

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

SENATE BILL 537

4  
5 By: Senator Glover  
6 By: Representative L. Evans

## For An Act To Be Entitled

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10 AN ACT TO CLARIFY ARKANSAS CODE § 26-74-208  
11 CONCERNING SALES AND USE TAX FOR CAPITAL  
12 IMPROVEMENTS; AND FOR OTHER PURPOSES.

## Subtitle

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15 AN ACT TO CLARIFY ARKANSAS CODE § 26-74-  
16 208 CONCERNING SALES AND USE TAX FOR  
17 CAPITAL IMPROVEMENTS.

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

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22 SECTION 1. Arkansas Code § 26-74-208 is amended to read as follows:  
23 26-74-208. Form of ballot.

24 (a) The ballot title to be used shall be substantially in the  
25 following form:

26 [ ] "FOR adoption of a . . . . percent (. . . %) sales and use tax within  
27 ..... (Name of county)."

28 [ ] "AGAINST adoption of a . . . . percent (. . . %) sales and use tax  
29 within ..... (Name of county)."

30 (b)(1) The ballot title may also include an expiration date for the  
31 levy of the tax and, if adopted in this form, the tax shall cease to be  
32 levied on the date noted on the ballot.

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

36 (c)(1)(A) The ballot may also indicate designated uses of the revenues



1 derived from the sales ~~or~~ and use tax or the allocation or distribution of  
 2 revenues, or both, and if the tax is approved, the proceeds shall only be  
 3 used for the designated purposes and distributed in the manner set forth in  
 4 the ballot.

5 (B) The county's share of the proceeds may be used for  
 6 other designated purposes if the electors approve a change in the designated  
 7 use of the revenues by vote under this subsection.

8 (2)(A) The quorum court of a county may refer to the vote of the  
 9 people a change in the indicated use of revenues derived from a sales ~~or~~ and  
 10 use tax levied by the county that was approved by the voters, but a change  
 11 shall not alter the allocation of tax collections among the county and  
 12 municipalities within the county.

13 (B) If the quorum court of a county refers to the vote of  
 14 the people a change in the indicated use of revenues derived from a sales ~~or~~  
 15 and use tax, the quorum court shall:

16 (i) Notify the county board of election  
 17 commissioners that the measure has been referred to the vote of the people;  
 18 and

19 (ii) Submit a copy of the ballot title to the board.

20 (C)(i) An election to change the indicated use of revenues  
 21 derived from a sales ~~or~~ and use tax shall be conducted in the manner provided  
 22 by law for all other county elections.

23 (ii) The results of an election under this  
 24 subsection shall be certified, proclaimed, and subject to challenge under the  
 25 procedures stated in § 26-74-209.

26 (3) If the voters approve a change in the indicated use of  
 27 revenues derived from a sales ~~or~~ and use tax, the change in the indicated use  
 28 shall apply to all revenues collected on the first day of the calendar month  
 29 following the expiration of the thirty-day challenge period under § 26-74-  
 30 209.

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

35 (B) An election to change the indicated use of revenues  
 36 derived from a sales ~~or~~ and use tax shall not constitute an election on the

1 levy of the tax.

2 (5) Notwithstanding anything in this subchapter to the contrary,  
3 in any county that a local sales and use tax has been adopted in the manner  
4 provided for in this subchapter and a portion of the revenues derived from  
5 the tax has been pledged to secure lease rentals or bonds, the purpose for  
6 the tax may not be changed to reduce the pledge in favor of the lease or  
7 bonds.

8 (d)(1) Any tax adopted for a specified period of time shall cease to  
9 be levied on the date indicated on the ballot.

10 (2) This section shall be effective retroactive to December 1,  
11 1981, and, if a majority of the qualified electors of any county in this  
12 state voting on the question at an election held subsequent to this date have  
13 voted to adopt a sales tax levy for a specific duration of time as stated on  
14 the ballot, the authority to levy the sales tax shall cease on the date  
15 specified on the ballot for termination thereof the same as if the issue had  
16 been voted upon under the provisions of this subchapter, which are made  
17 retroactive to December 1, 1981.

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