

1 State of Arkansas *As Engrossed: H3/4/13 H3/13/13 H3/18/13 H3/28/13*

2 89th General Assembly

# A Bill

3 Regular Session, 2013

HOUSE BILL 1418

4  
5 By: Representatives Barnett, McCrary, Hickerson, Williams, J. Edwards, Carnine, Rice, Bell, D. Altes, C.  
6 Armstrong, E. Armstrong, Baine, Ballinger, Biviano, Bragg, Branscum, Broadaway, Catlett, Clemmer,  
7 Dale, Davis, Deffenbaugh, C. Douglas, D. Douglas, Eubanks, Farrer, Ferguson, Fite, Gossage, Hammer,  
8 Harris, Hillman, Hodges, Hopper, Hutchison, Jean, Jett, Julian, Kerr, Leding, Love, Lowery, S. Malone,  
9 Mayberry, McElroy, McGill, McLean, D. Meeks, S. Meeks, Miller, Murdock, Payton, Perry, Scott,  
10 Shepherd, Slinkard, F. Smith, Steel, Vines, W. Wagner, Wardlaw, Westerman, B. Wilkins, H. Wilkins,  
11 Womack, Word, Wright

12 By: Senators B. Sample, K. Ingram, Rapert, D. Wyatt, Bledsoe, Burnett, Caldwell, E. Cheatham, A.  
13 Clark, J. English, Files, S. Flowers, J. Hendren, Hester, Hickey, Holland, Irvin, J. Key, B. King, B. Pierce,  
14 G. Stubblefield, E. Williams, J. Woods

## For An Act To Be Entitled

15  
16 AN ACT TO DEDICATE THE SALES AND USE TAX REVENUE  
17 DERIVED FROM THE SALES OF NEW AND USED VEHICLES IN  
18 PART FOR THE MAINTENANCE, CONSTRUCTION, AND  
19 RECONSTRUCTION OF HIGHWAYS, ROADS, STREETS, BRIDGES,  
20 AND THEIR EXTENSIONS LOCATED WITHIN THE STATE; TO  
21 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.  
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## Subtitle

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24  
25 TO DEDICATE SALES AND USE TAX REVENUE  
26 FROM THE SALES OF NEW AND USED VEHICLES  
27 IN PART FOR ROADWAY MAINTENANCE,  
28 CONSTRUCTION, AND RECONSTRUCTION; AND TO  
29 DECLARE AN EMERGENCY.  
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33 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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35 SECTION 1. *Arkansas Code § 26-52-510, concerning the payment of sales*  
36 *tax on a motor vehicle, is amended to add new subsections to read as follows:*



1 (h)(1) Beginning the first day of September following the issuance of  
2 an annual report certified to the Chief Fiscal Officer of the State by the  
3 Treasurer of State in which the gross collection of general revenue for sales  
4 and use tax exceeds two billion two hundred fifty million dollars  
5 (\$2,250,000,000), the Chief Fiscal Officer of the State shall determine as a  
6 monthly allocation an amount equivalent to the percentages stated in  
7 subsection (i) of this section of the total net general revenues enumerated  
8 in 19-6-201(1) and (2) that were collected as sales and use tax under §§ 26-  
9 52-301, 26-52-302(a), 26-52-302(b)(1), 26-52-303, 26-52-607, 26-53-106, 26-  
10 53-107(a), and 26-53-107(b)(1) on the sale of new or used motor vehicles,  
11 trailers, or semitrailers required to be licensed in this state.

12 (2) After making the deductions required under § 19-5-  
13 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of  
14 the State shall certify the allocation determined under subdivision (h)(1) of  
15 this section to the Treasurer of State, who shall transfer the certified  
16 allocation as follows:

17 (A) Seventy percent (70%) credited to the State Highway and  
18 Transportation Department Fund, which shall be used for the construction,  
19 reconstruction, and maintenance of highways, roads, streets, bridges, and  
20 extensions of highways, roads, streets, and bridges located within the state;

21 (B) Fifteen percent (15%) credited to the County Aid Fund,  
22 which may be expended on any legitimate county purpose and is not limited to  
23 expenditures for highway-related purposes; and

24 (C) Fifteen percent (15%) credited to the Municipal Aid  
25 Fund, which may be expended on any legitimate municipal purpose and is not  
26 limited to expenditures for highway-related purposes.

27 (i) In making a determination under subsection (h) of this section,  
28 the Chief Fiscal Officer of the State shall use the following percentages:

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

30 (2) Beginning September 1 of the second year in which an  
31 increase is allowed under subsection (j) of this section, twenty percent  
32 (20%);

33 (3) Beginning September 1 of the third year in which an increase  
34 is allowed under subsection (j) of this section, thirty percent (30%);

35 (4) Beginning September 1 of the fourth year in which an  
36 increase is allowed under subsection (j) of this section, forty percent

1 (40%);

2 (5) Beginning September 1 of the fifth year in which an increase  
3 is allowed under subsection (j) of this section, fifty percent (50%);

4 (6) Beginning September 1 of the sixth year in which an increase  
5 is allowed under subsection (j) of this section, sixty percent (60%);

6 (7) Beginning September 1 of the seventh year in which an  
7 increase is allowed under subsection (j) of this section, seventy percent  
8 (70%);

9 (8) Beginning September 1 of the eighth year in which an  
10 increase is allowed under subsection (j) of this section, eighty percent  
11 (80%);

12 (9) Beginning September 1 of the ninth year in which an increase  
13 is allowed under subsection (j) of this section, ninety percent (90%); and

14 (10) Beginning September 1 of the tenth year in which an  
15 increase is allowed under subsection (j) of this section and thereafter, one  
16 hundred percent (100%).

17 (j)(1) After the Treasurer of State certifies an annual report to the  
18 Chief Fiscal Officer of the State under subdivision (h)(1) of this section,  
19 the Chief Fiscal Officer of the State shall determine, within fifteen (15)  
20 days after the end of each fiscal year, whether the total gross general  
21 revenues for the closing fiscal year increased by at least three percent (3%)  
22 over the total gross general revenues for the fiscal year before the closing  
23 fiscal year.

24 (2) If the Chief Fiscal Officer of the State determines under  
25 subdivision (j)(1) of this section that the total gross general revenues for  
26 the closing fiscal year:

27 (A) Increased by at least three percent (3%) over the  
28 total gross general revenues for the fiscal year before the closing fiscal  
29 year, the percentage used under subsection (i) of this section shall increase  
30 as stated under subsection (i) of this section; or

31 (B) Did not increase by at least three percent (3%) over  
32 the total gross general revenues for the fiscal year before the closing  
33 fiscal year, the percentage used under subsection (i) of this section shall:

34 (i) Not increase on September 1 as stated in  
35 subsection (i); and

36 (ii) Remain the same until the Chief Fiscal Officer

1 of the State determines that the total gross general revenues for a closing  
2 fiscal year increased by at least three percent (3%) over the total gross  
3 general revenues for the fiscal year before the closing fiscal year.

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5 SECTION 2. Arkansas Code § 26-53-126, concerning the payment of use  
6 tax on motor vehicles, is amended to add new subsections to read as follows:

7 (g)(1) Beginning the first day of September following the issuance of  
8 an annual report certified to the Chief Fiscal Officer of the State by the  
9 Treasurer of State in which the gross collection of general revenue for sales  
10 and use tax exceeds two billion two hundred fifty million dollars  
11 (\$2,250,000,000), the Chief Fiscal Officer of the State shall determine as a  
12 monthly allocation an amount equivalent to the percentages stated in  
13 subsection (h) of this section of the total net general revenues enumerated  
14 in 19-6-201(1) and (2) that were collected as sales and use tax under §§ 26-  
15 52-301, 26-52-302(a), 26-52-302(b)(1), 26-52-303, 26-52-607, 26-53-106, 26-  
16 53-107(a), and 26-53-107(b)(1) on the sale of new or used motor vehicles,  
17 trailers, or semitrailers required to be licensed in this state.

18 (2) After making the deductions required under § 19-5-  
19 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of  
20 the State shall certify the allocation determined under subdivision (g)(1) of  
21 this section to the Treasurer of State, who shall transfer the certified  
22 allocation as follows:

23 (A) Seventy percent (70%) credited to the State Highway  
24 and Transportation Department Fund, which shall be used for the construction,  
25 reconstruction, and maintenance of highways, roads, streets, bridges, and  
26 extensions of highways, roads, streets, and bridges located within the state;

27 (B) Fifteen percent (15%) credited to the County Aid Fund,  
28 which may be expended on any legitimate county purpose and is not limited to  
29 expenditures for highway-related purposes; and"

30 (C) Fifteen percent (15%) credited to the Municipal Aid  
31 Fund, which may be expended on any legitimate municipal purpose and is not  
32 limited to expenditures for highway-related purposes.

33 (h) In making a determination under subsection (g) of this section,  
34 the Chief Fiscal Officer of the State shall use the following percentages:

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

36 (2) Beginning September 1 of the second year in which an

1 increase is allowed under subsection (i) of this section, twenty percent  
2 (20%);

3 (3) Beginning September 1 of the third year in which an increase  
4 is allowed under subsection (i) of this section, thirty percent (30%);

5 (4) Beginning September 1 of the fourth year in which an  
6 increase is allowed under subsection (i) of this section, forty percent  
7 (40%);

8 (5) Beginning September 1 of the fifth year in which an increase  
9 is allowed under subsection (i) of this section, fifty percent (50%);

10 (6) Beginning September 1 of the sixth year in which an increase  
11 is allowed under subsection (i) of this section, sixty percent (60%);

12 (7) Beginning September 1 of the seventh year in which an  
13 increase is allowed under subsection (i) of this section, seventy percent  
14 (70%);

15 (8) Beginning September 1 of the eighth year in which an  
16 increase is allowed under subsection (i) of this section, eighty percent  
17 (80%);

18 (9) Beginning September 1 of the ninth year in which an increase  
19 is allowed under subsection (i) of this section, ninety percent (90%); and

20 (10) Beginning September 1 of the tenth year in which an  
21 increase is allowed under subsection (i) of this section and thereafter, one  
22 hundred percent (100%).

23 (i)(1) After the Treasurer of State certifies an annual report to the  
24 Chief Fiscal Officer of the State under subdivision (g)(1) of this section,  
25 the Chief Fiscal Officer of the State shall determine, within fifteen (15)  
26 days after the end of each fiscal year, whether the total gross general  
27 revenues for the closing fiscal year increased by at least three percent (3%)  
28 over the total gross general revenues for the fiscal year before the closing  
29 fiscal year.

30 (2) If the Chief Fiscal Officer of the State determines under  
31 subdivision (i)(1) of this section that the total gross general revenues for  
32 the closing fiscal year:

33 (A) Increased by at least three percent (3%) over the  
34 total gross general revenues for the fiscal year before the closing fiscal  
35 year, the percentage used under subsection (h) of this section shall increase  
36 as stated under subsection (h) of this section; or

1 (B) Did not increase by at least three percent (3%) over  
2 the total gross general revenues for the fiscal year before the closing  
3 fiscal year, the percentage used under subsection (h) of this section shall:

4 (i) Not increase on September 1 as stated in  
5 subsection (h); and

6 (ii) Remain the same until the Chief Fiscal Officer  
7 of the State determines that the total gross general revenues for a closing  
8 fiscal year increased by at least three percent (3%) over the total gross  
9 general revenues for the fiscal year before the closing fiscal year.

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11 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
12 General Assembly of the State of Arkansas that the highways, roads, streets,  
13 and bridges of this state are in dire need of construction, reconstruction,  
14 and maintenance; that well-maintained roadways are necessary for economic  
15 development in this state; that dedicating the sales and use tax from the  
16 sale of new and used motor vehicles is necessary to help pay for the  
17 construction, reconstruction, and maintenance of our roadways; and that in  
18 order to lessen the loss of this money from general revenue, the transfer of  
19 these taxes will be phased in over a ten-year period. Therefore, an  
20 emergency is declared to exist, and this act being necessary for the  
21 preservation of the public peace, health, and safety shall become effective  
22 on July 1, 2013.

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25 /s/Barnett  
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