

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H3/18/11

A Bill

HOUSE BILL 1891

5 By: Representative Baird
6

For An Act To Be Entitled

8 AN ACT TO DEDICATE THE SALES AND USE TAX REVENUE ON
9 SALES OF NEW AND USED VEHICLES AND AUTO-RELATED SALES
10 FOR THE CONSTRUCTION, RECONSTRUCTION, AND MAINTENANCE
11 OF HIGHWAYS, ROADS, STREETS, BRIDGES, AND THEIR
12 EXTENSIONS LOCATED WITHIN THE STATE; AND FOR OTHER
13 PURPOSES.
14

Subtitle

15
16 TO DEDICATE THE SALES AND USE TAX REVENUE
17 ON SALES OF MOTOR VEHICLES AND AUTO-
18 RELATED SALES AND SERVICES FOR THE
19 CONSTRUCTION, RECONSTRUCTION, AND
20 MAINTENANCE OF HIGHWAYS, ROADS, STREETS,
21 BRIDGES, AND THEIR EXTENSIONS.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 *SECTION 1. Arkansas Code Title 19, Chapter 6, Subchapter 8 is amended*
28 *to add an additional section to read as follows:*

29 *19-6-819. Highway Fund.*

30 *(a) There is created on the books of the Treasurer of State, the*
31 *Auditor of State, and the Chief Fiscal Officer of the State a special revenue*
32 *fund to be known as the "Highway Fund".*

33 *(b)(1) As used in this section, "auto-related sales and services"*
34 *means:*

35 *(A) All parts, including without limitation tires and*
36 *batteries placed on or used by a motor vehicle; and*



1 (B) All labor, installation, maintenance, and diagnostic
2 services, including without limitation repair services performed on a motor
3 vehicle.

4 (2) The Director of the Department of Finance and Administration
5 shall promulgate rules to implement this section.

6 (c) Beginning the first day of September following the issuance of an
7 annual report certified to the Chief Fiscal Officer of the State by the
8 Treasurer of State in which the gross collection of general revenue for sales
9 and use tax exceeds two billion two hundred million dollars (\$2,200,000,000),
10 a ten-year phase-in of the sales and use tax representing auto-related sales
11 shall begin as follows:

12 (1) Beginning September 1 of the first year, the Highway Fund
13 shall consist of six-tenths percent (0.6%) of the portion of all revenues as
14 generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-
15 317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-
16 53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

17 (A) Fifteen percent (15%) of the amount to the County Aid
18 Fund;

19 (B) Fifteen percent (15%) of the amount to the Municipal
20 Aid Fund; and

21 (C) Seventy percent (70%) of the amount to the State
22 Highway and Transportation Department Fund;

23 (2) Beginning September 1 of the second year, the Highway Fund
24 shall consist of one and two-tenths percent (1.2%) of the portion of all
25 revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303,
26 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-
27 107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed
28 as follows:

29 (A) Fifteen percent (15%) of the amount to the County Aid
30 Fund;

31 (B) Fifteen percent (15%) of the amount to the Municipal
32 Aid Fund; and

33 (C) Seventy percent (70%) of the amount to the State
34 Highway and Transportation Department Fund;

35 (3) Beginning September 1 of the third year, the Highway Fund
36 shall consist of one and eight-tenths percent (1.8%) of the portion of all

1 revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303,
2 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-
3 107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed
4 as follows:

5 (A) Fifteen percent (15%) of the amount to the County Aid
6 Fund;

7 (B) Fifteen percent (15%) of the amount to the Municipal
8 Aid Fund; and

9 (C) Seventy percent (70%) of the amount to the State
10 Highway and Transportation Department Fund;

11 (4) Beginning September 1 of the fourth year, the Highway Fund
12 shall consist of two and four-tenths percent (2.4%) of the portion of all
13 revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303,
14 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-
15 107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed
16 as follows:

17 (A) Fifteen percent (15%) of the amount to the County Aid
18 Fund;

19 (B) Fifteen percent (15%) of the amount to the Municipal
20 Aid Fund; and

21 (C) Seventy percent (70%) of the amount to the State
22 Highway and Transportation Department Fund;

23 (5) Beginning September 1 of the fifth year, the Highway Fund
24 shall consist of three percent (3%) of the portion of all revenues as
25 generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-
26 317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-
27 53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

28 (A) Fifteen percent (15%) of the amount to the County Aid
29 Fund;

30 (B) Fifteen percent (15%) of the amount to the Municipal
31 Aid Fund; and

32 (C) Seventy percent (70%) of the amount to the State
33 Highway and Transportation Department Fund;

34 (6) Beginning September 1 of the sixth year, the Highway Fund
35 shall consist of three and six-tenths percent (3.6%) of the portion of all
36 revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303,

1 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-
2 107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed
3 as follows:

4 (A) Fifteen percent (15%) of the amount to the County Aid
5 Fund;

6 (B) Fifteen percent (15%) of the amount to the Municipal
7 Aid Fund; and

8 (C) Seventy percent (70%) of the amount to the State
9 Highway and Transportation Department Fund;

10 (7) Beginning September 1 of the seventh year, the Highway Fund
11 shall consist of four and two-tenths percent (4.2%) of the portion of all
12 revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303,
13 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-
14 107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed
15 as follows:

16 (A) Fifteen percent (15%) of the amount to the County Aid
17 Fund;

18 (B) Fifteen percent (15%) of the amount to the Municipal
19 Aid Fund; and

20 (C) Seventy percent (70%) of the amount to the State
21 Highway and Transportation Department Fund;

22 (8) Beginning September 1 of the eighth year, the Highway Fund
23 shall consist of four and eight-tenths percent (4.8%) of the portion of all
24 revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303,
25 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-
26 107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed
27 as follows:

28 (A) Fifteen percent (15%) of the amount to the County Aid
29 Fund;

30 (B) Fifteen percent (15%) of the amount to the Municipal
31 Aid Fund; and

32 (C) Seventy percent (70%) of the amount to the State
33 Highway and Transportation Department Fund;

34 (9) Beginning September 1 of the ninth year, the Highway Fund
35 shall consist of five and four-tenths percent (5.4%) of the portion of all
36 revenues as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303,

1 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-
2 107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed
3 as follows:

4 (A) Fifteen percent (15%) of the amount to the County Aid
5 Fund;

6 (B) Fifteen percent (15%) of the amount to the Municipal
7 Aid Fund; and

8 (C) Seventy percent (70%) of the amount to the State
9 Highway and Transportation Department Fund; and

10 (10) Beginning September 1 of the tenth year and thereafter, the
11 Highway Fund shall consist of six percent (6%) of the portion of all revenues
12 as generated by §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-52-303, 26-52-
13 317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(d), 26-
14 53-145(c)(1)(A), and 26-53-148(a)(4)(A) and shall be distributed as follows:

15 (A) Fifteen percent (15%) of the amount to the County Aid
16 Fund;

17 (B) Fifteen percent (15%) of the amount to the Municipal
18 Aid Fund; and

19 (C) Seventy percent (70%) of the amount to the State
20 Highway and Transportation Department Fund.

21 (d)(1) All funds credited to the State Highway and Transportation
22 Department Fund under this section shall be used for the construction,
23 reconstruction, and maintenance of highways, roads, streets, bridges, and
24 their extensions located within the state.

25 (2) All funds credited to the County Aid Fund under this section
26 shall be used for the construction, reconstruction, and maintenance of
27 highways, roads, streets, bridges, and their extensions located within the
28 county.

29 (3) All funds credited to the Municipal Aid Fund under this
30 section shall be used for the construction, reconstruction, and maintenance
31 of highways, roads, streets, bridges, and their extensions located within the
32 municipality.

33 (e) Once the phase-in begins under subsection (c) of this section, the
34 State Highway Commission, each county, and each municipality shall provide to
35 each member of the General Assembly on the first Monday in January and
36 annually thereafter a report indicating how the funds provided by this

1 section were spent, which highways, roads, streets, bridges, and their
2 extensions were worked on, and what other progress was made regarding the
3 plan outlined to the General Assembly by the State Highway Commission during
4 the debate on this section.

5
6 SECTION 2. Arkansas Code § 26-52-510, concerning the payment of tax on
7 a motor vehicle, is amended to add new subsections to read as follows:

8 (h) Beginning on the first day of September following the issuance of
9 an annual report certified to the Chief Fiscal Officer of the State by the
10 Treasurer of State in which the gross collection of general revenue for sales
11 and use tax exceeds two billion two hundred million dollars (\$2,200,000,000),
12 a ten-year phase-in of all taxes, interest, penalties, and costs received by
13 the director from the taxes levied by this chapter on the sale of new or used
14 motor vehicles, trailers, or semitrailers required to be licensed in this
15 state shall be deposited into the State Treasury as follows:

16 (1) Beginning the first year:

17 (A) Seventy-six and six-tenths percent (76.6%) of the
18 taxes, interest, penalties, and costs received by the director shall be
19 deposited as follows:

20 (i) Ninety percent (90%) shall be deposited as
21 general revenues; and

22 (ii) Ten percent (10%) shall be deposited as special
23 revenues as follows:

24 (a) Fifteen percent (15%) to the County Aid
25 Fund;

26 (b) Fifteen percent (15%) to the Municipal Aid
27 Fund; and

28 (c) Seventy percent (70%) to the State Highway
29 and Transportation Department Fund;

30 (B) Eight and five-tenths percent (8.5%) of the taxes,
31 interest, penalties, and costs received by the director shall be deposited
32 into the Property Tax Relief Trust Fund; and

33 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
34 interest, penalties, and costs received by the director shall be deposited
35 into the Educational Adequacy Fund;

36 (2) Beginning the second year:

1 (A) Seventy-six and six-tenths percent (76.6%) of the
2 taxes, interest, penalties, and costs received by the director shall be
3 deposited as follows:

4 (i) Eighty percent (80%) shall be deposited as
5 general revenues; and

6 (ii) Twenty percent (20%) shall be deposited as
7 special revenues as follows:

8 (a) Fifteen percent (15%) to the County Aid
9 Fund;

10 (b) Fifteen percent (15%) to the Municipal Aid
11 Fund; and

12 (c) Seventy percent (70%) to the State Highway
13 and Transportation Department Fund;

14 (B) Eight and five-tenths percent (8.5%) of the taxes,
15 interest, penalties, and costs received by the director shall be deposited
16 into the Property Tax Relief Trust Fund; and

17 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
18 interest, penalties, and costs received by the director shall be deposited
19 into the Educational Adequacy Fund;

20 (3) Beginning the third year:

21 (A) Seventy-six and six-tenths percent (76.6%) of the
22 taxes, interest, penalties, and costs received by the director shall be
23 deposited as follows:

24 (i) Seventy percent (70%) shall be deposited as
25 general revenues; and

26 (ii) Thirty percent (30%) shall be deposited as
27 special revenues as follows:

28 (a) Fifteen percent (15%) to the County Aid
29 Fund;

30 (b) Fifteen percent (15%) to the Municipal Aid
31 Fund; and

32 (c) Seventy percent (70%) to the State Highway
33 and Transportation Department Fund;

34 (B) Eight and five-tenths percent (8.5%) of the taxes,
35 interest, penalties, and costs received by the director shall be deposited
36 into the Property Tax Relief Trust Fund; and

1 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
2 interest, penalties, and costs received by the director shall be deposited
3 into the Educational Adequacy Fund;

4 (4) Beginning the fourth year:

5 (A) Seventy-six and six-tenths percent (76.6%) of the
6 taxes, interest, penalties, and costs received by the director shall be
7 deposited as follows:

8 (i) Sixty percent (60%) shall be deposited as
9 general revenues; and

10 (ii) Forty percent (40%) shall be deposited as
11 special revenues as follows:

12 (a) Fifteen percent (15%) to the County Aid
13 Fund;

14 (b) Fifteen percent (15%) to the Municipal Aid
15 Fund; and

16 (c) Seventy percent (70%) to the State Highway
17 and Transportation Department Fund;

18 (B) Eight and five-tenths percent (8.5%) of the taxes,
19 interest, penalties, and costs received by the director shall be deposited
20 into the Property Tax Relief Trust Fund; and

21 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
22 interest, penalties, and costs received by the director shall be deposited
23 into the Educational Adequacy Fund;

24 (5) Beginning the fifth year:

25 (A) Seventy-six and six-tenths percent (76.6%) of the
26 taxes, interest, penalties, and costs received by the director shall be
27 deposited as follows:

28 (i) Fifty percent (50%) shall be deposited as
29 general revenues; and

30 (ii) Fifty percent (50%) shall be deposited as
31 special revenues as follows:

32 (a) Fifteen percent (15%) to the County Aid
33 Fund;

34 (b) Fifteen percent (15%) to the Municipal Aid
35 Fund; and

36 (c) Seventy percent (70%) to the State Highway

1 and Transportation Department Fund;

2 (B) Eight and five-tenths percent (8.5%) of the taxes,
3 interest, penalties, and costs received by the director shall be deposited
4 into the Property Tax Relief Trust Fund; and

5 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
6 interest, penalties, and costs received by the director shall be deposited
7 into the Educational Adequacy Fund;

8 (6) Beginning the sixth year:

9 (A) Seventy-six and six-tenths percent (76.6%) of the
10 taxes, interest, penalties, and costs received by the director shall be
11 deposited as follows:

12 (i) Forty percent (40%) shall be deposited as
13 general revenues; and

14 (ii) Sixty percent (60%) shall be deposited as
15 special revenues as follows:

16 (a) Fifteen percent (15%) to the County Aid
17 Fund;

18 (b) Fifteen percent (15%) to the Municipal Aid
19 Fund; and

20 (c) Seventy percent (70%) to the State Highway
21 and Transportation Department Fund;

22 (B) Eight and five-tenths percent (8.5%) of the taxes,
23 interest, penalties, and costs received by the director shall be deposited
24 into the Property Tax Relief Trust Fund; and

25 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
26 interest, penalties, and costs received by the director shall be deposited
27 into the Educational Adequacy Fund;

28 (7) Beginning the seventh year:

29 (A) Seventy-six and six-tenths percent (76.6%) of the
30 taxes, interest, penalties, and costs received by the director shall be
31 deposited as follows:

32 (i) Thirty percent (30%) shall be deposited as
33 general revenues; and

34 (ii) Seventy percent (70%) shall be deposited as
35 special revenues as follows:

36 (a) Fifteen percent (15%) to the County Aid

1 Fund;

2 (b) Fifteen percent (15%) to the Municipal Aid

3 Fund; and

4 (c) Seventy percent (70%) to the State Highway

5 and Transportation Department Fund;

6 (B) Eight and five-tenths percent (8.5%) of the taxes,
7 interest, penalties, and costs received by the director shall be deposited
8 into the Property Tax Relief Trust Fund; and

9 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
10 interest, penalties, and costs received by the director shall be deposited
11 into the Educational Adequacy Fund;

12 (8) Beginning the eighth year:

13 (A) Seventy-six and six-tenths percent (76.6%) of the
14 taxes, interest, penalties, and costs received by the director shall be
15 deposited as follows:

16 (i) Twenty percent (20%) shall be deposited as
17 general revenues; and

18 (ii) Eighty percent (80%) shall be deposited as
19 special revenues as follows:

20 (a) Fifteen percent (15%) to the County Aid

21 Fund;

22 (b) Fifteen percent (15%) to the Municipal Aid

23 Fund; and

24 (c) Seventy percent (70%) to the State Highway

25 and Transportation Department Fund;

26 (B) Eight and five-tenths percent (8.5%) of the taxes,
27 interest, penalties, and costs received by the director shall be deposited
28 into the Property Tax Relief Trust Fund; and

29 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
30 interest, penalties, and costs received by the director shall be deposited
31 into the Educational Adequacy Fund;

32 (9) Beginning the ninth year:

33 (A) Seventy-six and six-tenths percent (76.6%) of the
34 taxes, interest, penalties, and costs received by the director shall be
35 deposited as follows:

36 (i) Ten percent (10%) shall be deposited as general

1 revenues; and

2 (ii) Ninety percent (90%) shall be deposited as
3 special revenues as follows:

4 (a) Fifteen percent (15%) to the County Aid
5 Fund;

6 (b) Fifteen percent (15%) to the Municipal Aid
7 Fund; and

8 (c) Seventy percent (70%) to the State Highway
9 and Transportation Department Fund;

10 (B) Eight and five-tenths percent (8.5%) of the taxes,
11 interest, penalties, and costs received by the director shall be deposited
12 into the Property Tax Relief Trust Fund; and

13 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
14 interest, penalties, and costs received by the director shall be deposited
15 into the Educational Adequacy Fund; and

16 (10) Beginning the tenth year:

17 (A) Seventy-six and six-tenths percent (76.6%) of the
18 taxes, interest, penalties, and costs received by the director shall be
19 special revenues and deposited as follows:

20 (i) Fifteen percent (15%) to the County Aid Fund;

21 (ii) Fifteen percent (15%) to the Municipal Aid
22 Fund; and

23 (iii) Seventy percent (70%) to the State Highway and
24 Transportation Department Fund;

25 (B) Eight and five-tenths percent (8.5%) of the taxes,
26 interest, penalties, and costs received by the director shall be deposited
27 into the Property Tax Relief Trust Fund; and

28 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
29 interest, penalties, and costs received by the director shall be deposited
30 into the Educational Adequacy Fund.

31 (i)(1) All funds credited to the State Highway and Transportation
32 Department Fund under subsection (h) of this section shall be used for the
33 construction, reconstruction, and maintenance of highways, roads, streets,
34 bridges, and their extensions located within the state.

35 (2) All funds credited to the County Aid Fund under subsection
36 (h) of this section shall be used for construction, reconstruction, and

1 maintenance of highways, roads, streets, bridges, and their extensions
2 located within the county receiving the funds.

3 (3) All funds credited to the Municipal Aid Fund under
4 subsection (h) of this section shall be used for the construction,
5 reconstruction, and maintenance of highways, roads, streets, bridges, and
6 their extensions located within the municipality receiving the funds.

7 (4) When the phase-in begins under subsection (h) of this
8 section, the State Highway Commission, each county, and each municipality
9 shall provide to each member of the General Assembly on the first Monday in
10 January and annually thereafter a report indicating how the funds provided by
11 subsection (h) of this section were spent, which highways, roads, streets,
12 bridges, and their extensions were worked on, and what other progress was
13 made regarding the plan outlined to the General Assembly by the State Highway
14 Commission during the debate on this subsection and subsection (h) of this
15 section.

16
17 SECTION 3. Arkansas Code § 26-53-126, concerning the payment of tax on
18 motor vehicles, is amended to add new subsections to read as follows:

19 (g) Beginning on the first day of September following the issuance of
20 an annual report certified to the Chief Fiscal Officer of the State by the
21 Treasurer of State in which the gross collection of general revenue for sales
22 and use tax exceeds two billion two hundred million dollars (\$2,200,000,000),
23 a ten-year phase-in of all taxes, interest, penalties, and costs received by
24 the director from the taxes levied by this chapter on the sale of new or used
25 motor vehicles, trailers, or semitrailers required to be licensed in this
26 state shall be deposited into the State Treasury as follows:

27 (1) Beginning the first year:

28 (A) Seventy-six and six-tenths percent (76.6%) of the
29 taxes, interest, penalties, and costs received by the director shall be
30 deposited as follows:

31 (i) Ninety percent (90%) shall be deposited as
32 general revenues; and

33 (ii) Ten percent (10%) shall be deposited as special
34 revenues as follows:

35 (a) Fifteen percent (15%) to the County Aid
36 Fund;

1 (b) Fifteen percent (15%) to the Municipal Aid
2 Fund; and

3 (c) Seventy percent (70%) to the State Highway
4 and Transportation Department Fund;

5 (B) Eight and five-tenths percent (8.5%) of the taxes,
6 interest, penalties, and costs received by the director shall be deposited
7 into the Property Tax Relief Trust Fund; and

8 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
9 interest, penalties, and costs received by the director shall be deposited
10 into the Educational Adequacy Fund;

11 (2) Beginning the second year:

12 (A) Seventy-six and six-tenths percent (76.6%) of the
13 taxes, interest, penalties, and costs received by the director shall be
14 deposited as follows:

15 (i) Eighty percent (80%) shall be deposited as
16 general revenues; and

17 (ii) Twenty percent (20%) shall be deposited as
18 special revenues as follows:

19 (a) Fifteen percent (15%) to the County Aid
20 Fund;

21 (b) Fifteen percent (15%) to the Municipal Aid
22 Fund; and

23 (c) Seventy percent (70%) to the State Highway
24 and Transportation Department Fund;

25 (B) Eight and five-tenths percent (8.5%) of the taxes,
26 interest, penalties, and costs received by the director shall be deposited
27 into the Property Tax Relief Trust Fund; and

28 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
29 interest, penalties, and costs received by the director shall be deposited
30 into the Educational Adequacy Fund;

31 (3) Beginning the third year:

32 (A) Seventy-six and six-tenths percent (76.6%) of the
33 taxes, interest, penalties, and costs received by the director shall be
34 deposited as follows:

35 (i) Seventy percent (70%) shall be deposited as
36 general revenues; and

1 (ii) Thirty percent (30%) shall be deposited as
2 special revenues as follows:

3 (a) Fifteen percent (15%) to the County Aid
4 Fund;

5 (b) Fifteen percent (15%) to the Municipal Aid
6 Fund; and

7 (c) Seventy percent (70%) to the State Highway
8 and Transportation Department Fund;

9 (B) Eight and five-tenths percent (8.5%) of the taxes,
10 interest, penalties, and costs received by the director shall be deposited
11 into the Property Tax Relief Trust Fund; and

12 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
13 interest, penalties, and costs received by the director shall be deposited
14 into the Educational Adequacy Fund;

15 (4) Beginning fourth year:

16 (A) Seventy-six and six-tenths percent (76.6%) of the
17 taxes, interest, penalties, and costs received by the director shall be
18 deposited as follows:

19 (i) Sixty percent (60%) shall be deposited as
20 general revenues; and

21 (ii) Forty percent (40%) shall be deposited as
22 special revenues as follows:

23 (a) Fifteen percent (15%) to the County Aid
24 Fund;

25 (b) Fifteen percent (15%) to the Municipal Aid
26 Fund; and

27 (c) Seventy percent (70%) to the State Highway
28 and Transportation Department Fund;

29 (B) Eight and five-tenths percent (8.5%) of the taxes,
30 interest, penalties, and costs received by the director shall be deposited
31 into the Property Tax Relief Trust Fund; and

32 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
33 interest, penalties, and costs received by the director shall be deposited
34 into the Educational Adequacy Fund;

35 (5) Beginning the fifth year:

36 (A) Seventy-six and six-tenths percent (76.6%) of the

1 taxes, interest, penalties, and costs received by the director shall be
2 deposited as follows:

3 (i) Fifty percent (50%) shall be deposited as
4 general revenues; and

5 (ii) Fifty percent (50%) shall be deposited as
6 special revenues as follows:

7 (a) Fifteen percent (15%) to the County Aid
8 Fund;

9 (b) Fifteen percent (15%) to the Municipal Aid
10 Fund; and

11 (c) Seventy percent (70%) to the State Highway
12 and Transportation Department Fund;

13 (B) Eight and five-tenths percent (8.5%) of the taxes,
14 interest, penalties, and costs received by the director shall be deposited
15 into the Property Tax Relief Trust Fund; and

16 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
17 interest, penalties, and costs received by the director shall be deposited
18 into the Educational Adequacy Fund;

19 (6) Beginning the sixth year:

20 (A) Seventy-six and six-tenths percent (76.6%) of the
21 taxes, interest, penalties, and costs received by the director shall be
22 deposited as follows:

23 (i) Forty percent (40%) shall be deposited as
24 general revenues; and

25 (ii) Sixty percent (60%) shall be deposited as
26 special revenues as follows:

27 (a) Fifteen percent (15%) to the County Aid
28 Fund;

29 (b) Fifteen percent (15%) to the Municipal Aid
30 Fund; and

31 (c) Seventy percent (70%) to the State Highway
32 and Transportation Department Fund;

33 (B) Eight and five-tenths percent (8.5%) of the taxes,
34 interest, penalties, and costs received by the director shall be deposited
35 into the Property Tax Relief Trust Fund; and

36 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,

1 interest, penalties, and costs received by the director shall be deposited
2 into the Educational Adequacy Fund;

3 (7) Beginning the seventh year:

4 (A) Seventy-six and six-tenths percent (76.6%) of the
5 taxes, interest, penalties, and costs received by the director shall be
6 deposited as follows:

7 (i) Thirty percent (30%) shall be deposited as
8 general revenues; and

9 (ii) Seventy percent (70%) shall be deposited as
10 special revenues as follows:

11 (a) Fifteen percent (15%) to the County Aid
12 Fund;

13 (b) Fifteen percent (15%) to the Municipal Aid
14 Fund; and

15 (c) Seventy percent (70%) to the State Highway
16 and Transportation Department Fund;

17 (B) Eight and five-tenths percent (8.5%) of the taxes,
18 interest, penalties, and costs received by the director shall be deposited
19 into the Property Tax Relief Trust Fund; and

20 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
21 interest, penalties, and costs received by the director shall be deposited
22 into the Educational Adequacy Fund;

23 (8) Beginning the eighth year:

24 (A) Seventy-six and six-tenths percent (76.6%) of the
25 taxes, interest, penalties, and costs received by the director shall be
26 deposited as follows:

27 (i) Twenty percent (20%) shall be deposited as
28 general revenues; and

29 (ii) Eighty percent (80%) shall be deposited as
30 special revenues as follows:

31 (a) Fifteen percent (15%) to the County Aid
32 Fund;

33 (b) Fifteen percent (15%) to the Municipal Aid
34 Fund; and

35 (c) Seventy percent (70%) to the State Highway
36 and Transportation Department Fund;

1 (B) Eight and five-tenths percent (8.5%) of the taxes,
2 interest, penalties, and costs received by the director shall be deposited
3 into the Property Tax Relief Trust Fund; and

4 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
5 interest, penalties, and costs received by the director shall be deposited
6 into the Educational Adequacy Fund;

7 (9) Beginning the ninth year:

8 (A) Seventy-six and six-tenths percent (76.6%) of the
9 taxes, interest, penalties, and costs received by the director shall be
10 deposited as follows:

11 (i) Ten percent (10%) shall be deposited as general
12 revenues; and

13 (ii) Ninety percent (90%) shall be deposited as
14 special revenues as follows:

15 (a) Fifteen percent (15%) to the County Aid
16 Fund;

17 (b) Fifteen percent (15%) to the Municipal Aid
18 Fund; and

19 (c) Seventy percent (70%) to the State Highway
20 and Transportation Department Fund;

21 (B) Eight and five-tenths percent (8.5%) of the taxes,
22 interest, penalties, and costs received by the director shall be deposited
23 into the Property Tax Relief Trust Fund; and

24 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
25 interest, penalties, and costs received by the director shall be deposited
26 into the Educational Adequacy Fund; and

27 (10) Beginning the tenth year:

28 (A) Seventy-six and six-tenths percent (76.6%) of the
29 taxes, interest, penalties, and costs received by the director shall be
30 special revenues and deposited as follows:

31 (i) Fifteen percent (15%) to the County Aid Fund;

32 (ii) Fifteen percent (15%) to the Municipal Aid
33 Fund; and

34 (iii) Seventy percent (70%) to the State Highway and
35 Transportation Department Fund;

36 (B) Eight and five-tenths percent (8.5%) of the taxes,

1 interest, penalties, and costs received by the director shall be deposited
2 into the Property Tax Relief Fund; and

3 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
4 interest, penalties, and costs received by the director shall be deposited
5 into the Educational Adequacy Fund.

6 (h)(1) All funds credited to the State Highway and Transportation
7 Department Fund under subsection (g) of this section shall be used for the
8 construction, reconstruction, and maintenance of highways, roads, streets,
9 bridges, and their extensions located within the state.

10 (2) All funds credited to the County Aid Fund under subsection
11 (g) of this section shall be used for construction, reconstruction, and
12 maintenance of highways, roads, streets, bridges, and their extensions
13 located within the county receiving the funds.

14 (3) All funds credited to the Municipal Aid Fund under
15 subsection (g) of this section shall be used for the construction,
16 reconstruction, and maintenance of highways, roads, streets, bridges, and
17 their extensions located within the municipality receiving the funds.

18 (4) When the tax phase-in begins under subsection (g) of this
19 section, the State Highway Commission, each county, and each municipality
20 shall provide to each member of the General Assembly on the first Monday in
21 January and annually thereafter a yearly report indicating how the funds
22 provided by subsection (g) of this section were spent, which highways, roads,
23 streets, bridges, and their extensions were worked on, and what other
24 progress was made regarding the plan outlined to the General Assembly by the
25 commission during the debate on this subsection and subsection (g) of this
26 section.

27
28 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
29 General Assembly of the State of Arkansas that the highways, roads, streets,
30 and bridges of this state are in dire need of construction, reconstruction,
31 and maintenance; that well-maintained roadways are necessary for economic
32 development in this state; that dedicating a portion of the general revenue
33 that represents the sales and use tax on motor vehicle repair and the retail
34 sale of motor vehicle tires is necessary to help pay for the construction,
35 reconstruction, and maintenance of our roadways; that dedicating the sales
36 and use tax from the sale of new and used motor vehicles will be needed in

1 order to construct, reconstruct, and repair those roadways; and that in order
2 to lessen the loss of this money from general revenue, the transfer of these
3 taxes will be phased in over a ten-year period. Therefore, an emergency is
4 declared to exist and this act being necessary for the preservation of the
5 public peace, health, and safety shall become effective on July 1, 2011.

6
7 /s/Baird
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