 14-164-328 is amended to read as follows:

9 14-164-328. Capital improvement bonds - Local sales and use tax -
10 Election to authorize.

11 (a)(1)(A) On the date of adoption of an ordinance levying a local
12 sales and use tax or taxes to retire the bonds, or within thirty (30) days
13 following the adoption of the ordinance, the municipality or county shall
14 provide by ordinance for the calling and holding of an election on ~~such~~
15 ~~question~~ the issuance of the bonds to which the tax or taxes will be pledged
16 as provided in § 14-164-309.

17 (B) The ordinance levying the tax may also call the
18 election.

19 (2)(A) In addition to the requirements of § 14-164-309, and in
20 lieu of a reference to an ad valorem tax, if none is to be levied, there
21 shall be set forth on the ballot a statement that a local sales and use tax
22 ~~of percent (.%)~~ or taxes shall be levied and pledged to the
23 retirement of the bonds approved by the voters.

24 (B) The percentage rate for each tax shall also be
25 specified on the ballot.

26 (b) Following the election, the chief executive of the municipality or
27 county shall issue his proclamation of the results of the election with
28 reference to the ~~local sales and use tax bonds~~. The proclamation shall be
29 published one (1) time in a newspaper having general circulation in the
30 municipality or county.

31 (c)(1) Any person desiring to challenge the results of the election as
32 published in the proclamation shall file such challenge in the circuit court
33 in which the municipality or county is located within thirty (30) days of the
34 date of publication of the proclamation.

35 (2) Hearings of such matters of litigation shall be advanced on
36 the docket of the courts and disposed of at the earliest feasible time.

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SECTION 3. Arkansas Code 14-164-339 is amended to read as follows:
14-164-339. Simultaneous pledge of local sales and use tax.

(a)(1) Any municipality levying a local sales and use tax pursuant to the provisions of § 26-75-201 et seq., §§ 26-75-301 through 26-75-318 or § 26-73-113 may, simultaneously with such levy, pledge all or a specified portion of such tax to retire bonds for the purposes set forth in § 14-164-303(a)(2).

(2) The ballot form in a municipal election to levy a local sales and use tax pursuant to the provisions of § 26-75-208, § 26-75-308 or § 26-73-113 and to simultaneously pledge all or a specified portion of such tax to retire bonds as provided in this subchapter shall be headed with the question of approval or disapproval of such tax and shall be followed by the question or questions of the issuance of the bonds.

(3)(A) The question or questions of the issuance of bonds shall also contain a statement describing the extent to which the tax, if approved, may be pledged to retire the bonds which are approved by the voters of the municipality.

(B) The local sales and use tax or taxes authorized in § 14-164-327 may also be pledged to bonds approved pursuant to this § 14-164-339, and in such case the question or questions of the issuance of the bonds shall contain a statement to such effect.

(4) The election shall be conducted as provided in §§ 14-164-309 and ~~14-164-328~~, and the bonds shall be authorized, issued, and secured as provided in this subchapter.

(b)(1) Any county levying a local sales and use tax pursuant to the provisions of § 26-74-201 et seq., §§ 26-74-301 through 26-74-319, §26-74-401 through § 26-74-414, or § 26-73-113 may, simultaneously with such levy, pledge all or a specified portion of such tax to retire bonds for the purposes set forth in § 14-164-303(a)(2).

(2) The ballot form in a county election to levy a local sales and use tax pursuant to the provisions of § 26-74-208, § 26-74-308, § 26-74-403 or § 26-73-113 and to simultaneously pledge all or a specified portion of its share of such tax to retire bonds as provided in this subchapter shall be headed with the question of approval or disapproval of such tax and shall be followed by the question or questions of the issuance of the bonds.

1 (3)(A) The question or questions of the issuance of bonds shall
2 also contain a statement describing the extent to which the tax, if approved,
3 may be pledged to retire the bonds which are approved by the voters of the
4 county.

5 (B) The local sales and use tax or taxes authorized in §
6 14-164-327 may also be pledged to bonds approved pursuant to this § 14-164-
7 339, and in such case the question or questions of the issuance of the bonds
8 shall contain a statement to such effect.

9 (4) The election shall be conducted as provided in §§ 14-164-309
10 ~~and 14-164-328~~, and the bonds shall be authorized, issued, and secured as
11 provided in this subchapter.

12 (c) In any municipality or county in which a local sales and use tax
13 is adopted pursuant to § 26-75-201 et seq., ~~or § 26-74-201 et seq.~~, §§ 26-75-
14 301 through 26-75-318, §§ 26-74-201 through 26-74-220, §§ 26-74-301 through
15 26-74-319, §§ 26-74-401 through 26-74-414, or § 26-73-113, respectively, and
16 pledged to secure the payment of bonds as authorized by this subchapter, that
17 portion of the tax pledged to secure the payment of bonds shall not be
18 repealed, abolished, or reduced so long as any of such bonds are outstanding.

19 (d) In any municipality or county in which a local sales and use tax
20 is approved and the issuance of bonds disapproved in an election held
21 pursuant to subsection (a) or (b) of this section, revenues derived from such
22 local sales and use tax may be utilized by the municipality or county for any
23 valid governmental purpose.

24 (e)(1) Any moneys collected which, as indicated by a certified copy of
25 an ordinance of the municipality or county previously filed with the director
26 and the State Treasurer, are pledged, under the provisions of any act, to
27 secure the retirement of bonds authorized by this subchapter, shall be
28 transmitted by the director to the State Treasurer.

29 (2) The State Treasurer shall not deposit any such moneys into
30 the State Treasury or into general revenues, but shall hold such moneys
31 apart, in trust, and shall deposit such moneys as cash funds into the Local
32 Sales and Use Tax Trust Fund established by this subchapter.

33 (3) The State Treasurer shall transmit monthly to the treasurer
34 of the municipality or county, as the case may be, or in the alternative, to
35 a bank or other depository designated by the municipality or county, the
36 moneys of the municipality or county held in the Local Sales and Use Tax

1 Trust Fund established by this subchapter, subject to the charges payable and
2 retainage authorized by §§ 26-74-201 - 26-74-219, 26-74-221, 26-74-315 -
3 26-74-317, 26-74-409, 26-74-413, 26-75-201 - 26-75-221, 26-75-223, 26-75-317,
4 and 26-75-318.

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6 SECTION 4. Emergency clause. It is found and determined by the
7 General Assembly that municipalities and counties utilize capital improvement
8 bonds to finance needed capital improvements of a public nature and that
9 legislation is needed to clarify and make technical changes to the statutory
10 provisions regarding the levy of local sales and use taxes to be pledged to
11 the retirement of capital improvement bonds. Therefore, an emergency is
12 declared to exist and this act being immediately necessary for the
13 preservation of the public peace, health and safety shall become effective on
14 the date of its approval by the Governor. If the bill is neither approved
15 nor vetoed by the Governor, it shall become effective on the expiration of
16 the period of time during which the Governor may veto the bill. If the bill
17 is vetoed by the Governor and the veto is overridden, it shall become
18 effective on the date the last house overrides the veto.

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