

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: S3/19/07 H3/29/07

A Bill

SENATE BILL 586

5 By: Senator T. Smith
6 By: Representatives Saunders, Sample, Shelby
7

For An Act To Be Entitled

8
9
10 AN ACT TO ADJUST THE AMOUNT OF TAX CREDIT UNDER
11 THE "ARKANSAS TOURISM DEVELOPMENT ACT; AND FOR
12 OTHER PURPOSES.
13

Subtitle

14
15 AN ACT TO ADJUST THE AMOUNT OF TAX
16 CREDIT UNDER THE "ARKANSAS TOURISM
17 DEVELOPMENT ACT.
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code §15-11-505 is amended to read as follows:

23 15-11-505. Standards for preliminary and final approval of companies
24 and projects.

25 (a) The Director of the Department of Economic Development shall
26 establish standards for final approval of eligible companies and their
27 projects by the promulgation of administrative regulations in accordance with
28 the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

29 (b) The Director of the Department of Economic Development shall
30 obtain the review and advice of the Director of the Department of Parks and
31 Tourism prior to designating an entity as an approved company eligible for
32 the tourism incentive.

33 ~~(b)(c)~~ The director may give approval by designating an eligible
34 company as an approved company and authorizing the undertaking of the tourism
35 attraction project.

36 ~~(e)(d)~~ The director shall review the information that has been made



1 available to the director in order to determine whether the tourism
2 attraction project will further the purposes of this subchapter.

3 ~~(d)~~(e) The criteria for final approval of eligible companies and
4 tourism attraction projects shall include, but shall not be limited to, the
5 criteria set forth in § 15-11-504(c).

6 ~~(e)~~(f) After a review of the relevant materials, other information
7 made available to the director, ~~and~~ the completion of other inquiries, and
8 the review and advice of the Director of the Department of Parks and Tourism,
9 the director may give final approval to the eligible company's application
10 for a tourism attraction project and may grant the approval to the eligible
11 company in the form of a financial incentive agreement.

12
13 SECTION 2. Arkansas Code § 15-11-510(a), concerning special rules for
14 certain lodging facilities, is amended to read as follows:

15 (a) A lodging facility may qualify as a tourism attraction project, as
16 defined in § 15-11-503, entitled to the benefits of this subchapter even
17 though the lodging costs represent one hundred percent (100%) of the total
18 project costs, provided the approved costs for the lodging facility exceed
19 five million dollars (\$5,000,000), and:

20 (1) The lodging facility is attached to a convention center
21 containing a minimum of seventy-five thousand square feet (75,000 sq. ft.);
22 or

23 (2)(A) The lodging facility contains a minimum of twelve
24 thousand square feet (12,000 sq. ft.) of meeting or exhibit space.

25 (B) The benefits provided by this subchapter shall not be
26 available to a lodging facility with approved costs exceeding five million
27 dollars (\$5,000,000) and containing a minimum of twelve thousand square feet
28 (12,000 sq. ft.) of meeting or exhibit space unless the Director of the
29 Department of Economic Development designates the lodging facility as an
30 approved company and authorizes the undertaking of the tourism attraction
31 project prior to April 1, 2009.

32
33 SECTION 3. Arkansas Code § 15-11-511, concerning special rules for
34 qualified amusement parks, is amended to add an additional subsection to read
35 as follows:

36 (d)(1) Notwithstanding the other provisions of this subchapter, a

1 qualified amusement park that on or after January 1, 2006, enters into an
2 agreement that provides that the qualified amusement park shall expend
3 approved costs of more than one million dollars (\$1,000,000) shall be
4 entitled to a sales tax credit if the qualified amusement park certifies to
5 the Director of the Department of Finance and Administration that it has
6 expended at least one million dollars (\$1,000,000) in approved costs and the
7 Director of the Department of Economic Development certifies that the
8 qualified amusement park is in compliance with this subchapter.

9 (2) The Director of the Department of Finance and Administration
10 shall then issue a sales tax credit memorandum to the qualified amusement
11 park equal to twenty-five percent (25%) of the approved costs. The sales tax
12 credit memorandum may be used to offset the liability of the qualified
13 amusement park for:

14 (A) Gross receipts tax levied under the Arkansas Gross
15 Receipts Act of 1941, § 26-52-101 et seq.; and

16 (B) Tourism gross receipts tax levied under § 26-52-1001
17 et seq.

18 (3) The Director of the Department of Finance and Administration
19 may require proof of expenditures.

20 (4) Additional credit memoranda may be issued as the qualified
21 amusement park certifies additional expenditures of approved costs.

22 (5)(A) No sales tax credit memorandum shall be issued for any
23 approved costs expended after the expiration of two (2) years from the date
24 the agreement was signed by the Director of the Department of Economic
25 Development and the qualified amusement park.

26 (B) However, the Director of the Department of Economic
27 Development, with the advice and consent of the Director of the Department of
28 Finance and Administration, may authorize sales tax credits for approved
29 costs expended up to four (4) years from the date the agreement was signed if
30 the Director of the Department of Economic Development determines that the
31 failure to complete the tourism attraction project within two (2) years
32 resulted from:

33 (i) Unanticipated and unavoidable delay in the
34 construction of the tourism attraction project;

35 (ii) The tourism attraction project, as originally
36 planned, will require more than two (2) years to complete; or

