

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

*As Engrossed: S2/28/13*

# A Bill

SENATE BILL 438

5 By: Senator Teague  
6

## For An Act To Be Entitled

8 AN ACT CONCERNING THE REVENUES DERIVED FROM THE TAX  
9 ON DISTILLATE SPECIAL FUELS; TO ELIMINATE THE  
10 DESIGNATION OF CERTAIN TAX REVENUES DERIVED FROM  
11 SALES OF DISTILLATE SPECIAL FUELS AS GENERAL  
12 REVENUES; AND FOR OTHER PURPOSES.  
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## Subtitle

15 CONCERNING THE REVENUES DERIVED FROM THE  
16 TAX ON DISTILLATE SPECIAL FUELS; TO  
17 ELIMINATE THE DESIGNATION OF CERTAIN TAX  
18 REVENUES DERIVED FROM SALES OF DISTILLATE  
19 SPECIAL FUELS AS GENERAL REVENUES.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 *SECTION 1. Arkansas Code § 19-5-1103(b), concerning the Property Tax*  
26 *Relief Trust Fund, is amended to read as follows:*

27 *(b) The fund shall consist of such revenues as generated by*  
28 *§§ 26-52-302(c), 26-52-317(c)(1)(B), 26-52-319(a)(3)(B), 26-53-107(c), 26-53-*  
29 *145(c)(1)(B), 26-53-148(a)(3)(B), ~~26-56-201(g)(1)(C)~~, and 26-56-224(c)(2),*  
30 *and shall be used for such purposes as set out in § 26-26-310.*  
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32 *SECTION 2. Arkansas Code § 19-5-1227(b)(3), concerning the Educational*  
33 *Adequacy Fund, is amended to read as follows:*

34 *(3) The revenues generated by §§ 26-52-*  
35 *302(d), 26-52-316, 26-52-317(c)(1)(C), 26-52-319(a)(3)(C), 26-53-107(d), 26-*  
36 *53-145(c)(1)(C), 26-53-148(a)(3)(C), ~~26-56-201(g)(1)(B)~~, 26-56-224(c)(3), and*



1 26-57-1002(d)(1)(A)(ii); and

2  
3 SECTION 3. Arkansas Code § 19-6-201(68), concerning the enumeration of  
4 general revenues, is repealed.

5 ~~(68) The first four million dollars (\$4,000,000) of the eight~~  
6 ~~and one-half cent (8½¢) tax on distillate special fuels levied each fiscal~~  
7 ~~year under § 26-56-201(a)(1)(A)(i).~~

8  
9 SECTION 4. Arkansas Code § 19-6-301(3)(A), concerning the enumeration  
10 of special revenues, is amended to read as follows:

11 (A) Eight and one-half cent (8.5¢) tax on distillate  
12 special motor fuels levied by § 26-56-201(a)(1)(A)(i), ~~after the deduction of~~  
13 ~~the first four million dollars (\$4,000,000) each fiscal year under § 26-56-~~  
14 ~~201(g)(1) and one cent (1¢) tax on distillate special motor fuels levied by §~~  
15 26-56-201(a)(1)(A)(ii);

16  
17 SECTION 5. Arkansas Code § 26-56-201(f), concerning the disposition of  
18 the revenues derived from the excise tax on distillate special fuel, are  
19 amended to read as follows:

20 (f) ~~Except as provided in subsection (g) of this section, the~~ The  
21 additional taxes collected under this section are special revenues and shall  
22 be distributed as set forth in the Arkansas Highway Revenue Distribution Law,  
23 § 27-70-201 et seq., subject to any requirements for the repayment of bonds  
24 issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq.,  
25 the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.,  
26 and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.

27  
28 SECTION 6. Arkansas Code § 26-56-201(g), concerning the disposition of  
29 the revenues derived from the excise tax on distillate special fuels, is  
30 repealed.

31 ~~(g)(1) In order to offset the general revenues lost by the tax~~  
32 ~~exemption contained in § 26-52-436(e) and (d) and § 26-53-144(e) and (d), the~~  
33 ~~Chief Fiscal Officer of the State shall, on or before June 30, 2013, and on~~  
34 ~~or before June 30 of each fiscal year thereafter, deposit the first four~~  
35 ~~million dollars (\$4,000,000) of the taxes collected under subdivision~~  
36 ~~(a)(1)(A)(i) of this section as general revenues, to be distributed as~~

1 follows:

2 ~~(A) Seventy five percent (75%) to be deposited into the~~  
3 ~~General Revenue Fund Account of the State Apportionment Fund, § 19-5-202;~~

4 ~~(B) Fourteen and six tenths percent (14.6%) to be~~  
5 ~~deposited into the Educational Adequacy Fund, § 19-5-1227;~~

6 ~~(C) Eight and three tenths percent (8.3%) to be deposited~~  
7 ~~into the Property Tax Relief Trust Fund, § 19-5-1103; and~~

8 ~~(D) Two and one tenth percent (2.1%) to be deposited into~~  
9 ~~the Conservation Tax Fund, § 19-6-484.~~

10 ~~(2) The balance of the taxes collected under subdivision~~  
11 ~~(a)(1)(A)(i) of this section shall be deposited as special revenues and~~  
12 ~~distributed in the manner required by law.~~

13 ~~(3) The classification and distribution of taxes under~~  
14 ~~subdivision (g)(1) of this section is subject to any requirements for the~~  
15 ~~repayment of bonds issued under the Arkansas Highway Financing Act of 1999, §~~  
16 ~~27-64-201 et seq., and the Arkansas Interstate Highway Financing Act of 2007,~~  
17 ~~§ 27-64-401 et seq.~~

18 ~~(4) The taxes collected under subdivision (a)(1)(A)(ii) of this~~  
19 ~~section shall be distributed as provided in § 26-56-221.~~

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21 /s/Teague  
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