

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

HOUSE BILL 1418

5 By: Representatives Barnett, McCrary, Hickerson, Williams, J. Edwards, Carnine, Rice, Bell, D. Altes, C.
6 Armstrong, E. Armstrong, Baine, Ballinger, Baltz, Biviano, Bragg, Branscum, Broadaway, Catlett,
7 Clemmer, Copenhaver, Cozart, Dale, Davis, Deffenbaugh, J. Dickinson, C. Douglas, D. Douglas,
8 Eubanks, Farrer, Ferguson, Fite, Gossage, Hammer, Harris, Hawthorne, Hillman, Hodges, Holcomb,
9 Hopper, Hutchison, Jean, Jett, Julian, Kerr, Kizzia, Leding, Love, Lowery, Magie, S. Malone, Mayberry,
10 McElroy, McGill, McLean, D. Meeks, S. Meeks, Miller, Murdock, B. Overbey, Payton, Perry, Ratliff,
11 Richey, Scott, Shepherd, Slinkard, F. Smith, Steel, Talley, T. Thompson, Vines, W. Wagner, Wardlaw,
12 Westerman, D. Whitaker, B. Wilkins, H. Wilkins, Womack, Word, Wren, Wright
13 By: Senators B. Sample, K. Ingram, Rapert, D. Wyatt, Bledsoe, Burnett, Caldwell, E. Cheatham, A.
14 Clark, J. English, Files, S. Flowers, J. Hendren, Hester, Hickey, Holland, Irvin, J. Key, B. King, B. Pierce,
15 G. Stubblefield, E. Williams, J. Woods
16

For An Act To Be Entitled

17
18 AN ACT TO DEDICATE THE SALES AND USE TAX REVENUE
19 DERIVED FROM THE SALES OF NEW AND USED VEHICLES AND
20 ROAD-USER ITEMS AND SERVICES FOR THE MAINTENANCE,
21 CONSTRUCTION, AND RECONSTRUCTION OF HIGHWAYS, ROADS,
22 STREETS, BRIDGES, AND THEIR EXTENSIONS LOCATED WITHIN
23 THE STATE; TO DECLARE AN EMERGENCY; AND FOR OTHER
24 PURPOSES.
25

Subtitle

26
27
28 TO DEDICATE SALES AND USE TAX REVENUE
29 FROM THE SALES OF NEW AND USED VEHICLES
30 AND ROAD-USER ITEMS AND SERVICES FOR
31 ROADWAY MAINTENANCE, CONSTRUCTION, AND
32 RECONSTRUCTION; AND TO DECLARE AN
33 EMERGENCY.
34

35
36 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:



1
2 SECTION 1. Arkansas Code § 19-6-301, concerning the enumeration of
3 special revenues, is amended to add two additional subdivisions to read as
4 follows:

5 (246) A portion of the sales and use taxes on road-user items
6 and services under § 26-52-107(b); and

7 (247) A portion of the sales and use taxes on motor vehicles,
8 trailers, and semitrailers under §§ 26-52-510(h) and 26-53-126(g).

9
10 SECTION 2. Arkansas Code § 26-52-107 is amended to read as follows:

11 26-52-107. Disposition of taxes, interest, and penalties.

12 All (a) Except as otherwise stated in this section, all taxes,
13 interest, penalties, and costs received by the Director of the Department of
14 Finance and Administration under ~~the provisions of~~ this chapter shall be
15 general revenues and shall be deposited into the State Treasury to the credit
16 of the State Apportionment Fund. The Treasurer of State shall allocate and
17 transfer the ~~same~~ deposited taxes, interest, penalties, and costs to the
18 various State Treasury funds participating in general revenues in the
19 respective proportions to each ~~as provided by~~ under, and to be used for the
20 respective purposes ~~set forth~~ stated in, the Revenue Stabilization Law, § 19-
21 5-101 et seq.

22 (b) Beginning the first day of September following the issuance of an
23 annual report certified to the Chief Fiscal Officer of the State by the
24 Treasurer of State in which the gross collection of general revenue for sales
25 and use tax exceeds two billion two hundred million dollars (\$2,200,000,000),
26 a ten-year phase-in of the sales and use tax representing road-user items and
27 services shall be distributed as follows:

28 (1) Beginning the first year, six-tenths percent (0.6%) of the
29 portion of all revenues generated under §§ 26-52-301, 26-52-302(a), 26-52-
30 302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-
31 107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) shall be
32 distributed as follows:

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

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

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

3 (2) Beginning the second year, one and two-tenths percent (1.2%)
 4 of the portion of all revenues generated under §§ 26-52-301, 26-52-302(a),
 5 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106,
 6 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) shall
 7 be distributed as follows:

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

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

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

14 (3) Beginning the third year, one and eight-tenths percent
 15 (1.8%) of the portion of all revenues generated under §§ 26-52-301, 26-52-
 16 302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-
 17 53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-
 18 148(a)(4)(A) shall be distributed as follows:

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

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

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

25 (4) Beginning the fourth year, two and four-tenths percent
 26 (2.4%) of the portion of all revenues generated under §§ 26-52-301, 26-52-
 27 302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-
 28 53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-
 29 148(a)(4)(A) shall be distributed as follows:

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

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

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

36 (5) Beginning the fifth year, three percent (3%) of the portion

1 of all revenues generated under §§ 26-52-301, 26-52-302(a), 26-52-302(d), 26-
 2 52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-
 3 53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) shall be distributed as
 4 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 (6) Beginning the sixth year, three and six-tenths percent
 12 (3.6%) of the portion of all revenues generated under §§ 26-52-301, 26-52-
 13 302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-
 14 53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-
 15 148(a)(4)(A) shall be distributed 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 (7) Beginning the seventh year, four and two-tenths percent
 23 (4.2%) of the portion of all revenues generated under §§ 26-52-301, 26-52-
 24 302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-
 25 53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-
 26 148(a)(4)(A) shall be distributed as follows:

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

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

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

33 (8) Beginning the eighth year, four and eight-tenths percent
 34 (4.8%) of the portion of all revenues generated under §§ 26-52-301, 26-52-
 35 302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-
 36 53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-

1 148(a)(4)(A) shall be distributed as follows:

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

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

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

8 (9) Beginning the ninth year, five and four-tenths percent
 9 (5.4%) of the portion of all revenues generated under §§ 26-52-301, 26-52-
 10 302(a), 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-
 11 53-106, 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-

12 148(a)(4)(A) shall be distributed as follows:

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

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

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

19 (10) Beginning the tenth year and thereafter, six percent (6%)
 20 of the portion of all revenues generated under §§ 26-52-301, 26-52-302(a),
 21 26-52-302(d), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106,
 22 26-53-107(a), 26-53-107(d), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A) shall
 23 be distributed as follows:

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

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

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

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

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

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

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

7 (d)(1) As used in this section, "road-user items and services" means:

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

10 (B) All labor, installation, maintenance, and diagnostic
 11 services, including without limitation repair services performed on a motor
 12 vehicle.

13 (2) The director shall promulgate rules to implement this
 14 section.

15
 16 SECTION 3. Arkansas Code § 26-52-510, concerning the payment of sales
 17 tax on a motor vehicle, is amended to add new subsections to read as follows:

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

26 (1) Beginning the first year:

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

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

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

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

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

1 Fund; and

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

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

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

10 (2) Beginning the second year:

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

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

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

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

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

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

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

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

30 (3) Beginning the third year:

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

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

36 (ii) Thirty percent (30%) shall be deposited as

1 special revenues as follows:

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

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

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

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

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

14 (4) Beginning the fourth year:

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

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

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

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

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

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

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

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

34 (5) Beginning the fifth year:

35 (A) Seventy-six and six-tenths percent (76.6%) of the
 36 taxes, interest, penalties, and costs received by the director shall be

1 deposited as follows:

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

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

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

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

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

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

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

18 (6) Beginning the sixth year:

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

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

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

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

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

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

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

35 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
36 interest, penalties, and costs received by the director shall be deposited

1 into the Educational Adequacy Fund;

2 (7) Beginning the seventh year:

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

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

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

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

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

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

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

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

22 (8) Beginning the eighth year:

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

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

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

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

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

34 (c) Seventy percent (70%) to the State Highway
35 and 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 Trust 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 (9) Beginning the ninth year:

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

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

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

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

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

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

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

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

26 (10) Beginning the tenth year:

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

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

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

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

35 (B) Eight and five-tenths percent (8.5%) of the taxes,
36 interest, penalties, and costs received by the director shall be deposited

1 into the Property Tax Relief Trust Fund; and

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

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

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

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

19
 20 SECTION 4. Arkansas Code § 26-53-126, concerning the payment of use
 21 tax on motor vehicles, is amended to add new subsections to read as follows:

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

30 (1) Beginning the first year:

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

34 (i) Ninety percent (90%) shall be deposited as
 35 general revenues; and

36 (ii) Ten percent (10%) shall be deposited as special

1 revenues as follows:

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

3 Fund;

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

5 Fund; and

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

7 and Transportation Department Fund;

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

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

14 (2) Beginning the second year:

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

18 (i) Eighty percent (80%) shall be deposited as
 19 general revenues; and

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

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

23 Fund;

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

25 Fund; and

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

27 and Transportation Department Fund;

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

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

34 (3) Beginning the third year:

35 (A) Seventy-six and six-tenths percent (76.6%) of the
 36 taxes, interest, penalties, and costs received by the director shall be

1 deposited as follows:

2 (i) Seventy percent (70%) shall be deposited as
3 general revenues; and

4 (ii) Thirty percent (30%) shall be deposited as
5 special revenues as follows:

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

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

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

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

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

18 (4) Beginning fourth year:

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

22 (i) Sixty percent (60%) shall be deposited as
23 general revenues; and

24 (ii) Forty percent (40%) shall be deposited as
25 special revenues as follows:

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

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

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

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

35 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
36 interest, penalties, and costs received by the director shall be deposited

1 into the Educational Adequacy Fund;

2 (5) Beginning the fifth year:

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

6 (i) Fifty percent (50%) shall be deposited as
7 general revenues; and

8 (ii) Fifty percent (50%) shall be deposited as
9 special revenues as follows:

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

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

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

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

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

22 (6) Beginning the sixth year:

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

26 (i) Forty percent (40%) shall be deposited as
27 general revenues; and

28 (ii) Sixty percent (60%) shall be deposited as
29 special revenues as follows:

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

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

34 (c) Seventy percent (70%) to the State Highway
35 and 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 Trust 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 (7) Beginning the seventh year:

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

10 (i) Thirty percent (30%) shall be deposited as
11 general revenues; and

12 (ii) Seventy percent (70%) shall be deposited as
13 special revenues as follows:

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

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

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

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

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

26 (8) Beginning the eighth year:

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

30 (i) Twenty percent (20%) shall be deposited as
31 general revenues; and

32 (ii) Eighty percent (80%) shall be deposited as
33 special revenues as follows:

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

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

1 Fund; and

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

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

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

10 (9) Beginning the ninth year:

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

14 (i) Ten percent (10%) shall be deposited as general
 15 revenues; and

16 (ii) Ninety percent (90%) shall be deposited as
 17 special revenues as follows:

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

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

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

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

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

30 (10) Beginning the tenth year:

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

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

35 (ii) Fifteen percent (15%) to the Municipal Aid

36 Fund; and

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

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

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

9 (h)(1) Funds credited to the State Highway and Transportation
10 Department Fund under subsection (g) of this section shall be used for the
11 construction, reconstruction, and maintenance of highways, roads, streets,
12 bridges, and extensions of highways, roads, streets, and bridges located
13 within the state.

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

18 (3) Funds credited to the Municipal Aid Fund under subsection
19 (g) of this section shall be used for the construction, reconstruction, and
20 maintenance of highways, roads, streets, bridges, and extensions of highways,
21 roads, streets, and bridges located within the municipality receiving the
22 funds.

23
24 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
25 General Assembly of the State of Arkansas that the highways, roads, streets,
26 and bridges of this state are in dire need of construction, reconstruction,
27 and maintenance; that well-maintained roadways are necessary for economic
28 development in this state; that dedicating a portion of the general revenue
29 that represents the sales and use tax on motor vehicle repair and the retail
30 sale of motor vehicle tires is necessary to help pay for the construction,
31 reconstruction, and maintenance of our roadways; that dedicating the sales
32 and use tax from the sale of new and used motor vehicles will be needed in
33 order to construct, reconstruct, and repair those roadways; and that in order
34 to lessen the loss of this money from general revenue, the transfer of these
35 taxes will be phased in over a ten-year period. Therefore, an emergency is
36 declared to exist, and this act being necessary for the preservation of the

public peace, health, and safety shall become effective on July 1, 2013.

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