

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 2475

5 By: Representatives Glidewell, Medley, Childers  
6 By: Senator Altes  
7  
8

9 **For An Act To Be Entitled**

10 AN ACT TO AMEND THE PROCEDURES FOR ABOLISHING  
11 MUNICIPAL SALES AND USE TAXES; AND FOR OTHER  
12 PURPOSES.  
13

14 **Subtitle**

15 TO AMEND THE PROCEDURES FOR ABOLISHING  
16 MUNICIPAL SALES AND USE TAXES.  
17  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 26-75-210 is amended to read as follows:  
22 26-75-210. Abolishment of tax.

23 (a)(1) Except as set forth in subsection (b) of this section, in any  
24 city in which a city sales and use tax has been adopted in the manner  
25 provided in this subchapter, and subsequent to the adoption of the city tax,  
26 the county in which the city is located enacts a county sales and use tax,  
27 then the city may abolish its sales and use tax by a:

28 (A) roll Roll call of two-thirds (2/3) of all the members  
29 elected to the governing board of the city; or council ~~or by a~~

30 (B) petition ~~Petition~~ of the qualified voters in the city.  
31 ~~Where no county sales and use tax has been imposed, then in any city in which~~  
32 ~~a local sales and use tax has been adopted in the manner provided for in this~~  
33 ~~subchapter,~~

34 (2)(A) In all other cases, except under subsection (b) of this  
35 section, the city may abolish ~~such~~ all or a portion of the sales and use tax  
36 ~~after, and only after,~~ not pledged to:



1                    (i) Lease rentals during the effectiveness of the  
2 lease; or

3                    (ii) Outstanding bonds.

4                    (B) The city may abolish the sales and use tax by:

5                    (i) A roll call vote of two-thirds (2/3) of all  
6 members elected to the governing body of the city, excluding the mayor, if  
7 the:

8                    (a) Qualified voters of the city have voted  
9 not to continue the tax; or

10                   (b) Governing body of the city has determined  
11 that the purposes of the tax cannot be fulfilled or continue to be fulfilled;  
12 or

13                   (ii) an ~~An~~ election called by:

14                   (a) ~~action~~ Action of ~~its~~ the governing body; or

15                   (b) ~~by a~~ A petition of the qualified voters in  
16 the city.

17                   (3) ~~As to such petitions of the qualified voters, the provision~~  
18 ~~of~~ Arkansas Constitution, Amendment 7, with reference to initiative  
19 procedures, together with any ordinances of the city governing such  
20 initiative procedures pursuant to the authority granted to municipalities by  
21 Amendment 7, shall govern the petition procedure and the calling and holding  
22 of an election with reference to abolishment of such tax.

23                   (4) The governing body of the city may call for such an election  
24 according to the procedures set forth in this subchapter for the calling of  
25 the initial election on such question.

26                   (5) The ballot title for use in any such election shall be the  
27 same as indicated in § 26-75-208 except that the word "ABOLITION" shall be  
28 substituted for the word "ADOPTION" as it appears in the ballot title set  
29 forth in that subsection. ~~The effective dates of any affirmative vote to~~  
30 ~~abolish such tax shall correspond to the dates indicated in § 26-75-209 for~~  
31 ~~the initial effective date of such tax.~~

32                   (b)(1) In any city in which a local sales and use tax has been adopted  
33 in the manner provided for in this subchapter and all or any portion pledged  
34 to secure the payment of lease rentals or bonds as authorized by this  
35 subchapter, that portion of the tax pledged to lease rentals or bonds shall  
36 not be repealed, abolished, or reduced so long as the lease is in effect or

1 any of such bonds are outstanding.

2 (2) Bonds shall not be outstanding if there are sufficient tax  
3 revenues that have been collected to pay the bonds when due.

4 (c) The effective date of any affirmative vote to abolish the tax  
5 under subsection (a) of this section shall correspond to the dates indicated  
6 in § 26-75-209 for the initial effective date of the tax.

7 (d)(1) The effective date of any affirmative vote by the governing  
8 body of the city to abolish the tax under subsection (a) of this section  
9 shall be on the first day of the calendar quarter after the expiration of  
10 thirty (30) days from the date a written statement signed by the chief  
11 executive officer of the city abolishing the tax is filed with the Director  
12 of the Department of Finance and Administration certifying that the governing  
13 body of the city has adopted an ordinance abolishing the tax.

14 (2) A copy of the ordinance shall be attached to the  
15 certificate.

16  
17 SECTION 2. Arkansas Code § 26-75-310 is amended to read as follows:

18 26-75-310. Abolishment of tax.

19 (a)(1) In any city in which a local sales and use tax has been adopted  
20 in the manner provided for in this subchapter and all or any portion pledged  
21 to secure the payment of lease rentals or bonds as authorized by this  
22 subchapter, that portion of the tax pledged to lease rentals or bonds shall  
23 not be abolished so long as the lease is effective or any of the bonds are  
24 outstanding.

25 (2) Bonds shall not be outstanding if there are sufficient tax  
26 revenues that have been collected to pay the bonds when due.

27 (b) The city may abolish all or that portion of the sales and use tax  
28 that is not pledged to lease rentals during which the lease is  
29 effective or to outstanding bonds ~~after, and only after,~~ by:

30 (1) A roll call vote of two-thirds (2/3) of all members elected  
31 to the governing body of the city, excluding the mayor, if the:

32 (A) Qualified voters of the city have voted not to  
33 continue the tax; or

34 (B) Governing body of the city has determined that the  
35 purposes of the tax cannot be fulfilled or continue to be fulfilled; or

36 (2) ~~an~~ An election called by:

1                   (A) ~~action~~ Action of ~~its~~ the governing body; or

2                   (B) ~~by a~~ A petition of the qualified voters in the city.

3                   (C) ~~As to such petitions of the qualified voters, the provision of~~  
4 Arkansas Constitution, Amendment 7, with reference to initiative procedures,  
5 together with any ordinances of the city governing such initiative procedures  
6 pursuant to the authority granted to municipalities by Amendment 7, shall  
7 govern the petition procedure and the calling and holding of an election with  
8 reference to abolishment of such tax.

9                   (D) The governing body of the city may call for such an election  
10 according to the procedures set forth in this subchapter for the calling of  
11 the initial election on such question. The ballot title for use in any such  
12 election shall be the same as indicated in § 26-75-308, except that the word  
13 "ABOLITION" shall be substituted for the word "ADOPTION" as it appears in the  
14 ballot title set forth in that subsection.

15                   (E) The effective dates of any affirmative vote to abolish such tax  
16 under subdivision (b)(1) of this section shall correspond to the dates  
17 indicated in § 26-75-309 for the initial effective date of such tax.

18                   (F)(1) The effective date of any affirmative vote by the governing  
19 body of the city to abolish the tax under subsection (d) of this section  
20 shall be on the first day of the calendar quarter after the expiration of  
21 sixty (60) days from the date a written statement signed by the chief  
22 executive officer of the city abolishing the tax is filed with the Director  
23 of the Department of Finance and Administration certifying that the governing  
24 body of the city has adopted an ordinance abolishing the tax.

25                   (2) A copy of the ordinance shall be attached to the  
26 certificate.

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28                   SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
29 General Assembly of the State of Arkansas that current law provides that if a  
30 municipality has levied sales and use taxes and the county in which the city  
31 is located subsequently levies county sales and use taxes, the municipality  
32 may abolish its tax; that provisions are needed in this law to protect the  
33 revenues pledged to pay lease rentals and outstanding bonds; that this act  
34 would allow a portion and not all of the tax to be abolished; and that this  
35 act is immediately necessary because it provides that a portion of the tax  
36 may be abolished and also protects revenues pledged to pay leases and

1 outstanding bonds. Therefore, an emergency is declared to exist and this act  
2 being immediately necessary for the preservation of the public peace, health,  
3 and safety shall become effective on:

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

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

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

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11 /s/ Glidewell, et al

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