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# Local Sales Tax Elections

Revised May 2019

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## **Introduction**

The Arkansas General Assembly has enacted legislation authorizing the electorate of cities and towns to broaden the revenue base with local sales tax levies. Other legislation authorizes countywide sales taxes by which each city or town in the county receives its per capita share unless authorized by county voters to be used for a specific purpose.

If your city contemplates a bond issue, consult your bond attorney as the first step.

## **Disclaimer**

The information contained in this book is not intended as legal advice for any specific case. Readers are responsible for consulting with legal counsel when questions arise concerning the application of the law to a particular set of facts. This book is intended solely for educational and informational purposes.

# Authority for Local Sales Tax

Most all references are to *The Handbook for Arkansas Municipal Officials*. Handbook section numbers are the same as section numbers in the official Arkansas Code of 1987, as amended.

## City Sales Taxes

### First Operating Authority<sup>1</sup>

May be used for general revenue, special revenue (if ballot limits use) or pledged to bonds if done by separate vote . . . . . 26-75-201 et seq.

### Second Operating Authority<sup>1</sup>

May be used for general revenue, special revenue (if ballot limits use) or pledged to bonds if done by separate vote . . . . . 26-75-301 et seq.

### Changes in Use or Term

The use of city sales and use tax monies levied under the two foregoing operating authorities may be changed with voter approval. See 26-75-208(c) and 26-75-308(e).

A city may vote to extend the term of an existing tax prior to its expiration. See 26-75-208(b)(3) and 26-75-308(c)(3).

### Other City Sales Taxes

**Capital Improvements (tax dedicated exclusively for bond issue<sup>2</sup>)** . . . . . 14-164-301 et seq.

**24 Months Alternative to Bond Issue (pay as you go)** . . . . . 14-164-338

**36 Months Alternative to Bond Issue (pay as you go)**

**(for criminal justice purposes only)** . . . . . 14-164-340

**Alternative for Operation or Maintenance** . . . . . 26-73-113

**Two-Year Tax for Parks<sup>3</sup>** . . . . . 26-75-401 et seq.

## County Sales Taxes

### First Operating Authority<sup>1</sup>

May be used for general revenue, special revenue (if ballot limits use) or pledged to bonds if done by separate vote . . . . . 26-74-201 et seq.

### Second Operating Authority<sup>1</sup>

May be used for general revenue, special revenue (if ballot limits use) or pledged to bonds if done by separate vote . . . . . 26-74-301 et seq.

Capital Improvements (tax dedicated exclusively for bond issue) . . . . . 14-164-301 et seq.

**24 Months Alternative to Bond Issue<sup>2</sup>**

1. The percentage authorized by statute are one-eighth percent (.125%), one-fourth percent (0.25%), one-half percent (.5%), three-fourths percent (.75%), one percent (1%) or any combination of these amounts. (Ark. Code Ann. 26-75-207(a); 26-75-307(a)).  
2. Increments up to one percent (1%).  
3. One-half percent (0.5%) or one percent (1%).

(pay as you go) . . . . . 14-164-338  
**36 Months Alternative to Bond Issue (pay as you go)**  
**(for criminal justice purposes only)** . . . . . 14-164-340  
**Alternative for Operation or Maintenance** . . . . . 26-73-113  
**Counties Without Existing Tax** . . . . . 26-74-401 et seq.

## Economic Development Project Sales Tax

The Local Sales and Use Tax Economic Development Project Funding Act authorizes an economic development tax of up to 1% (in 1/8 increments) that must be voter approved with the tax collection delayed until a qualified project is identified. (Ark. Code Ann. §§ 26-82-101 through 119). This supplements the authority to dedicate some existing sales tax to economic development under Ark. Code Ann. § 14-174-101 et seq.

## Multi-County Airport and Riverport Financing Act

One (1) Cent . . . . . 26-81-101 et seq.

## Mass Transit

One Quarter (1/4) Cent . . . . . 26-73-111 & 112

## Further Information About Sales Tax Collections

The monthly issues of *City & Town* magazine, the official publication of the Arkansas Municipal League, carry updated maps of Arkansas showing the counties and cities that have voted sales taxes, and the cities that have both county and city sales taxes. This map also shows the total local sales tax by month for the year to date plus the results of the sales tax elections in the current year. On the opposite page is the sales tax revenue for the current month for the cities and counties with sales taxes.

Ark. Code Ann. § 26-73-115 allows a mayor or county judge to obtain a quarterly report from the Arkansas Department of Finance and Administration listing businesses remitting sales and use taxes in the municipality or county. Also, information is available that shows how sales tax receipts break down by the type of business. For details, refer to the page titled “*Track Local Distribution with Monthly DFA Report*” in this publication.

# Procedure for City Sales Tax Election

Municipalities have the authority to levy sales taxes, which must be adopted by ordinance. See Ark. Code Ann. §§ 26-75-207(a) and 26-75-307(a). Such ordinances must be approved by the voters at a special election. See Ark. Code Ann. § 26-75-208; Ark. Code Ann. § 26-75-308. However, a special election may be held at the same time as a general election. See the chart below for days on which a special election may be held.

The following chart provides a timeline of requirements under both Arkansas statutes to levy a sales tax by special election. “T-x” refers to the number of days prior to election day that deadlines occur. “DFA” refers to the Arkansas Department of Finance and Administration.

**The following information is presented as a guide to the process. However, it is no substitute for (1) reading the statutes themselves and (2) relying on the advice of your city attorney or other legal counsel.**

Election Requirements	Department of Finance and Administration Requirements
<b>T-120 days+</b>	
<ul style="list-style-type: none"> <li>• Select an election date.               <ul style="list-style-type: none"> <li>◊ The election date must be within 120 days of the date established by ordinance. See Ark. Code Ann. § 26-75-208(a)(2); Ark. Code Ann. § 26-75-308(a)(2).</li> <li>◊ The election may be the same date as the next regular election, if the next regular election is to be held within the next 120 days. See Ark. Code Ann. § 26-75-208(a)(3).</li> <li>◊ Dates available:                   <ul style="list-style-type: none"> <li>▪ Second Tuesday of the month. However, in months when a preferential primary, general primary or general election is scheduled to occur, the special election shall be held on the date of that election. See Ark. Code Ann. § 7-11-205(a)(1)(A).</li> <li>▪ If the second Tuesday of the month is a legal holiday, the election should be held on the third Tuesday of the month. See Ark. Code Ann. § 7-11-205(a)(1)(B)(i).</li> </ul> </li> </ul> </li> </ul>	
<b>T-70 days</b>	
<ul style="list-style-type: none"> <li>• <i>For elections held on a date of a preferential primary or general election:</i> <ul style="list-style-type: none"> <li>◊ File the levying and special election ordinances for the sales tax with the county clerk by this date. Election must be held at least seventy (70) days following this filing. See Ark. Code Ann. § 7-11-205(b)(1).</li> </ul> </li> </ul>	

Election Requirements	Department of Finance and Administration Requirements
<b>T-60 days</b>	
<ul style="list-style-type: none"> <li>• For elections NOT held on a date of a preferential primary, general primary or general election: <ul style="list-style-type: none"> <li>◊ File the levying and special election ordinances for the sales tax with the county clerk by this date. Election must be held at least sixty (60) days following this filing. See Ark. Code Ann. § 7-11-205(b)(2).</li> </ul> </li> </ul>	
<b>T-47 days</b>	
<ul style="list-style-type: none"> <li>• County Board of Election Commissioners must prepare the official absentee ballots and deliver them to the county clerk no later than this date. See Ark. Code Ann. § 7-5-407(a).</li> </ul>	
<b>T-46 days</b>	
<ul style="list-style-type: none"> <li>• County clerk delivers the absentee ballots to qualified applicants. See Ark. Code Ann. § 7-5-407(a).</li> </ul>	
<b>T-45 days</b>	
	<ul style="list-style-type: none"> <li>• Submit the sales tax ordinance to the DFA Secretary by this date. See Ark. Code Ann. § 26-25-107. <b><i>It is advisable to submit much earlier than this date in order to have time to make any needed corrections.</i></b></li> <li>• Submit the ordinance to the Secretary at: Department of Finance &amp; Administration Sales and Use Tax PO Box 1272 Little Rock, AR 72203 (501) 682-7104</li> </ul>
<b>Within 15 days of submission to DFA</b>	
	<ul style="list-style-type: none"> <li>• Ordinance is either approved or rejected by the Secretary. If the ordinance is rejected, the Secretary will explain the reasons for the ordinance's rejection.</li> <li>• The city is then required to correct the ordinance's defects. If not, the ordinance will be deemed defective and any tax levied under the ordinance will not be collected by the Secretary.</li> <li>• If the levy is a result of an initiated measure, the County Board of Election Commissioners must submit the initiated measure to the Secretary.</li> <li>• Failure to submit an ordinance to the Secretary, or the failure to use a sample form, will not render an Ordinance invalid by itself. See Ark. Code Ann. § 26-25-107(d).</li> </ul>
<b>T- 0 Election Day</b>	

## After Election Day

- The mayor of the city is required to issue a proclamation of the results of the election one time in a newspaper of general circulation in the city. *See* Ark. Code Ann. §§ 26-75-209(1)(b), 26-75-309(1)(B).
- The mayor of the city shall notify the secretary of the rate change after publication of the proclamation has occurred and ninety (90) days before the effective date of the tax. *See* Ark. Code Ann. §§ 26-75-209(1)(D), 26-75-309 (1)(D)(i).

## When the new sales tax becomes effective

- Any legal challenge to a sales tax election must be filed within 30 days after the proclamation has been published. *See* Ark. Code Ann. §§ 26-75-209(1)(C), 26-75-309(1)(C).
- *If no legal challenge is presented...*
  - ◇ Periods that must expire before the effective date of the new tax:
    - **90 days** following notice to DFA Secretary after the election (meaning the tax approved in one calendar quarter will not be effective until after the end of the following calendar quarter).
    - **60 days'** notice by DFA to collectors of the new tax.
    - **30 days** following the publication of the proclamation of results and expiration of the legal challenge period. *See* Ark. Code Ann. §§ 26-75-209(1)(D)(ii); 26-75-309(1)(D)(ii).
  - ◇ Typically, new sales taxes go in to effect on the first day of the calendar quarter following the expiration of the foregoing statutory time periods. *See* Ark. Code Ann. §§ 26-75-209(1)(D)(ii), 26-75-309(1)(D)(ii); *see also* Ark. Code Ann. § 26-75-411 (calendar quarter is defined as a three-month period beginning on January 1, April 1, July 1, or October 1).
    - However, the effective date may be deferred for up to 36 months if approved by the voters. *See* Ark. Code Ann. §§ 26-75-207(d), 26-75-308(d).
- *If a legal challenge is presented...*
  - ◇ Collection of the tax continues unless enjoined by court order. *See* Ark. Code Ann. §§ 26-75-209(2), 26-75-309(2).

## After the new sales tax becomes effective

- As soon as is practicable, and no later than ten (10) days following each of the events set forth in the ordinance with reference to the procedure for the adoption or abolition of such tax and the effective dates of such action, the city clerk of the city shall notify the Secretary of the Department of Finance and Administration of such event.
- Accompanying the first of any such notices, the city clerk shall send to the secretary a map of the city clearly showing the boundaries of the city. *See* Ark. Code Ann. § 26-75-311(a).
- Any time the city changes or alters its boundaries, forward to the Secretary of DFA the following materials at least 90 days before the effective date of the boundary change:
  - ◇ Certified copy of ordinance adding or detaching territory affected by the tax.
  - ◇ A map clearly showing territory added or detached. *See* Ark. Code Ann. §§ 26-75-211(b)(1); 26-75-311(b)(1).



## **Rebates or Refunds of Additional Local Tax Paid**

Qualifying businesses (including cities and towns as noted below) may be eligible for a rebate or refund of the additional local tax paid on qualifying purchases on purchase invoices that exceed \$2500.00. A qualifying purchase means a purchase of tangible personal property, specified digital products, a digital code, or a taxable service for which a business may claim a business expense deduction or depreciation deduction for federal income tax purposes. See Ark. Code Ann. § 26-52-523(a). The purchase will be eligible even though the business purchaser may not be required to file an income tax return.

In addition, municipalities and other governmental agencies (including schools and colleges or universities) and non-profit organizations (including churches) may apply for rebates/refunds of additional local taxes paid if the purchase would have been subject to a business expense deduction had it been purchased by an entity other than a governmental agency or a non-profit organization. Pursuant to Ark. Code Ann. § 26-52-523(b)(2) for purposes of calculating the rebate or refund amount, a uniform single transaction definition has been adopted: “Single transaction” shall mean a sale of tangible personal property, specified digital products, a digital code, or taxable service reflected on a single invoice, receipt, or statement for which an aggregate sales and use tax

amount has been reported or remitted to the state for a single local taxing jurisdiction. See Ark. Code Ann. § 26-52-523(b)(2) (as amended by Act 141 of 2017).

There is a one (1) year time limit on requesting a rebate which begins on the date of the purchase or from the date of payment of the tax to the seller, whichever is later. See Ark. Code Ann. § 26-52-523(d).

For cities and towns that hold a sales and use tax permit and file an Excise Tax Reporting Form, rebates can be claimed directly on that form and submitted to the Sales and Use Tax Section of the DF&A as directed on the form.

For those cities and towns that do not hold a sales and use tax permit, refunds may be obtained by filing a Claim for Local Cap Rebate Form numbers ET-179A and B. In addition to filling out those claim forms, photocopies of the invoices at issue should be attached to the form(s) and mailed to:

**DF&A Local Tax Rebate Unit**  
**P. O. Box 3566**  
**Little Rock, AR 72203**

The Rebate Unit may be contacted at (501) 682-7105. Forms are available via the internet at:

[www.dfa.arkansas.gov/offices/exciseTax/salesanduse/Documents/LocalTaxRebateClaimForm.pdf](http://www.dfa.arkansas.gov/offices/exciseTax/salesanduse/Documents/LocalTaxRebateClaimForm.pdf)

and

[www.dfa.arkansas.gov/offices/exciseTax/salesanduse/Documents/LocalTaxRebateSupplementalForm.pdf](http://www.dfa.arkansas.gov/offices/exciseTax/salesanduse/Documents/LocalTaxRebateSupplementalForm.pdf)

# TRACK LOCAL DISTRIBUTION WITH MONTHLY DFA REPORT

At the prompting of the League and several key state legislators, the Arkansas Department of Finance and Administration makes available a monthly “Local Distribution by NAICS Report,” which gives municipal and county leaders access to important sales and use tax collection information in their area organized by NAICS (North American Industry Classification System) code. This information can be helpful to identify collection trends and the causes of significant swings from month to month.

The monthly reports include the following information:

- Tax collections for each NAICS code will be provided when there are at least three businesses in the code;
- When there are not three businesses in a code, a summary total will be provided for all NAICS codes not having three businesses;
- Totals per NAICS or Misc. code will be provided for (a) rebates and (b) other prior adjustments (audits and refunds);
- Vending decals and car revenue as separate amounts; and
- The total accounted for by the report will agree to the tax transferred by DFA to the state treasurer for distribution before any adjustments made by the treasurer, the largest adjustment being the 3% administrative fee deducted by the state monthly.

The monthly reports are generated automatically and are accessible via the DFA website. To access the reports, either use this link: <https://www.dfa.arkansas.gov/excise-tax/sales-and-use-tax/local-sales-and-use-tax-information/tax-collection-data/local-tax-collections>, or:

1. Go to <https://www.dfa.arkansas.gov/excise-tax/sales-and-use-tax/> and select the “Tax Collection Data” link located under “Sales and Use Tax” list.
2. Then select the “Local Tax Collections” link.
3. Then select the “Local Distribution by NAICS” link.
4. Type in the specific city or county for which information is requested.
5. Locate the monthly file you wish to view in either PDF or CSV format. Files in both formats may be viewed and downloaded by the user.

# PUBLIC NOTICE

CITY OF \_\_\_\_\_, ARKANSAS

## PROCLAMATION

OFFICE OF THE MAYOR OF THE CITY OF \_\_\_\_\_, ARKANSAS.

TO THE PEOPLE OF THE CITY OF \_\_\_\_\_, ARKANSAS, GREETINGS:

**WHEREAS**, a special election was held on \_\_\_\_\_, 20\_\_\_\_, which submitted the levying of a \_\_\_\_\_ percent (\_\_\_\_%) local sales and use tax to the qualified voters of the City of \_\_\_\_\_, Arkansas, and;

**WHEREAS**, the laws of the State of Arkansas require the Mayor of the City of \_\_\_\_\_, Arkansas, to issue a proclamation of the results of such special election with reference to the local sales and use tax, such proclamation to be published one (1) time in a newspaper having general circulation in the city;

**NOW, THEREFORE, I**, \_\_\_\_\_, Mayor of the City of \_\_\_\_\_, Arkansas, by virtue of the authority vested in me by law, do hereby proclaim the following to be the results of the \_\_\_\_\_, 20\_\_\_\_, special election as to the levying of a \_\_\_\_\_ percent (\_\_\_\_%) local sales and use tax within the City of \_\_\_\_\_, Arkansas:

For adoption of a \_\_\_\_\_ percent (\_\_\_\_%) local sales and use tax within the city \_\_\_\_\_

Against adoption of a \_\_\_\_\_ percent (\_\_\_\_%) local sales and use tax within the city \_\_\_\_\_

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of my office to be affixed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**SIGNED BY:** \_\_\_\_\_

\_\_\_\_\_, Mayor

# OPERATING AUTHORITIES—CITY

(May be used for general revenue, special revenue [if ballot limits use] or pledged to bonds if done by separate vote)

## LEVYING SALES AND USE TAX

ORDINANCE NO. \_\_\_\_\_  
AN ORDINANCE PROVIDING FOR THE LEVY OF A \_\_\_\_\_ PERCENT SALES AND USE TAX WITHIN THE CITY OF \_\_\_\_\_, ARKANSAS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City Council of the City of \_\_\_\_\_, Arkansas (the "City"), has determined that there is a great need for immediate improvement of municipal services and for a source of revenue to finance such services; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 [or Subchapter 3 if the second authority is to be used] of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") provides for the levy of a \_\_\_ percent (\_\_\_%)<sup>4</sup> citywide sales and use tax;

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of \_\_\_\_\_, Arkansas:

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a \_\_\_ percent (\_\_\_%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Act of 1941, as amended (Ark. Code Ann. §26-52-101, et seq.), and the imposition of an excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personal property subject to the Arkansas Compensating Tax Act of 1949, as amended (Ark. Code Ann. §26-53-101, et seq.), at a rate of \_\_\_ percent (\_\_\_%) of the sale price of the property or, in the case of leases or rentals, of the lease or rental price (collectively, the "Sales and Use Tax").

Section 2. That all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 3. That this Ordinance shall not take effect until an election<sup>5</sup> is held on the question of levying the Sales and Use Tax at which a majority of the electors voting on the question shall have approved the levy of the Sales and Use Tax.

Passed: \_\_\_\_\_ (Month, Day, Year).  
Attest: \_\_\_\_\_  
Approved: \_\_\_\_\_  
City \_\_\_\_\_  
Mayor \_\_\_\_\_

(SEAL)

## CALLING A SPECIAL ELECTION

ORDINANCE NO. \_\_\_\_\_  
AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF \_\_\_\_\_, ARKANSAS, ON THE QUESTION OF LEVYING A \_\_\_\_\_ PERCENT SALES AND USE TAX WITHIN THE CITY OF \_\_\_\_\_, ARKANSAS; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of \_\_\_\_\_, Arkansas (the "City"), has passed on (month, day, year), Ordinance No. \_\_\_\_ providing for the levy of a \_\_\_ percent (\_\_\_%)<sup>6</sup> sales and use tax within the City (the "Sales and Use Tax"); and

WHEREAS, the purpose of this Ordinance is to call a special election on the question of the levy of the Sales and Use Tax.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of \_\_\_\_\_, Arkansas:

Section 1. That there be, and there is hereby called, a special election to be held on (month, day, year), at which election there shall be submitted to the electors of the City the question of the levy of the Sales and Use Tax.<sup>7</sup>

Section 2. That the question of levying the Sales and Use Tax shall be placed on the ballot for the election in substantially the following form:

Vote on measure by placing an "X" in the square opposite the measure either for or against:

FOR adoption of a \_\_\_% local sales and use tax within the City of \_\_\_\_\_, Arkansas

AGAINST adoption of a \_\_\_% local sales and use tax within the City of \_\_\_\_\_, Arkansas.<sup>8</sup>

Section 3. That the election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections unless otherwise provided in Title 26, Chapter 75, Subchapter 2 [or Subchapter 3 if the second authority is to be used] of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") and only qualified voters of the City shall have the right to vote at the election.

Section 4. That the results of the election shall be proclaimed by the Mayor, and his Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty (30) days after the date of publication.

Section 5. That a copy of this Ordinance shall be given to the County Board of Election Commissioners so that the necessary election officials and supplies may be provided. A certified copy of this Ordinance shall also be provided to the Commissioner of Revenues of the State of Arkansas as soon as practical.

Section 6. That the Mayor and City Clerk [or Recorder, as the case may be,] for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided and, if the levy of the Sales and Use Tax is approved by the electors, to cause the Sales and Use Tax to be collected in accordance with the Authorizing Legislation, and to perform all acts of whatever nature necessary in a timely fashion to carry out the authority conferred by this Ordinance.

Section 7. That all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. It is hereby ascertained and declared that there is a great need to establish a stable source of revenue to finance vital municipal services in order to promote and protect the health, safety and welfare of the City and its inhabitants. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of public peace, health and safety shall be in force and take effect immediately from and after its passage.

Passed: \_\_\_\_\_ (Month, Day, Year).  
Attest: \_\_\_\_\_  
Approved: \_\_\_\_\_  
City \_\_\_\_\_  
Mayor \_\_\_\_\_

(SEAL)

4. The percentages authorized by statute are one-eighth (.125%), or one-fourth of one percent (.25%), one-half of one percent (.5%), three-fourths of one percent (.75%), or one percent (1%), or any combination of these amounts. Ark. Code Ann. 26-74-207(a).  
5. The election must be held within one hundred twenty (120) days of the ordinance calling for the election. Ark. Code Ann. 26-74-207(a).

6. The percentages authorized by statute are one-eighth (.125%), or one-fourth of one percent (.25%), one-half of one percent (.5%), three-fourths of one percent (.75%), or one percent (1%), or any combination of these amounts. Ark. Code Ann. 26-74-207(a).  
7. The election must be held within one hundred twenty (120) days of the ordinance calling for the election. Ark. Code Ann. 26-74-207(a).  
8. The ballot title may also include an expiration date for the levy of the tax as specified in Ark. Code Ann. 26-74-208.

# OPERATING AUTHORITIES — COUNTY

(may be used for general revenue, special revenue [if ballot limits use] or pledged to bonds if done by separate vote)

## LEVYING SALES AND USE TAX

ORDINANCE NO. \_\_\_\_\_  
AN ORDINANCE PROVIDING FOR THE LEVY OF  
A \_\_\_\_\_ PERCENT SALES AND USE TAX WITHIN  
\_\_\_\_\_ COUNTY, ARKANSAS; AND PRE-  
SCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the Quorum Court of \_\_\_\_\_ County,  
Arkansas (the "County"), has determined that there is a great need for immedi-  
ate improvement of County and municipal services and for a source of revenue to  
finance such services; and

WHEREAS, Title 26, Chapter 74, Subchapter 2 [or Subchapter 3 if the sec-  
ond authority is to be used] of the Arkansas Code of 1987 Annotated (the "Autho-  
rizing Legislation") provides for the levy of a \_\_\_\_\_ percent (\_\_\_\_%)<sup>9</sup> countywide sales  
and use tax;

NOW, THEREFORE, BE IT ENACTED by the Quorum Court of  
\_\_\_\_\_ County, Arkansas;

Section 1. Under the authority of the Authorizing Legislation, there is hereby  
levied a \_\_\_\_\_ percent (\_\_\_\_%) tax on the gross receipts from the sale at retail within  
\_\_\_\_\_ County, all items which are subject to the Arkansas  
Gross Receipts Act of 1941, as amended (Ark. Code Ann. §26-52-101, et seq.), and  
the imposition of an excise (or use) tax on the storage, use,  
distribution or other consumption within \_\_\_\_\_ County, tan-  
gible personal property subject to the Arkansas Compensating Tax Act of 1949,  
as amended (Ark. Code Ann. §26-53-101, et seq.), at a rate of \_\_\_\_\_ percent (\_\_\_\_%)  
of the sale price of the property or, in the case of leases or rentals, of the lease or  
rental price (collectively, the "Sales and Use Tax").

Section 2. That all ordinances and parts thereof in conflict herewith are  
hereby repealed to the extent of such conflict.

Section 3. That this Ordinance shall not take effect until an election<sup>10</sup> is held  
on the question of levying the Sales and Use Tax at which a majority of the elec-  
tors voting on the question shall have approved the levy of the Sales and Use Tax.

Passed: \_\_\_\_\_ (Month, Day, Year).

Attest: \_\_\_\_\_

Approved: \_\_\_\_\_

County \_\_\_\_\_

County Judge \_\_\_\_\_

(SEAL)

## CALLING A SPECIAL ELECTION

ORDINANCE NO. \_\_\_\_\_  
AN ORDINANCE CALLING A SPECIAL ELECTION IN  
\_\_\_\_\_ COUNTY, ARKANSAS, ON THE  
QUESTION OF LEVYING A \_\_\_\_\_ PERCENT SALES AND  
USE TAX WITHIN \_\_\_\_\_ COUNTY, AR-  
KANSAS; PRESCRIBING OTHER MATTERS PERTAIN-  
ING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the Quorum Court of \_\_\_\_\_ County,  
Arkansas (the "County"), has passed on (month, day, year), Ordinance No.  
\_\_\_\_\_ providing for the levy of a \_\_\_\_\_ percent (\_\_\_\_%)<sup>11</sup> sales and use tax  
within the County (the "Sales and Use Tax"); and

WHEREAS, the purpose of this Ordinance is to call a special election on the  
question of the levy of the Sales and Use Tax.

NOW THEREFORE, BE IT ENACTED by the Quorum Court of  
\_\_\_\_\_ County, Arkansas:

Section 1. That there be, and there is hereby called, a special election to be  
held on (month, day, year), at which election there shall be submitted to the elec-  
tors of the County the question of the levy of the Sales and Use Tax.<sup>12</sup>

Section 2. That the question of the levying the Sales and Use Tax shall be  
placed on the ballot for the election in substantially the following form:

Vote on the measure by placing an "X" in the square opposite the measure  
either for or against:

FOR adoption of a \_\_\_\_\_% local sales and use tax within (name of county)

AGAINST adoption of a \_\_\_\_\_% local sales and use tax within (name of  
county).<sup>13</sup>

Section 3. That the election shall be held and conducted and the vote can-  
vassed and the results declared under the law and in the manner now provided  
for county elections unless otherwise provided in Title 26, Chapter 74, Subchapter  
2 [or Subchapter 3 if the second authority is to be used] of the Arkansas Code of  
1987 Annotated (the "Authorizing Legislation") and only qualified voters of the  
County shall have the right to vote at the election.

Section 4. That the results of the election shall be proclaimed by the County  
Court, and this Proclamation shall be published one time in a newspaper having  
general circulation in the County.

Section 5. That a copy of this Ordinance shall be given to the (name of  
county) County Board of Election Commissioners so that the necessary election  
officials and supplies may be provided. A certified copy of this Ordinance shall  
also be provided to the Commissioner of Revenues of the State of Arkansas as  
soon as practical.

Section 6. That the County Judge and Quorum Court, for and on behalf  
of the County, be, and they are hereby authorized and directed to do any and all  
things necessary to call and hold the special election as herein provided and, if the  
levy of the Sales and Use Tax is approved by the electors, to cause the Sales and  
Use Tax to be collected in accordance with the Authorizing Legislation, and to  
perform all acts of whatever nature necessary in a timely fashion to carry out the  
authority conferred by this Ordinance.

Section 7. That all ordinances and parts thereof in conflict herewith are  
hereby repealed to the extent of such conflict.

Section 8. It is hereby ascertained and declared that there is a great need to  
establish a stable source of revenue to finance vital county services in order to pro-  
mote and protect the health, safety and welfare of the County and its inhabitants.  
It is, therefore, declared that an emergency exists and this Ordinance being neces-  
sary for the immediate preservation of public peace, health and safety shall be in  
force and take effect immediately from and after its passage.

Passed: \_\_\_\_\_ (Month, Day, Year).

Attest: \_\_\_\_\_

Approved: \_\_\_\_\_

County \_\_\_\_\_

County Judge \_\_\_\_\_

(SEAL)

9. The percentages authorized by statute are one-eighth (.125%), or one-fourth of one percent (.25%), one-half of one percent (.5%), three-fourths of one percent (.75%), or one percent (1%), or any combination of these amounts. Ark. Code Ann. 26-74-207(a).  
10. The election must be held within one hundred twenty (120) days of the ordinance calling for the election. Ark. Code Ann. 26-74-207(a).

11. The percentages authorized by statute are one-eighth (.125%), or one-fourth of one percent (.25%), one-half of one percent (.5%), three-fourths of one percent (.75%), or one percent (1%), or any combination of these amounts. Ark. Code Ann. 26-75-207(a); 26-75-307(a).

12. The election must be held within one hundred twenty (120) days of the ordinance calling for the election. Ark. Code Ann. 26-75-208(a); 26-75-308(a).

13. The ballot title may also include an expiration date for the levy of the tax as specified in Ark. Code Ann. 26-75-207 and 26-75-308.







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