

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
4

As Engrossed: H3/9/05

A Bill

HOUSE BILL 2474

5 By: Representatives Glidewell, Medley, Childers
6 By: Senator Altes
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8

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.
14

Subtitle

15 TO PROVIDE THAT MUNICIPALITIES MAY
16 CHANGE DESIGNATED USES OF REVENUES
17 DERIVED FROM A MUNICIPAL SALES OR USE
18 TAX WITH VOTER APPROVAL.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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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.

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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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9 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
10 General Assembly of the State of Arkansas that municipal sales and use taxes
11 are levied by the voters for specific uses; that if the tax revenue is no
12 longer needed for that specific use, the revenues cannot be used for other
13 purposes; that this act will allow the voters of the municipality the
14 opportunity to change the use of the tax revenues; and that this act is
15 immediately necessary because it provides that the voters may choose to
16 change the use of the tax revenues. Therefore, an emergency is declared to
17 exist and this act being immediately necessary for the preservation of the
18 public peace, health, and safety shall become effective on:

19 (1) The date of its approval by the Governor;

20 (2) If the bill is neither approved nor vetoed by the Governor,
21 the expiration of the period of time during which the Governor may veto the
22 bill; or

23 (3) If the bill is vetoed by the Governor and the veto is
24 overridden, the date the last house overrides the veto.

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26 /s/ Glidewell, et al
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