

State of Arkansas *As Engrossed: S3/12/25*

95th General Assembly

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SJR 17

By: Senator J. Dotson

By: Representative Long

SENATE JOINT RESOLUTION

AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO CREATE THE ARKANSAS TAXPAYER BILL OF RIGHTS; TO REQUIRE THE GENERAL ASSEMBLY TO UTILIZE A BUDGETING PROCESS THAT PROHIBITS DEFICIT SPENDING; TO REQUIRE A VOTE OF AT LEAST THREE-FOURTHS OF EACH HOUSE OF THE GENERAL ASSEMBLY TO ENACT LEGISLATION THAT ESTABLISHES A NEW TAX OR FEE, INCREASES THE RATE OF A TAX OR FEE, EXTENDS AN EXPIRING TAX OR FEE, OR DIRECTLY CAUSES A GAIN TO THE STATE IN NET TAX REVENUE OR NET FEE REVENUE; TO LIMIT THE INCREASE IN EXPENDITURES OF NET GENERAL REVENUE AVAILABLE FOR DISTRIBUTION AS COMPARED TO THE EXPENDITURES IN THE PRECEDING FISCAL YEAR TO THE LOWER OF THREE PERCENT OR THE PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS OR ITS SUCCESSOR; AND TO PROVIDE FOR THE REFUNDING OF EXCESS NET GENERAL REVENUES TO TAXPAYERS.

Subtitle

AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO CREATE THE ARKANSAS TAXPAYER BILL OF RIGHTS.

BE IT RESOLVED BY THE SENATE OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS, AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:



1 THAT the following is proposed as an amendment to the Constitution of
2 the State of Arkansas, and upon being submitted to the electors of the state
3 for approval or rejection at the next general election for Representatives
4 and Senators, if a majority of the electors voting thereon at the election
5 adopt the amendment, the amendment shall become a part of the Constitution of
6 the State of Arkansas, to wit:

7
8 SECTION 1. The Arkansas Constitution is amended to add an additional
9 amendment to read as follows:

10 § 1. Title.

11 This amendment shall be known and may be cited as the "Arkansas
12 Taxpayer Bill of Rights".

13
14 § 2. Budgeting.

15 (a) When enacting a budget for the state's fiscal year, the General
16 Assembly shall utilize a process that prohibits deficit spending of general
17 revenues by ensuring that the expenditure of general revenues in a fiscal
18 year does not exceed the amount of general revenues collected by the State of
19 Arkansas.

20 (b) Subsection (a) of this section does not prohibit the General
21 Assembly from budgeting for a fiscal year based on the state's expected
22 collection of general revenues and subsequently adjusting budgeting
23 priorities based upon actual collections of general revenue to ensure that
24 deficit spending does not occur.

25
26 § 3. Increase of state taxes and fees.

27 (a) For any fiscal year that commences on or after July 1, 2027, a
28 three-fourths (3/4) vote of each house of the General Assembly shall be
29 required for legislation that is:

30 (1) Establishing a new tax or a new fee;
31 (2) Increasing the rate of a tax or fee;
32 (3) Extending an expiring tax or fee; or
33 (4) An amendment to the law directly causing a gain to the state
34 in net tax revenue or net fee revenue.

35 (b)(1) The General Assembly may submit a proposal under subdivisions
36 (a)(1)-(4) for the approval of qualified electors voting upon the matter at a

1 general election.

2 (2) A proposal submitted under subdivision (b)(1) of this
3 section shall become law if approved by three-fourths (3/4) of the qualified
4 electors voting upon the matter.

5
6 § 4. Increase in general revenue expenditures.

7 (a) A budget prepared by the General Assembly for the state's fiscal
8 year shall provide that the increase in expenditures of net general revenue
9 available for distribution is no greater than the following, whichever is
10 lower, as compared to the expenditures of net general revenue available for
11 distribution in the preceding fiscal year:

12 (1) Three percent (3%); or

13 (2) The percentage increase in the Consumer Price Index for All
14 Urban Consumers or its successor, as published by the United States
15 Department of Labor or its successor, for the immediately preceding year.

16 (b) The limitation under subsection (a) of this section does not apply
17 to one-time expenditures for the settlement of claims against the state or a
18 state entity.

19
20 § 5. Transfer to Catastrophic Reserve Fund.

21 (a) As used in this section, "emergency" means an extraordinary event
22 or occurrence that:

23 (1) Could not have been reasonably foreseen or prevented; and

24 (2) Requires immediate expenditure to preserve the health,
25 safety, and general welfare of the people of Arkansas.

26 (b)(1) For any state fiscal year that commences on or after July 1,
27 2027, before making any transfers to the Budget Stabilization Trust Fund or
28 any refunds as required by § 6 of this amendment, the Treasurer of State
29 shall transfer revenues in excess of the limitation on the increase in
30 expenditures of net general revenue available for distribution under § 4 of
31 this amendment to the Catastrophic Reserve Fund or its successor fund to the
32 extent necessary to ensure that the balance of the Catastrophic Reserve Fund
33 at the end of the fiscal year is an amount equal to twenty percent (20%) of
34 the previous fiscal year's expenditures of net general revenue.

35 (2) The Treasurer of State shall not be required to transfer any
36 moneys to the Catastrophic Reserve Fund other than the moneys required under

1 subdivision (b)(1) of this section.

2 (3) The Catastrophic Reserve Fund shall be in addition to, and
3 shall not be used to meet, any other reserve requirement of this constitution
4 or Arkansas law.

5 (c)(1) Moneys in the Catastrophic Reserve Fund may be expended only
6 for an emergency.

7 (2)(A) An expenditure from the Catastrophic Reserve Fund may
8 occur upon a three-fourths (3/4) vote of a quorum present of each house of
9 the General Assembly in a regular, fiscal, or extraordinary session.

10 (B) Approval of an expenditure under subdivision (c)(2)(A)
11 of this section may include an appropriation for the expenditure of funds.

12 (3) Interest or other income earned on the Catastrophic Reserve
13 Fund shall accrue to the Catastrophic Reserve Fund.

14
15 § 6. Transfer to Budget Stabilization Trust Fund.

16 (a) For any state fiscal year that commences on or after July 1, 2027,
17 if net general revenue of the state exceeds the limitation on the increase in
18 expenditures of net general revenue available for distribution under § 4 of
19 this amendment, for that fiscal year the excess shall be utilized or refunded
20 as provided in this section.

21 (b) The Treasurer of State shall first transfer the excess to the
22 Catastrophic Reserve Fund as necessary under § 5 of this amendment.

23 (c)(1) The Treasurer of State shall transfer all additional excess
24 revenues to the Budget Stabilization Trust Fund or its successor fund to the
25 extent necessary to ensure that the balance of the Budget Stabilization Trust
26 Fund at the end of the fiscal year is an amount equal to twenty percent (20%)
27 of the previous fiscal year's expenditures of net general revenue.

28 (2) The Budget Stabilization Trust Fund may exceed the balance
29 under subdivision (c)(1) of this section but shall not fall below that
30 balance.

31 (3) Interest or other income earned on the Budget Stabilization
32 Trust Fund shall accrue to the Budget Stabilization Trust Fund.

33 (d) For any state fiscal year that commences on or after July 1, 2027,
34 if the amount of net general revenue is less than the amount of net general
35 revenue for the prior fiscal year, the Treasurer of State shall transfer
36 money from the Budget Stabilization Trust Fund to the General Revenue Fund

1 Account of the State Apportionment Fund in an amount equal to the difference
2 between the amount of net general revenues for the prior fiscal year and the
3 amount of net general revenues for the fiscal year.

4 (e)(1) The Budget Stabilization Trust Fund may consist of other funds
5 as provided by law.

6 (2) The General Assembly may provide by law for additional uses
7 of the Budget Stabilization Trust Fund.

8 (f) Any moneys that remain after the Treasurer of State has made the
9 transfers required by this section or by law shall be reserved in the current
10 fiscal year and refunded to taxpayers during the next fiscal year.

11
12 § 7. Laws necessary to implement amendment.

13 The General Assembly may enact laws necessary to implement this
14 amendment, including without limitation laws concerning refunds to taxpayers
15 authorized under § 6 of this amendment.

16
17 SECTION 2. Arkansas Constitution, Article 5, § 38, is repealed.

18 ~~§ 38. Taxes—Increase—Approval by electors.~~

19 ~~§ 2. None of the rates for property, excise, privilege or personal~~
20 ~~taxes, now levied shall be increased by the General Assembly except after the~~
21 ~~approval of the qualified electors voting thereon at an election, or in case~~
22 ~~of emergency, by the votes of three-fourths of the members elected to each~~
23 ~~House of the General Assembly.~~

24
25 SECTION 3. The subsection of Arkansas Constitution, Article 5, § 1,
26 titled "Majority", is amended to read as follows:

27 Majority. Any measure submitted to the people as herein provided shall
28 take effect and become a law when approved by a majority of the votes cast
29 upon such measure, and not otherwise, and shall not be required to receive a
30 majority of the electors voting at such election. Such measures shall be
31 operative on and after the thirtieth day after the election at which it is
32 approved, unless otherwise specified in the Act.

33 This section shall not be construed to deprive any member of the
34 General Assembly of the right to introduce any measure, ~~but~~ Except as
35 otherwise provided in this constitution, no measure shall be submitted to the
36 people by the General Assembly, ~~except a proposed constitutional amendment or~~

~~amendments as provided for in this Constitution.~~

SECTION 4. EFFECTIVE DATE. This amendment is effective on and after January 1, 2027.

SECTION 5. BALLOT TITLE AND POPULAR NAME. When this proposed amendment is submitted to the electors of this state on the general election ballot:

(1) The title of this Joint Resolution shall be the ballot title; and

(2) The popular name shall be "A Constitutional Amendment to Create the "Arkansas Taxpayer Bill of Rights"; and to Amend the Arkansas Constitution Concerning the Collection and Expenditure of State Revenue.".

/s/J. Dotson