

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 85th General Assembly
3 Regular Session, 2005

A Bill

HOUSE BILL 2474

4
5 By: Representatives Glidewell, Medley, Childers
6 By: Senator Altes

For An Act To Be Entitled

10 AN ACT TO PROVIDE THAT MUNICIPALITIES MAY CHANGE
11 DESIGNATED USES OF REVENUES DERIVED FROM A
12 MUNICIPAL SALES OR USE TAX WITH VOTER APPROVAL;
13 AND FOR OTHER PURPOSES.

Subtitle

16 TO PROVIDE THAT MUNICIPALITIES MAY
17 CHANGE DESIGNATED USES OF REVENUES
18 DERIVED FROM A MUNICIPAL SALES OR USE
19 TAX WITH VOTER APPROVAL.

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

24 SECTION 1. Arkansas Code § 26-75-208, concerning municipal sales and
25 use taxes on capital improvements, is amended to add an additional subsection
26 to read as follows:

27 (c)(1)(A) The ballot may also indicate designated uses of the revenues
28 derived from the sales and use tax.

29 (B) If the ballot indicates designated uses and the tax is
30 approved, the proceeds shall only be used for the designated uses set forth
31 in the ballot.

32 (2) The proceeds may be used for other designated uses if the
33 electors approve a change in the designated use of the revenues by vote under
34 this subsection.

35 (3)(A) The governing body of a city may refer to the voters a
36 change in the designated use of revenues derived from a sales or use tax that



1 was approved by the voters.

2 (B) If the governing body of a city refers a change in the
 3 designated use of revenues derived from a sales or use tax to the voters, the
 4 governing body shall:

5 (i) Notify the county board of election
 6 commissioners that the measure has been referred to the voters; and

7 (ii) Submit a copy of the ballot title to the county
 8 board of election commissioners.

9 (C)(i) An election to change the designated use of
 10 revenues derived from a sales or use tax shall be conducted in the manner
 11 provided by law for all other municipal elections.

12 (ii) The results of an election under this
 13 subsection shall be certified, proclaimed, and subject to challenge under the
 14 procedures stated in § 26-75-209.

15 (4) If the voters approve a change in the designated use of
 16 revenues derived from a sales or use tax, the change in the indicated use
 17 shall apply to all revenues collected on the first day of the calendar month
 18 following the expiration of the thirty-day challenge period under § 26-75-
 19 209.

20 (5)(A) If the voters do not approve a change in the designated
 21 use of revenues derived from a sales or use tax, the tax shall continue to be
 22 collected, and the revenues derived from the tax shall continue to be used
 23 for the purposes indicated in the ballot for the tax.

24 (B) An election to change the designated use of revenues
 25 derived from a sales or use tax shall not constitute an election on the levy
 26 of the tax.

27 (6) Any city that has levied a local sales and use tax under
 28 this subchapter with a portion of the revenues derived from the tax pledged
 29 to secure lease rentals or bonds may not change the tax to reduce the pledge
 30 in favor of the lease or bonds.

31
 32 SECTION 2. Arkansas Code § 26-75-308, concerning municipal sales and
 33 use taxes on capital improvements, is amended to add an additional subsection
 34 to read as follows:

35 (c)(1) The ballot title may also include an expiration date, and, if
 36 adopted in this form, the tax shall cease to be levied on the date noted on

1 the ballot.

2 (2) The expiration date shall be the last day of a calendar
 3 quarter unless the proceeds are pledged for the payment of bonds, in which
 4 case the tax shall terminate as otherwise provided by law.

5 (d)(1)(A) The ballot may also indicate designated uses of the revenues
 6 derived from the sales or use tax.

7 (B) If the tax is approved, the proceeds shall only be
 8 used for the designated purposes.

9 (2) The proceeds may be used for other designated purposes if
 10 the electors approve a change in the designated use of the revenues by vote
 11 under this subsection.

12 (3)(A) The governing body of a city may refer to the voters a
 13 change in the designated use of revenues derived from a sales or use tax that
 14 was approved by the voters.

15 (B) If the governing body of a city refers a change in the
 16 designated use of revenues derived from a sales or use tax to the voters, the
 17 governing body shall:

18 (i) Notify the county board of election
 19 commissioners that the measure has been referred to the voters; and

20 (ii) Submit a copy of the ballot title to the county
 21 board of election commissioners.

22 (C)(i) An election to change the designated use of
 23 revenues derived from a sales or use tax shall be conducted in the manner
 24 provided by law for all other municipal elections.

25 (ii) The results of an election under subsection (d)
 26 of this section shall be certified, proclaimed, and subject to challenge
 27 under the procedures stated in § 26-75-309.

28 (4) If the voters approve a change in the designated use of
 29 revenues derived from a sales or use tax, the change in the designated use
 30 shall apply to all revenues collected on the first day of the calendar month
 31 following the expiration of the thirty-day challenge period under § 26-75-
 32 309.

33 (5)(A) If the voters do not approve a change in the designated
 34 use of revenues derived from a sales or use tax, the tax shall continue to be
 35 collected, and the revenues derived from the tax shall continue to be used
 36 for the purposes indicated in the ballot for the tax.

1 (B) An election to change the designated use of revenues
2 derived from a sales or use tax shall not constitute an election on the levy
3 of the tax.

4 (6) Any city that has levied a local sales and use tax under
5 this subchapter with a portion of the revenues derived from the tax pledged
6 to secure lease rentals or bonds may not change the tax to reduce the pledge
7 in favor of the lease or bonds.

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