

State of Arkansas
90th General Assembly
Regular Session, 2015

As Engrossed: H3/12/15

A Bill

HOUSE BILL 1375

By: Representatives J. Mayberry, L. Fite, Gates
By: Senator A. Clark

For An Act To Be Entitled

AN ACT TO ALLOW LOCAL GOVERNMENTS TO LEVY TAXES ON
ALCOHOLIC BEVERAGES; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW LOCAL GOVERNMENTS TO LEVY TAXES
ON ALCOHOLIC BEVERAGES.

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

SECTION 1. DO NOT CODIFY. Legislative findings.

The General Assembly finds that:

(1) Excessive alcohol consumption is responsible for approximately seventy-nine thousand (79,000) deaths per year in the country, making it the third-leading cause of preventable deaths in the United States;

(2) The economic costs associated with alcohol misuse are in the billions of dollars;

(3) The density of retail alcohol outlets is highly regulated to reduce excessive alcohol consumption and related problems; and

(4) An increased density of retail alcohol outlets is associated with higher levels of alcohol consumption and related issues, including medical problems, automobile accidents, domestic abuse, and crime.

SECTION 2. Arkansas Code Title 26 is amended to add an additional chapter to read as follows:

Chapter 83

County Tax on Alcoholic Beverages



1
2 26-83-101. Definitions.

3 As used in this chapter:

4 (1) "Alcoholic beverages" means beverages that are suitable for
5 human consumption and contain five-tenths of one percent (0.5%) or more of
6 alcohol by volume; and

7 (2)(A) "Public health and safety measure" means a measure
8 proposed for the purpose of increasing public health and safety.

9 (B) "Public health and safety measure" includes without
10 limitation:

11 (i) Improvements or renovations to a county jail, a
12 sheriff's department, or a hospital; and

13 (ii) Staffing required for a county jail, a
14 sheriff's department, or a hospital.

15
16 26-83-102. Authority to levy tax – Election.

17 (a)(1) A county quorum court of a county that does not have a county
18 sales and use tax may adopt an ordinance levying a county excise tax on
19 alcoholic beverages at the rate of one-eighth of one percent (0.125%), one-
20 fourth of one percent (0.25%), one-half of one percent (0.5%), three-fourths
21 of one percent (0.75%), one percent (1%), or any combination of these amounts
22 to fund one (1) or more public health and safety measures in the county.

23 (2) A county excise tax levied under this chapter applies to
24 retail sales of alcoholic beverages sold for on-premises or off-premises
25 consumption.

26 (b)(1) Within thirty (30) days following the adoption of an ordinance
27 levying a county excise tax on alcoholic beverages under this chapter, the
28 county by ordinance shall provide for the calling of a special election on
29 the question of whether to levy the county excise tax on alcoholic beverages
30 under §§ 7-11-201 – 7-11-205.

31 (2) The date for the special election may be the same as the
32 date for the next regular county election.

33 (3) The county quorum court shall:

34 (A) Notify the county board of election commissioners that
35 the question has been referred to the vote of the people; and

36 (B) Submit a copy of the ballot title to the county board

1 of election commissioners.

2 (4) The election shall be conducted in the manner provided by
3 law for all other county elections unless otherwise provided in this chapter.

4 (c) Notice of the election shall be given by the county clerk by one
5 (1) publication in a newspaper having a general circulation within the county
6 at least ten (10) days before the election.

7 (d) The ballot title to be used at the election under subsection (c)
8 of this section shall be in substantially the following form:

9 "[] FOR adoption of a percent (. %) county excise
10 tax on alcoholic beverages within County for the purpose of funding
11 (describe eligible public health and safety measures).

12 [] AGAINST adoption of a percent (. %) county
13 excise tax on alcoholic beverages within County for the purpose of
14 funding (describe eligible public health and safety measures)."

15
16 26-83-103. Requirements – Effective dates.

17 To provide time to prepare for an election required under this chapter
18 and to provide the county with adequate time to accomplish its duties, the
19 following requirements apply to an ordinance levying a county excise tax on
20 alcoholic beverages under this chapter:

21 (1)(A) The ordinance levying the county excise tax on alcoholic
22 beverages under this chapter is not effective until after the election under
23 § 26-83-102 has been held.

24 (B)(i) Following the election, the county judge shall
25 issue his or her proclamation of the results of the election with reference
26 to the county excise tax on alcoholic beverages.

27 (ii) The proclamation described in subdivision
28 (1)(B)(i) of this section shall be published one (1) time in a newspaper
29 having general circulation within the county.

30 (C) A person desiring to challenge the results of an
31 election as published in the proclamation shall file the challenge in the
32 circuit court of the county in which the excise tax on alcoholic beverages is
33 to be levied within thirty (30) days of the date of publication of the
34 proclamation;

35 (2) The ordinance levying the county excise tax on alcoholic
36 beverages shall become effective on the first day of the calendar quarter

1 after the expiration of the full thirty-day period of challenge under
2 subdivision (1) of this section; and

3 (3) If an election challenge occurs under subdivision (1) of
4 this section, the county excise tax on alcoholic beverages shall be collected
5 under this chapter beginning the effective date provided in subdivision (2)
6 of this section unless enjoined by a court order.

7
8 26-83-104. Abolition of tax.

9 (a)(1) The county may abolish all or a portion of the county excise
10 tax on alcoholic beverages authorized under this chapter by:

11 (A) A roll call vote of two-thirds (2/3) of all members
12 elected to the county quorum court, excluding the county judge, if the county
13 quorum court has determined that the purpose of the county excise tax on
14 alcoholic beverages cannot be fulfilled or cannot continue to be fulfilled;
15 or

16 (B) An election called by:

17 (i) Action of the county quorum court; or

18 (ii) A petition of the qualified voters in the
19 county.

20 (2) A petition of the qualified voters and the calling and
21 holding of an election concerning the abolition of the county excise tax on
22 alcoholic beverages under this subsection are governed by the initiative
23 procedures in Arkansas Constitution, Article 5, § 1, and any ordinances of
24 the county governing initiative procedures.

25 (3) The county quorum court may call for an election under this
26 subsection subject to the same procedures stated in this chapter for the
27 calling of the initial election.

28 (b) The ballot title to be used at the election shall be in
29 substantially the following form:

30 "[] FOR abolition of a percent (. %) county excise
31 tax on alcoholic beverages within County for the purpose of funding
32 (describe eligible public health and safety measures)."

33 [] AGAINST abolition of a percent (. %) county
34 excise tax on alcoholic beverages within County for the purpose of
35 funding (describe eligible public health and safety measures)."

36 (c) The effective date of an affirmative vote of the qualified voters

1 to abolish the county excise tax on alcoholic beverages under this section
2 shall be the first day of the calendar quarter after the expiration of ninety
3 (90) days from the date of publication of the election proclamation.

4 (d) The effective date of an affirmative vote by the county quorum
5 court to abolish the county excise tax on alcoholic beverages under this
6 section shall be on the first day of the calendar quarter after the
7 expiration of ninety (90) days from the date that the county quorum court
8 adopts an ordinance abolishing the county excise tax on alcoholic beverages.

9
10 26-83-105. Payment and collection of tax – Administration.

11 (a)(1) Beginning on the effective date stated in § 26-83-103, the
12 county treasurer shall collect a county excise tax levied under this chapter
13 at the time and in the manner determined by the county quorum court and
14 adopted by ordinance.

15 (2) The county treasurer's commission for collecting the excise tax
16 shall be two percent (2%) of the total amount collected in accordance with §
17 21-6-302.

18 (b) The person paying the excise tax shall report and remit the tax on
19 forms approved by the county quorum court and provided by the county
20 treasurer.

21 (c) On and after the effective date of a county excise tax on
22 alcoholic beverages imposed under this chapter, the county quorum court shall
23 perform all functions incidental to the administration, enforcement, and
24 operation of the tax.

25
26 26-83-106. Disposition of revenues.

27 (a)(1) For the purpose of segregating and keeping apart the revenues
28 derived from a county excise tax levied under this chapter a county levying
29 an excise tax under this chapter shall establish a separate special revenue
30 account, styled " County Alcoholic Beverages Tax Fund" on the
31 books of the county treasurer.

32 (2) All revenues derived from the county excise tax shall be
33 deposited into the separate account established under subdivision (a)(1) of
34 this section.

35 (b) Payments and transfers shall be made from the separate special
36 revenue account established under subsection (a) of this section only for:

1 (1) The purposes stated in § 26-83-102; and

2 (2) Payment of the county treasurer's commission.

3 (c) A claim for payment shall go through the county claims process
4 under § 14-23-101 et seq. before payment is made from the special revenue
5 account established under subdivision (a)(1) of this section.

6
7 26-83-107. No effect on existing taxes.

8 The imposition of a county excise tax on alcoholic beverages under this
9 chapter does not affect any existing taxes levied by a county.

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11 /s/J. Mayberry
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