

**Stricken language would be deleted from and underlined language would be added to the law as it existed
prior to this session of the General Assembly.
Act 1161 of the Regular Session**

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

SENATE BILL 538

5 By: Senator Glover
6 By: Representative L. Evans
7

For An Act To Be Entitled

AN ACT TO CLARIFY ARKANSAS CODE § 26-74-308
CONCERNING SALES TAX FOR CAPITAL IMPROVEMENTS;
AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO CLARIFY ARKANSAS CODE § 26-74-
308 CONCERNING SALES TAX FOR CAPITAL
IMPROVEMENTS.

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

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22 SECTION 1. Arkansas Code § 26-74-308 is amended to read as follows:
23 26-74-308. Form of ballot.

24 (a) The ballot title to be used shall be substantially in the
25 following form:

26 [] "FOR adoption of a percent (. . . %) sales and use tax within
27 (Name of county)."

28 [] "AGAINST adoption of a percent (. . . %) sales and use tax
29 within (Name of county)."

30 (b) The ballot title may also include an expiration date, and, if
31 adopted in this form, the tax shall cease to be levied on the date noted on
32 the ballot. The expiration date shall be the last day of a calendar quarter
33 unless the proceeds are pledged for the payment of bonds, in which case the
34 tax shall terminate as otherwise provided by law.

35 (c)(1)(A) The ballot may also indicate designated uses of the revenues



1 derived from the sales ~~or~~ and use tax, and if the tax is approved, the
 2 proceeds shall only be used for the designated purposes.

3 (B) The county's share of the proceeds may be used for
 4 other designated purposes if the electors approve a change in the designated
 5 use of the revenues by vote under this subsection.

6 (2)(A) The quorum court of a county may refer to the vote of the
 7 people a change in the indicated use of revenues derived from a sales ~~or~~ and
 8 use tax levied by the county that was approved by the voters, but a change
 9 shall not alter the allocation of tax collections among the county and
 10 municipalities within the county.

11 (B) If the quorum court of a county refers to the vote of
 12 the people a change in the indicated use of revenues derived from a sales ~~or~~
 13 and use tax, then the quorum court shall:

14 (i) Notify the county board of election
 15 commissioners that the measure has been referred to the vote of the people;
 16 and

17 (ii) Submit a copy of the ballot title to the board.

18 (C)(i) An election to change the indicated use of revenues
 19 derived from a sales ~~or~~ and use tax shall be conducted in the manner provided
 20 by law for all other county elections.

21 (ii) The results of an election under this
 22 subsection shall be certified, proclaimed, and subject to challenge under the
 23 procedures stated in § 26-74-309.

24 (3) If the voters approve a change in the indicated use of
 25 revenues derived from a sales ~~or~~ and use tax, the change in the indicated use
 26 shall apply to all revenues collected on the first day of the calendar month
 27 following the expiration of the thirty-day challenge period under § 26-74-
 28 309.

29 (4)(A) If the voters do not approve a change in the indicated
 30 use of revenues derived from a sales ~~or~~ and use tax, the tax shall continue
 31 to be collected, and the revenues derived from the tax shall continue to be
 32 used for the purposes indicated in the ballot for the tax.

33 (B) An election to change the indicated use of revenues
 34 derived from a sales ~~or~~ and use tax shall not constitute an election on the
 35 levy of the tax.

36 (5) Notwithstanding anything in this subchapter to the contrary,

1 in any county that a local sales and use tax has been adopted in the manner
2 provided for in this subchapter and a portion of the revenues derived from
3 the tax has been pledged to secure lease rentals or bonds, the purpose for
4 the tax may not be changed to reduce the pledge in favor of the lease or
5 bonds.

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8 **APPROVED: 3/22/2005**
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