

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 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H2/26/07

A Bill

HOUSE BILL 1586

5 By: Representative King
6
7

For An Act To Be Entitled

9 AN ACT TO MODIFY PROVISIONS RELATED TO THE
10 ADVERTISING AND PROMOTION TAXES LEVIED BY CITIES
11 OF THE FIRST CLASS WITH A POPULATION OF FEWER
12 THAN FIVE THOUSAND (5,000) TO ENSURE THAT THE
13 TAXES ARE LEVIED AND COLLECTED ON ALL ENTITIES
14 THAT PROVIDE LODGING AND TO PROVIDE ADEQUATE
15 REPRESENTATION AND PROCEDURES FOR FILLING THE
16 VACANCIES THAT OCCUR ON THESE CITIES' ADVERTISING
17 AND PROMOTIONS COMMISSION; AND FOR OTHER
18 PURPOSES.

Subtitle

21 TO MODIFY PROVISIONS RELATED TO THE
22 ADVERTISING AND PROMOTION TAXES LEVIED
23 BY CITIES OF THE FIRST CLASS WITH A
24 POPULATION OF FEWER THAN FIVE THOUSAND
25 (5,000) INHABITANTS.
26
27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
29

30 SECTION 1. Arkansas Code § 26-75-701(a), regarding the authorization
31 of the advertising and promotions tax levied in a city of the first class
32 that has a population of fewer than five thousand (5,000) inhabitants, is
33 amended to read as follows:

34 (a) Any city of the first class having a population of fewer than five
35 thousand (5,000) inhabitants, a portion of which has been designated as a
36 historic district and is included on the National Register of Historic



1 Places, by ordinance of its governing body, may levy a tax not to exceed two
2 percent (2%) upon the gross receipts or gross proceeds from:

3 (1) The renting, leasing, or otherwise furnishing of ~~hotel or~~
4 ~~motel accommodations~~ lodging for profit in the city;

5 (2) Restaurants, cafes, cafeterias, and other business
6 establishments, as defined in the levying ordinance, engaged in the business
7 of selling prepared food for consumption on the premises in the city;

8 (3) *Sales by ~~gift shops~~, retail businesses, a majority of whose*
9 *gross receipts or gross proceeds are derived from the sale of items ~~commonly~~*
10 *~~referred to as gifts or souvenirs~~ available for sale to tourists, as defined*
11 *in the levying ordinance; and*

12 (4) Admission price to tourist attractions, as defined in § 26-
13 52-1001.

14
15 SECTION 2. Arkansas Code § 26-75-701, regarding the authorization of
16 the advertising and promotions tax levied in a city of the first class that
17 has a population of fewer than five thousand (5,000) inhabitants, is amended
18 to add an additional subsection to read as follows:

19 (c)(1) As used in this subchapter, "lodging" means furnishing for
20 profit temporary accommodations based on a rental, lease, or other agreement.

21 (2) "Lodging" includes the furnishing for profit of:

22 (A) A hotel room, motel room, or other similar room that
23 provides accommodations for a traveler;

24 (B) A condominium rental agreement; and

25 (C) A meeting or party room facility.

26 (3) "Lodging" does not include the rental or lease of an
27 accommodation for thirty (30) consecutive days or more.

28
29 SECTION 3. Arkansas Code § 26-75-703 is amended to read as follows:

30 26-75-703. City advertising and promotion commission.

31 (a) Any city levying a tax pursuant to this subchapter shall, in the
32 ordinance levying the tax, create a city advertising and promotion commission
33 to be composed of seven (7) members as follows:

34 (1) ~~Three (3)~~ Four (4) *members shall be hotel, motel, or*
35 *restaurant owners or managers of businesses that collect the tax authorized*
36 *under this subchapter and one (1) member shall be a gift shop owner or*

1 manager, each of whom shall be appointed by the mayor with the approval of
2 the governing body of the city ~~for staggered terms of four (4) years;~~

3 (2) One (1) member who is appointed at large by the mayor with
4 the approval of the governing body of the city; and

5 ~~(2)(3)~~ The remaining ~~three (3)~~ two (2) members of the commission
6 shall be the mayor and ~~two (2) members~~ one (1) member of the governing body
7 of the city selected by the governing body of the city, or two (2) members of
8 the governing body of the city as provided in the levying ordinance.

9 ~~(b)(1) In the case of cities levying the tax and creating the~~
10 ~~commission authorized in this section after April 1, 1985, the three hotel,~~
11 ~~motel, or restaurant members and the gift shop member appointed by the mayor~~
12 ~~shall, at the first meeting of the commission, draw lots for terms so that:~~

13 ~~(A) One (1) of the members will serve for a term of one~~
14 ~~(1) year;~~

15 ~~(B) One (1) shall serve for a term of two (2) years;~~

16 ~~(C) One (1) shall serve for a term of three (3) years; and~~

17 ~~(D) One (1) shall serve for a term of four (4) years.~~

18 ~~(2) All successors to these members shall be appointed for terms~~
19 ~~of four (4) years.~~

20 (b)(1) Each member appointed to the advertising and promotion
21 commission shall serve a term of four (4) years and until his or her
22 successor is selected as provided under this section.

23 (2) The terms shall be staggered so that no more than two (2)
24 members' terms expires each year.

25 (c)(1) If a vacancy occurs in an appointed position for any reason,
26 the mayor shall appoint a person within sixty (60) days to fill the vacancy.

27 (2)(A) If the mayor fails to appoint a member to fill a vacancy
28 within sixty (60) days, then the chair of the commission shall appoint a
29 person to fill the vacancy within thirty (30) days, and the appointment shall
30 be approved by a majority of the commissioners.

31 (B) The governing body of the city shall approve the
32 appointment before a new member appointed under subdivision (d)(2)(A) may act
33 in his or her official capacity.

34 (3) A new member under this subsection (d) shall serve for the
35 remainder of the unexpired term.

36 (d) The members shall determine by majority vote who shall serve as

1 chair.

2
3 SECTION 4. NOT TO BE CODIFIED. (a) A city of the first class that
4 has a population of fewer than five thousand (5,000) inhabitants that levies
5 an advertising and promotions tax under § 26-75-701 et seq. before the
6 effective date of this act shall amend the levying ordinance to comply with
7 the provisions of this act.

8 (b) On the first day of the second calendar month following the
9 effective date of this act, an advertising and promotion commission created
10 under § 26-75-701 et seq. and created before the effective date of this act
11 is abolished.

12
13 SECTION 5. NOT TO BE CODIFIED. A city of the first class that has a
14 population of fewer than five thousand (5,000) inhabitants that levies an
15 advertising and promotions tax under § 26-75-701 et seq. before the effective
16 date of this act shall amend the levying ordinance to comply with the
17 provisions of this act.

18
19 */s/ King*