

Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.

1 State of Arkansas *As Engrossed: H3/28/23*

2 94th General Assembly

3 Regular Session, 2023

HJR 1005

4

5 By: Representative Long

6

7

HOUSE JOINT RESOLUTION

8

AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO CREATE

9

THE "ARKANSAS TAXPAYER BILL OF RIGHTS"; AND TO AMEND

10

THE ARKANSAS CONSTITUTION CONCERNING THE COLLECTION

11

AND EXPENDITURE OF STATE REVENUE.

12

13

14

Subtitle

15

AN AMENDMENT TO THE ARKANSAS CONSTITUTION

16

TO CREATE THE "ARKANSAS TAXPAYER BILL OF

17

RIGHTS".

18

19

20 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL

21

ASSEMBLY OF THE STATE OF ARKANSAS, AND BY THE SENATE, A MAJORITY OF ALL

22

MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

23

24

THAT the following is proposed as an amendment to the Constitution of

25

the State of Arkansas, and upon being submitted to the electors of the state

26

for approval or rejection at the next general election for Representatives

27

and Senators, if a majority of the electors voting thereon at the election

28

adopt the amendment, the amendment shall become a part of the Constitution of

29

the State of Arkansas, to wit:

30

31

SECTION 1. The Arkansas Constitution is amended to add an additional

32

amendment to read as follows:

33

§ 1. Title.

34

This amendment shall be known and may be cited as the "Arkansas

35

Taxpayer Bill of Rights".

36



1 § 2. Budgeting.

2 (a) When enacting a budget for the state's fiscal year, the General
3 Assembly shall utilize a process that prohibits deficit spending of general
4 revenues by ensuring that the expenditure of general revenues in a fiscal
5 year does not exceed the amount of general revenues collected by the State of
6 Arkansas.

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

12
13 § 3. Increase of state taxes and fees.

14 (a) For any fiscal year that commences on or after July 1, 2025, a
15 three-fourths (3/4) vote of each house of the General Assembly shall be
16 required for the following:

17 (1) Establishing a new tax or a new fee;

18 (2) Increasing the rate of a tax or fee;

19 (3) Extending an expiring tax or fee; or

20 (4) An amendment to the law directly causing a gain to the state
21 in net tax revenue or net fee revenue.

22 (b) The General Assembly may submit a proposal under subdivisions
23 (a)(1)-(4) for the approval of qualified electors voting upon the matter at a
24 general election.

25
26 § 4. Increase in general revenue expenditures.

27 (a) A budget prepared by the General Assembly for the state's fiscal
28 year shall provide that the increase in expenditures of net general revenue
29 available for distribution is no greater than three percent (3%) as compared
30 to the expenditures of net general revenue available for distribution in the
31 preceding fiscal year.

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

35
36 § 5. Transfer to Catastrophic Reserve Fund.

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

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

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

6 (b)(1) For any state fiscal year that commences on or after July 1,
7 2025, before making any transfers to the Budget Stabilization Trust Fund or
8 any refunds as required by § 6 of this amendment, the Treasurer of State
9 shall transfer revenues in excess of the limitation on the increase in
10 expenditures of net general revenue available for distribution under § 4 of
11 this amendment to the Catastrophic Reserve Fund or its successor fund to the
12 extent necessary to ensure that the balance of the Catastrophic Reserve Fund
13 at the end of the fiscal year is an amount equal to twenty percent (20%) of
14 the previous fiscal year's expenditures of net general revenue.

15 (2) The Treasurer of State shall not be required to transfer any
16 moneys to the Catastrophic Reserve Fund other than the moneys required under
17 subdivision (b)(1) of this section.

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

21 (b)(1) Moneys in the Catastrophic Reserve Fund may be expended only
22 for an emergency.

23 (2)(A) An expenditure from the Catastrophic Reserve Fund may
24 occur upon a three-fourths (3/4) vote of a quorum present of:

25 (i) Each house of the General Assembly in a regular,
26 fiscal, or extraordinary session; or

27 (ii) The Legislative Council during the interim.

28 (B) Approval of an expenditure under subdivision (b)(2)(A)
29 of this section may include an appropriation for the expenditure of funds.

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

32
33 § 6. Transfer to Budget Stabilization Trust Fund.

34 (a) For any state fiscal year that commences on or after July 1, 2025,
35 if net general revenue of the state exceeds the limitation on the increase in
36 expenditures of net general revenue available for distribution under § 4 of

1 this amendment, for that fiscal year the excess shall be utilized or refunded
2 as provided in this section.

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

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

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

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

15 (d) For any state fiscal year that commences on or after July 1, 2025,
16 if the amount of net general revenue is less than the amount of net general
17 revenue for the prior fiscal year, the Treasurer of State shall transfer
18 money from the Budget Stabilization Trust Fund to the General Revenue Fund
19 Account of the State Apportionment Fund in an amount equal to the difference
20 between the amount of net general revenues for the prior fiscal year and the
21 amount of net general revenues for the fiscal year.

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

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

26 (f) Any moneys that remain after the Treasurer of State has made the
27 transfers required by this section or by law shall be reserved in the current
28 fiscal year and refunded during the next fiscal year through temporary income
29 tax or sales tax rate reductions.

30
31 § 7. Laws necessary to implement amendment.

32 The General Assembly may enact laws necessary to implement this
33 amendment, including without limitation laws concerning temporary income or
34 sales tax rate reductions authorized under § 6 of this amendment.

35
36 SECTION 2. Arkansas Constitution, Article 5, § 38, is repealed.

1 ~~§ 38. Taxes — Increase — Approval by electors.~~
 2 ~~§ 2. None of the rates for property, excise, privilege or personal~~
 3 ~~taxes, now levied shall be increased by the General Assembly except after the~~
 4 ~~approval of the qualified electors voting thereon at an election, or in case~~
 5 ~~of emergency, by the votes of three fourths of the members elected to each~~
 6 ~~House of the General Assembly.~~

7
 8 SECTION 3. EFFECTIVE DATE. This amendment is effective on and after
 9 January 1, 2025.

10
 11 SECTION 4. BALLOT TITLE AND POPULAR NAME. When this proposed
 12 amendment is submitted to the electors of this state on the general election
 13 ballot:

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

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

19
 20 /s/Long
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35
 36