

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1817

By: Representative Jones

"AN ACT AUTHORIZING COUNTIES, CITIES OF THE FIRST AND SECOND CLASS AND INCORPORATED TOWNS TO HOLD AN ELECTION FOR THE LEVY OF A SPECIAL LOCAL SALES AND USE TAX NOT TO EXCEED ONE-FOURTH OF ONE PERCENT (1/4 OF 1%); AND FOR OTHER PURPOSES."

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

SECTION 1. A. Any county, city of the First or Second Class or incorporated town may adopt an ordinance levying a special local sales or use tax for the use of such county or city or town in an amount not to exceed one-fourth of one percent (1/4 of 1%).

Provided, however, no city or town shall levy the tax herein authorized unless and until the Quorum Court of the County wherein said city or town is situated, fails to pass an ordinance levying said tax on a county wide basis or the county levying ordinance is defeated by the voters in a county wide election.

B. On the date of the adoption of an ordinance levying a special local sales and use tax for the benefit of such county, city or town, the county, city or town shall provide, by ordinance, for calling and holding a special election on such question. Such special election shall be called for a date within 120 days from the date of the action of the governing body in establishing the date of the election. The date for the special election may be the same as the date for the next regular county or municipal election, if such election is to be held within the 120 day period. The governing body of the county or municipality shall notify the county Board of Election Commissioners that the measure has been referred to a vote of the people and shall submit a copy of the Ballot Title to the County Board of Election Commissioners. The Ballot Title to be used at such election shall be substantially in the following form:

"For adoption of a 1/4 of 1% (one-fourth of one percent) special local sales and use tax within (name of county or municipality) for support of purpose and in the percentage amount set forth in Ordinance # _____ passed _____."

"Against Adoption of a 1/4 of 1% (one-fourth of one percent) special local sales and use tax within (name of county or municipality) for support of purpose and in the percentage amount set forth in Ordinance # _____ passed _____."

The election shall be conducted in the manner provided by law for all county or municipal elections unless otherwise specified herein.

SECTION 2. A. The tax authorized pursuant to authority of this Act shall be in addition to all other sales and use or gross receipts taxes now or hereafter authorized for counties, cities of the first and second class and incorporated towns.

B. With the exception of the purpose for which the tax herein authorized may be used, all provisions of Act 25, Acts of Arkansas of 1981, 1st Extraordinary Session, as amended, being enabling legislation for cities and incorporated towns to levy and collect local sales and use taxes, and Act 991, Acts of Arkansas of 1981, together with Act 26, Acts of Arkansas of 1981, 1st Extraordinary Session, both as amended, being enabling legislation for counties to levy and collect local sales and use tax, shall be applicable and controlling in the levy, election, administration, collection and enforcement of the tax herein authorized.

Provided, further, however, the proceeds of a levy made by a county pursuant to authority of this Act, shall not be distributed on a per capita basis as provided for by Act 991, Acts of Arkansas of 1981 and Act 26, Acts of Arkansas of 1981, 1st Extraordinary Session, both as amended, but shall be remitted and transmitted to the County treasurer and used for the purposes and in the percentage amounts as provided for and set forth in the levying ordinance.

C. The proceeds of the tax herein authorized shall be used only to provide the following public service and purpose by a county, a city of the first

or second class, or incorporated town:

PUBLIC MASS TRANSPORTATION SYSTEM AND FACILITIES

D. The ordinance levying a tax herein authorized shall identify and set forth the purposes for which the levy is made and the percentage of allocation of proceeds of said levy to the purpose therein provided.

SECTION 3. EMERGENCY. It has been found, and is hereby declared by the General Assembly of the State of Arkansas, that certain counties and municipalities within the State of Arkansas, as a result of foreseen elimination of Federal funds heretofore made available to them and used for a variety of vital public purposes, will not be able to and cannot provide the funds necessary to provide such vital public service and purpose to their inhabitants without additional funding authority from the State of Arkansas; that the most appropriate way for such counties or municipalities to provide funds for this purpose is by the levy of a sales and use tax on the gross receipts derived from certain businesses within the counties and municipalities, and that this Act is needed and should be given effect at the earliest possible date; therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health, welfare and safety shall be in full force and effect from and after its passage and approval.

