

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

# A Bill

HOUSE BILL 1308

5 By: Representative L. Fite  
6 By: Senator Hill  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW TO PROVIDE FOR CHANGES  
10 RELATED TO ARKANSAS CONSTITUTION, AMENDMENT 101; TO  
11 ALLOW FOR REVENUES FROM THE SALES AND USE TAX LEVIED  
12 UNDER ARKANSAS CONSTITUTION, AMENDMENT 101, TO BE  
13 USED FOR BONDS FOR SURFACE TRANSPORTATION PROJECTS;  
14 TO AMEND THE LAW REGARDING THE DEDUCTION, TRANSFER,  
15 DISTRIBUTION, AND REFUND OF REVENUES FROM THE SALES  
16 AND USE TAX LEVIED UNDER ARKANSAS CONSTITUTION,  
17 AMENDMENT 101; TO DECLARE AN EMERGENCY; AND FOR OTHER  
18 PURPOSES.  
19

## Subtitle

21 TO AMEND THE LAW TO PROVIDE FOR CHANGES  
22 RELATED TO ARKANSAS CONSTITUTION,  
23 AMENDMENT 101; AND TO DECLARE AN  
24 EMERGENCY.  
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28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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30 SECTION 1. Arkansas Code § 14-164-341 is amended to read as follows:  
31 14-164-341. Bonds for surface transportation projects.

32 (a) The governing body of a municipality or county may pledge by  
33 ordinance all or a specified portion of the municipality's or county's share  
34 of collections of the following ~~temporary one-half percent (1/2%) sales and use~~  
35 ~~tax levied under Arkansas Constitution, Amendment 91,~~ to retire bonds issued  
36 for a surface transportation project;



1           (1) The temporary one-half percent (½%) sales and use tax levied  
2 under Arkansas Constitution, Amendment 91; or

3           (2) The one-half percent (½%) sales and use tax levied under  
4 Arkansas Constitution, Amendment 101.

5           (b)(1) An ordinance pledging revenues under subsection (a) of this  
6 section is not effective unless the issuance of the bonds is approved by a  
7 majority of the electors of the municipality or county voting on the question  
8 at an election that is held substantially in the manner provided under § 14-  
9 164-309.

10           (2) The ballot form in an election to issue bonds secured by the  
11 pledge of revenues under subsection (a) of this section shall contain a  
12 statement describing the extent to which the municipality's or county's share  
13 of collections of the temporary one-half percent (½%) sales and use tax  
14 levied under Arkansas Constitution, Amendment 91, or the one-half percent  
15 (½%) sales and use tax levied under Arkansas Constitution, Amendment 101, may  
16 be pledged to the retirement of the bonds issued for the surface  
17 transportation project if the bonds are approved by the voters of the  
18 municipality or county.

19           (c) Bonds issued under this section that are secured by collections of  
20 the temporary one-half (½%) sales and use tax levied under Arkansas  
21 Constitution, Amendment 91, shall not have a final maturity date later than  
22 July 1, 2023.

23           (d) A certified copy of the ordinance authorizing the issuance of  
24 bonds under this section shall be filed with the Secretary of the Department  
25 of Finance and Administration and the Treasurer of State as soon as  
26 practicable after the approval of the issuance of the bonds by the voters.

27           (e)(1) If a municipality or county has filed an ordinance with the  
28 Treasurer of State under subsection (d) of this section and the  
29 municipality's or county's share of collections of the temporary one-half  
30 percent (½%) sales and use tax levied under Arkansas Constitution, Amendment  
31 91, or the one-half percent (½%) sales and use tax levied under Arkansas  
32 Constitution, Amendment 101, is to be distributed to the municipality or  
33 county from the Municipal Aid Fund or the County Aid Fund, the Treasurer of  
34 State shall separately identify the amount of funds to be distributed to the  
35 municipality or county under Arkansas Constitution, Amendment 91, or Arkansas  
36 Constitution, Amendment 101.

1           (2) If a municipality or county has filed an ordinance with the  
2 Treasurer of State under subsection (d) of this section, the municipality or  
3 county may elect to have the funds identified by the Treasurer of State under  
4 subdivision (e)(1) of this section distributed to the bank or other  
5 depository designated in the ordinance.

6           (3)(A) If a municipality or county elects to have funds  
7 distributed to a bank or other depository under subdivision (e)(2) of this  
8 section, the amount identified by the Treasurer of State under subdivision  
9 (e)(1) of this section shall be distributed to the bank or other depository  
10 designated in the ordinance rather than being distributed to the municipality  
11 or county.

12           (B) The distribution under subdivision (e)(3)(A) of this  
13 section shall continue until the municipality or county files a signed  
14 statement with the Treasurer of State to the effect that the bonds to which  
15 the funds identified under subdivision (e)(1) of this section are pledged  
16 have been fully paid and are no longer outstanding.

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18           SECTION 2. Arkansas Code § 19-5-207 is amended to read as follows:  
19           19-5-207. Certain sales and use taxes not subject to deduction,  
20 transfer, or distribution.

21           The sales and use taxes levied under Arkansas Constitution, Amendment  
22 91, § 3, and Arkansas Constitution, Amendment 101, § 2, are not subject to  
23 deduction, transfer, or distribution to the Constitutional Officers Fund or  
24 the State Central Services Fund under §§ 19-5-202, 19-5-203, and 19-5-205.

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26           SECTION 3. Arkansas Code § 26-52-447(c), concerning the sales tax  
27 exemption for the partial replacement and repair of certain machinery and  
28 equipment, is amended to read as follows:

29           (c) The excise tax of one-eighth of one percent ( $\frac{1}{8}$  of 1%) levied in  
30 Arkansas Constitution, Amendment 75, ~~and~~ the temporary excise tax of one-half  
31 percent (0.5%) levied in Arkansas Constitution, Amendment 91, and the excise  
32 tax of one-half percent (0.5%) levied in Arkansas Constitution, Amendment  
33 101, are not subject to refund under this section.

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35           SECTION 4. Arkansas Code § 26-53-149(c), concerning the use tax  
36 exemption for the partial replacement and repair of certain machinery and

1 equipment, is amended to read as follows:

2 (c) The excise tax of one-eighth of one percent (0.125%) levied in  
3 Arkansas Constitution, Amendment 75, ~~and~~ the temporary excise tax of one-half  
4 percent (0.5%) levied in Arkansas Constitution, Amendment 91, and the excise  
5 tax of one-half percent (0.5%) levied in Arkansas Constitution, Amendment  
6 101, are not subject to refund under this section.

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8 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the  
9 General Assembly of the State of Arkansas that, with the expiration of the  
10 temporary one-half percent (0.5%) sales and use tax levied under Arkansas  
11 Constitution, Amendment 91, there will be a shortage of moneys at the  
12 municipal and county level to fund contracts for surface transportation  
13 projects for which there is an immediate need in this state; that  
14 municipalities and counties can obtain funding for surface transportation  
15 projects by issuing bonds; that municipalities and counties have had the  
16 authority, with voter approval, to issue bonds payable from their share of  
17 the collections of the temporary one-half percent (0.5%) sales and use tax  
18 levied under Arkansas Constitution, Amendment 91; that the stated intent of  
19 Arkansas Constitution, Amendment 101, is "that the sales and use tax levied  
20 under Arkansas Constitution, Amendment 91, continue after the retirement of  
21 the bonds authorized in Arkansas Constitution, Amendment 91, to provide  
22 special revenue for use of maintaining, repairing, and improving the state's  
23 system of highways, county roads, and city streets"; and that this act is  
24 immediately necessary because municipalities and counties need to have the  
25 authority, with voter approval, to issue bonds payable from their share of  
26 collections of the one-half percent (0.5%) sales and use tax levied under  
27 Arkansas Constitution, Amendment 101, to continue to finance surface  
28 transportation projects. Therefore, an emergency is declared to exist, and  
29 this act being immediately necessary for the preservation of the public  
30 peace, health, and safety shall become effective on:

31 (1) The date of its approval by the Governor;

32 (2) If the bill is neither approved nor vetoed by the Governor,  
33 the expiration of the period of time during which the Governor may veto the  
34 bill; or

35 (3) If the bill is vetoed by the Governor and the veto is  
36 overridden, the date the last house overrides the veto.