

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 87th General Assembly  
3 Regular Session, 2009

# A Bill

SENATE BILL 789

4  
5 By: Senator Bryles  
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7

## For An Act To Be Entitled

8  
9 AN ACT TO ALLOW MUNICIPALITIES TO ESTABLISH AN  
10 EFFECTIVE DATE FOR THE LEVY OF CERTAIN MUNICIPAL  
11 SALES AND USE TAXES; AND FOR OTHER PURPOSES.  
12  
13

## Subtitle

14  
15 TO ALLOW MUNICIPALITIES TO ESTABLISH AN  
16 EFFECTIVE DATE FOR THE LEVY OF CERTAIN  
17 MUNICIPAL SALES AND USE TAXES.  
18  
19

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

22 SECTION 1. Arkansas Code § 26-75-207(d), regarding the levying of  
23 sales and use tax for capital improvements, is amended to read as follows:

24 (d)(1) The levying ordinance or the petition may indicate an effective  
25 date for the ordinance or petition that is effective later than the effective  
26 date provided in § 26-75-209(1)(D)(ii).

27 (2) The effective date of the ordinance or petition delayed  
28 under subdivision (d)(1) of this section shall:

29 (A) Be scheduled on the first day of the first month of a  
30 calendar quarter; and

31 (B) Not be delayed for more than thirty-six (36) months  
32 after the date the ordinance or petition would be effective under § 26-75-  
33 209(1)(D)(ii).

34 (e) The sales tax portion of any local sales and use tax adopted under  
35 this subchapter shall be levied by the governing body on the receipts from  
36 the sale at retail of all items and services that are subject to taxation



1 under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the  
2 Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

3  
4 SECTION 2. Arkansas Code § 26-75-208(b)(3), concerning the special  
5 election required for municipal sales and use taxes, is amended to read as  
6 follows:

7 (3)(A) If an effective date for the ordinance or petition is  
8 delayed under § 26-75-207(d), the ballot title shall also include the  
9 effective date of the ordinance or petition or the effective date of the levy  
10 of the tax.

11 (B) If the ballot title with the delayed effective date is  
12 approved by the voters, the ordinance or petition or the tax shall not become  
13 effective until the date stated on the ballot.

14 (4) The election shall be conducted in the manner provided by  
15 law for all other municipal elections unless otherwise specified in this  
16 subchapter.

17  
18 SECTION 3. Arkansas Code § 26-75-209(1)(D), concerning the effective  
19 date of the ordinance, is amended to read as follows:

20 (D)(i) The mayor of the city shall notify the director of  
21 the rate change after publication of the proclamation has occurred and ninety  
22 (90) days before the effective date of the tax.

23 (ii) If ~~no~~ an election challenge is not filed within  
24 the thirty-day challenge period, the ordinance or petition described in § 26-  
25 75-207 shall become effective on the first day of the first month of the  
26 calendar quarter after a minimum of sixty (60) days' notice by the director  
27 to sellers and after the expiration of the full thirty-day period of  
28 challenge.

29 (iii) The effective date of the ordinance or  
30 petition may be delayed under § 26-75-207(d).

31  
32 SECTION 3. Arkansas Code § 26-75-308(d), concerning the special  
33 election to approval a municipal sales and use tax, is amended to read as  
34 follows:

35 (d)(1) The ballot may indicate an effective date for the ordinance or  
36 petition or an effective date for the levy of the tax that is effective later

1 than the effective date of the ordinance or petition under § 26-75-  
2 309(1)(D)(ii).

3 (2) The effective date of the ordinance or petition or the  
4 effective date of the levy of the tax delayed under subdivision (d)(1) of  
5 this section shall be:

6 (A) Stated in the ordinance or petition levying the tax  
7 and on the ballot; and

8 (B) Scheduled on the first day of the first month of a  
9 calendar quarter.

10 (3) The effective date of an ordinance or petition or a levy of  
11 the tax delayed under subdivision (d)(1) of this section shall not be delayed  
12 for more than thirty-six (36) months after the date the ordinance or petition  
13 would be effective under § 26-75-309(1)(D)(ii).

14 (e)(1)(A) The ballot may also indicate designated uses of the revenues  
15 derived from the sales or use tax.

16 (B) If the tax is approved, the proceeds shall only be  
17 used for the designated purposes.

18 (2) The proceeds may be used for other designated purposes if  
19 the electors approve a change in the designated use of the revenues by vote  
20 under this subsection.

21 (3)(A) The governing body of a city may refer to the voters a  
22 change in the designated use of revenues derived from a sales or use tax that  
23 was approved by the voters.

24 (B) If the governing body of a city refers a change in the  
25 designated use of revenues derived from a sales or use tax to the voters, the  
26 governing body shall:

27 (i) Notify the county board of election  
28 commissioners that the measure has been referred to the voters; and

29 (ii) Submit a copy of the ballot title to the county  
30 board of election commissioners.

31 (C)(i) An election to change the designated use of  
32 revenues derived from a sales or use tax shall be conducted in the manner  
33 provided by law for all other municipal elections.

34 (ii) The results of an election under this  
35 subsection shall be certified, proclaimed, and subject to challenge under the  
36 procedures stated in § 26-75-309.

1 (4) If the voters approve a change in the designated use of  
 2 revenues derived from a sales or use tax, the change in the designated use  
 3 shall apply to all revenues collected on the first day of the calendar month  
 4 following the expiration of the thirty-day challenge period under § 26-75-  
 5 309.

6 (5)(A) If the voters do not approve a change in the designated  
 7 use of revenues derived from a sales or use tax, the tax shall continue to be  
 8 collected, and the revenues derived from the tax shall continue to be used  
 9 for the purposes indicated in the ballot for the tax.

10 (B) An election to change the designated use of revenues  
 11 derived from a sales or use tax shall not constitute an election on the levy  
 12 of the tax.

13 (6) Any city that has levied a local sales and use tax under  
 14 this subchapter with a portion of the revenues derived from the tax pledged  
 15 to secure lease rentals or bonds may not change the tax to reduce the pledge  
 16 in favor of the lease or bonds.

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 18 SECTION 4. Arkansas Code § 26-75-309(1)(D), concerning the effective  
 19 date of an ordinance for the levy of a municipal sales and use tax, is  
 20 amended to read as follows:

21 (D)(i) The mayor of the city shall notify the director after  
 22 publication of the proclamation has occurred and ninety (90) days before the  
 23 effective date of the tax.

24 (ii) If ~~no~~ an election challenge is not filed within  
 25 the thirty-day challenge period, the ordinance or petition described in § 26-  
 26 75-307 shall become effective on the first day of the first month of the  
 27 calendar quarter after a minimum of sixty (60) days' notice by the director  
 28 to sellers and after the expiration of the full thirty-day period of  
 29 challenge.

30 (iii) The effective date of the ordinance or  
 31 petition may be delayed under § 26-75-308(d).