

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

As Engrossed: H3/4/13

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, Broadway, 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

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
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Subtitle

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.
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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 under § 26-52-107(b);

6 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 portion of the total general revenues generated by sales and use tax under
27 §§ 26-52-301, 26-52-302(a), 26-52-302(b)(1), 26-52-303, 26-52-317(c)(1)(A),
28 26-52-319(a)(5)(A), 26-52-319(c)(2) as distributed under 26-52-319(a)(5)(A),
29 26-52-607, 26-53-106, 26-53-107(a), 26-53-107(b)(1), 26-53-145(c)(1)(A), 26-
30 53-148(a)(5)(A), and 26-53-148(c)(2) as distributed under 26-53-148(a)(5)(A)
31 shall be special revenues distributed in the manner stated in § 26-56-222(b)
32 in the following percentages:

33 (1) Beginning September 1 of the first year, six-tenths of one
34 percent (0.6%);

35 (2) Beginning July 1 of the second year, one and two-tenths
36 percent (1.2%);

1 (3) Beginning July 1 of the third year, one and eight-tenths
2 percent (1.8%);

3 (4) Beginning July 1 of the fourth year, two and four-tenths
4 percent (2.4%);

5 (5) Beginning July 1 of the fifth year, three percent (3%);

6 (6) Beginning July 1 of the sixth year, three and six-tenths
7 percent (3.6%);

8 (7) Beginning July 1 of the seventh year, four and two-tenths
9 percent (4.2%);

10 (8) Beginning July 1 of the eighth year, four and eight-tenths
11 percent (4.8%);

12 (9) Beginning July 1 of the ninth year, five and four-tenths
13 percent (5.4%); and

14 (10) Beginning July 1 of the tenth year and thereafter, six
15 percent (6%).

16 (c)(1) Funds credited to the State Highway and Transportation
17 Department Fund under subsection (b) of this section shall be used for the
18 construction, reconstruction, and maintenance of highways, roads, streets,
19 bridges, and extensions of highways, roads, streets, and bridges located
20 within the state.

21 (2) Funds credited to the County Aid Fund under subsection (b)
22 of this section shall be used for the construction, reconstruction, and
23 maintenance of highways, roads, streets, bridges, and extensions of highways,
24 roads, streets, and bridges located within the county.

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

29
30 SECTION 3. Arkansas Code § 26-52-510, concerning the payment of sales
31 tax on a motor vehicle, is amended to add new subsections to read as follows:

32 (h) Beginning the first day of September following the issuance of an
33 annual report certified to the Chief Fiscal Officer of the State by the
34 Treasurer of State in which the gross collection of general revenue for sales
35 and use tax exceeds two billion two hundred million dollars (\$2,200,000,000),
36 a portion of the total general revenues generated by sales and use tax under

1 §§ 26-52-301, 26-52-302(a), 26-52-302(b)(1), 26-52-303, 26-52-607, 26-53-106,
 2 26-53-107(a), and 26-53-107(b)(1) on the sale of new or used motor vehicles,
 3 trailers, or semitrailers required to be licensed in this state shall be
 4 special revenues distributed in the manner stated in § 26-56-222(b) in the
 5 following percentages:

- 6 (1) Beginning September 1 of the first year, ten percent (10%);
 7 (2) Beginning July 1 of the second year, twenty percent (20%);
 8 (3) Beginning July 1 of the third year, thirty percent (30%);
 9 (4) Beginning July 1 of the fourth year, forty percent (40%);
 10 (5) Beginning July 1 of the fifth year, fifty percent (50%);
 11 (6) Beginning July 1 of the sixth year, sixty percent (60%);
 12 (7) Beginning July 1 of the seventh year, seventy percent (70%);
 13 (8) Beginning July 1 of the eighth year, eighty percent (80%);
 14 (9) Beginning July 1 of the ninth year, ninety percent (90%);

15 and

- 16 (10) Beginning July 1 of the tenth year, one hundred percent
 17 (100%).

18 (i)(1) Funds credited to the State Highway and Transportation
 19 Department Fund under subsection (h) of this section shall be used for the
 20 construction, reconstruction, and maintenance of highways, roads, streets,
 21 bridges, and extensions of highways, roads, streets, and bridges located
 22 within the state.

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

27 (3) Funds credited to the Municipal Aid Fund under subsection
 28 (h) of this section shall be used for the construction, reconstruction, and
 29 maintenance of highways, roads, streets, bridges, and extensions of highways,
 30 roads, streets, and bridges located within the municipality receiving the
 31 funds.

32
 33 SECTION 4. Arkansas Code § 26-53-126, concerning the payment of use
 34 tax on motor vehicles, is amended to add new subsections to read as follows:

35 (g) Beginning the first day of September following the issuance of an
 36 annual report certified to the Chief Fiscal Officer of the State by the

1 Treasurer of State in which the gross collection of general revenue for sales
2 and use tax exceeds two billion two hundred million dollars (\$2,200,000,000),
3 a portion of the total general revenues generated by sales and use tax under
4 §§ 26-52-301, 26-52-302(a), 26-52-302(b)(1), 26-52-303, 26-52-607, 26-53-106,
5 26-53-107(a), and 26-53-107(b)(1) on the sale of new or used motor vehicles,
6 trailers, or semitrailers required to be licensed in this state shall be
7 special revenues distributed in the manner stated in § 26-56-222(b) in the
8 following percentages:

9 (1) Beginning September 1 of the first year, ten percent (10%);

10 (2) Beginning July 1 of the second year, twenty percent (20%);

11 (3) Beginning July 1 of the third year, thirty percent (30%);

12 (4) Beginning July 1 of the fourth year, forty percent (40%);

13 (5) Beginning July 1 of the fifth year, fifty percent (50%);

14 (6) Beginning July 1 of the sixth year, sixty percent (60%);

15 (7) Beginning July 1 of the seventh year, seventy percent (70%);

16 (8) Beginning July 1 of the eighth year, eighty percent (80%);

17 (9) Beginning July 1 of the ninth year, ninety percent (90%);

18 and

19 (10) Beginning July 1 of the tenth year, one hundred percent

20 (100%).

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

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

30 (3) Funds credited to the Municipal Aid Fund under subsection
31 (g) of this section shall be used for the construction, reconstruction, and
32 maintenance of highways, roads, streets, bridges, and extensions of highways,
33 roads, streets, and bridges located within the municipality receiving the
34 funds.

35
36 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly of the State of Arkansas that the highways, roads, streets,
2 and bridges of this state are in dire need of construction, reconstruction,
3 and maintenance; that well-maintained roadways are necessary for economic
4 development in this state; that dedicating a portion of the general revenue
5 that represents the sales and use tax on motor vehicle repair and the retail
6 sale of motor vehicle tires is necessary to help pay for the construction,
7 reconstruction, and maintenance of our roadways; that dedicating the sales
8 and use tax from the sale of new and used motor vehicles will be needed in
9 order to construct, reconstruct, and repair those roadways; and that in order
10 to lessen the loss of this money from general revenue, the transfer of these
11 taxes will be phased in over a ten-year period. Therefore, an emergency is
12 declared to exist, and this act being necessary for the preservation of the
13 public peace, health, and safety shall become effective on July 1, 2013.

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15 */s/Barnett*
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