

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

A Bill

HOUSE BILL 2623

4
5 By: Representative Sumpter
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For An Act To Be Entitled

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9 AN ACT TO ALLOW CITIES TO USE ADVERTISING AND
10 PROMOTION FUND REVENUES TO PROMOTE ECONOMIC
11 DEVELOPMENT ACTIVITIES UNDER CERTAIN
12 CIRCUMSTANCES; AND FOR OTHER PURPOSES.
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Subtitle

14
15 AN ACT TO ALLOW CITIES TO USE
16 ADVERTISING AND PROMOTION FUND REVENUES
17 TO PROMOTE ECONOMIC DEVELOPMENT
18 ACTIVITIES UNDER CERTAIN CIRCUMSTANCES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 26-75-606 is amended to read as follows:
24 26-75-606. Use of funds collected.

25 (a)(1)(A) ~~In~~ Except as provided in subsection (d) of this section, in
26 the manner as shall be determined by the municipal advertising and promotion
27 commission, all funds credited to the city advertising and promotion fund
28 pursuant to this subchapter shall be used for the:

29 (i) Advertising and promoting of the city and its
30 environs;

31 (ii) Construction, reconstruction, extension,
32 equipment, improvement, maintenance, repair, and operation of a convention
33 center;

34 (iii) Operation of tourist promotion facilities in
35 the city or the county where the city is located if the city owns an interest
36 in the convention center or facility, and facilities necessary for,



1 supporting, or otherwise pertaining to, a convention center; or

2 (iv) Payment of the principal of, interest on, and
3 fees and expenses in connection with bonds as provided in this subchapter.

4 (B) The commission may engage such personnel and agencies
5 and incur such administrative costs as it deems necessary to conduct its
6 business.

7 (2)(A) The commission is the body that determines the use of the
8 city advertising and promotion fund.

9 (B) Pursuant to this section, if the commission determines
10 that funding of the arts is necessary for or supporting of its city's
11 advertising and promotion endeavors, it may use its funds derived from the
12 hotel and restaurant tax.

13 (3) [Repealed].

14 (b)(1)(A) Any city of the first class that may levy and does levy a
15 tax pursuant to this subchapter may use or pledge all or any part of the
16 revenues derived from the tax for the purposes prescribed in this subchapter,
17 for the purposes prescribed in subsection (d) of this section, or for the
18 operation of tourist-oriented facilities, including, but not limited to,
19 theme parks and other family entertainment facilities or for the retirement
20 of bonds issued for the establishment and operation of other tourist-oriented
21 facilities, including, but not limited to, theme parks and other family
22 entertainment facilities.

23 (B) These revenues shall be used or pledged for the
24 purposes authorized in this subsection only upon approval of the commission
25 created pursuant to this subchapter.

26 (2) Funds credited to the city advertising and promotion fund
27 pursuant to this subchapter may be used, spent, or pledged by the commission,
28 in addition to all other purposes prescribed in this subchapter, on and for
29 the construction, reconstruction, repair, maintenance, improvement,
30 equipping, and operation of public recreation facilities in the city or the
31 county where the city is located if the city owns an interest in the center
32 or facility, including, but not limited to, facilities constituting city
33 parks and also for the payment of the principal of, interest on, and fees and
34 expenses in connection with bonds as provided in this subchapter in the
35 manner as shall be determined by the commission for the purpose of such
36 payment.

1 (c)(1) ~~All~~ Except as provided in subsection (d) of this section, all
2 local taxes levied as authorized in § 26-75-602(a) shall be credited to the
3 city advertising and promotion fund and shall be used for the purposes
4 described in subsections (a) and (b) of this section.

5 (2) The taxes shall not be used:

6 (A) For general capital improvements within the city or
7 county;

8 (B) For the costs associated with the general operation of
9 the city or county; or

10 (C) For general subsidy of any civic group or the chamber
11 of commerce.

12 (3) However, the commission may contract with such groups to
13 provide to the commission actual services that are connected with tourism
14 events or conventions.

15 (4) The authorization and limitations contained in this
16 subsection shall be reasonably construed so as to provide funds for promoting
17 and encouraging tourism and conventions while not allowing such special
18 revenues to be utilized for expenditures that are normally paid from general
19 revenues of the city.

20 (d)(1) All local taxes levied as authorized in § 26-75-602(a) after
21 the effective date of this act shall be credited to the city advertising and
22 promotion fund and shall be used for the purposes described in subsections
23 (a) and (b) of this section or subdivision (d)(2) of this section.

24 (2)(A) Funds credited to the city advertising and promotion fund
25 pursuant to this subchapter may be used for economic development activities
26 for the attraction of industry.

27 (B) The taxes shall not be used for:

28 (i) Capital expenditures for the purchase of land;

29 or

30 (ii) Infrastructure improvements.

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