

1 State of Arkansas *As Engrossed: H3/12/15 S3/30/15*

2 90th General Assembly

A Bill

3 Regular Session, 2015

HOUSE BILL 1375

4

5 By: Representatives J. Mayberry, L. Fite, Gates

6 By: Senator A. Clark

7

8

For An Act To Be Entitled

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

11

12

13

Subtitle

14

TO ALLOW LOCAL GOVERNMENTS TO LEVY TAXES

15

ON ALCOHOLIC BEVERAGES.

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

19

20 *SECTION 1. DO NOT CODIFY. Legislative findings.*

21 *The General Assembly finds that:*

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(1) Excessive alcohol consumption is responsible for

23

approximately seventy-nine thousand (79,000) deaths per year in the country,
24 *making it the third-leading cause of preventable deaths in the United States;*

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(2) The economic costs associated with alcohol misuse are in the

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billions of dollars;

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(3) The density of retail alcohol outlets is highly regulated to

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reduce excessive alcohol consumption and related problems; and

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(4) An increased density of retail alcohol outlets is associated

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with higher levels of alcohol consumption and related issues, including

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medical problems, automobile accidents, domestic abuse, and crime.

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

35

Chapter 83

36

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 shall be
24 collected at the rate levied under subdivision (a)(1) of this section on the
25 gross receipts derived from the retail sale of alcoholic beverages sold for
26 on-premises or off-premises consumption.

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

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

34 (3) The county quorum court shall:

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

1 (B) Submit a copy of the ballot title to the county board
2 of election commissioners.

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

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

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

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

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

16
17 26-83-103. Requirements – Effective dates.

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

22 (1)(A) The ordinance levying the county excise tax on alcoholic
23 beverages under this chapter is not effective until after the election under
24 § 26-83-102 has been held.

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

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

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

36 (2) The ordinance levying the county excise tax on alcoholic

1 beverages shall become effective on the first day of the calendar quarter
2 after the expiration of the full thirty-day period of challenge under
3 subdivision (1) of this section; and

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

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9 26-83-104. Abolition of tax.

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

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

17 (B) An election called by:

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

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

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

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

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

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

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

1 (c) The effective date of an affirmative vote of the qualified voters
2 to abolish the county excise tax on alcoholic beverages under this section
3 shall be the first day of the calendar quarter after the expiration of ninety
4 (90) days from the date of publication of the election proclamation.

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

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11 26-83-105. Payment and collection of tax – Administration.

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

16 (2) The county treasurer's commission for collecting the excise tax
17 shall be two percent (2%) of the total amount collected in accordance with §
18 21-6-302.

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

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

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27 26-83-106. Disposition of revenues.

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

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

36 (b) Payments and transfers shall be made from the separate special

1 revenue account established under subsection (a) of this section only for:

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

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

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

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8 26-83-107. No effect on existing taxes.

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

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12 /s/J. Mayberry
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