

State of Arkansas  
92nd General Assembly  
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# A Bill

HOUSE BILL 1965

By: Representatives V. Flowers, Jett, Bragg, Burch, Cavanaugh, Christiansen, D. Ferguson, K. Ferguson, Glover, M. Hodges, Holcomb, Hollowell, Lynch, Murdock, Nicks, Richey, Rye

By: Senators E. Cheatham, B. Davis, Elliott, S. Flowers, K. Ingram, B. Johnson, D. Wallace

## For An Act To Be Entitled

AN ACT TO CREATE THE ARKANSAS DELTA MUSIC TRAIL ACT;  
TO PROMOTE TOURISM AND PROVIDE TAX INCENTIVES FOR ART  
PROJECTS ALONG DESIGNATED MUSIC HIGHWAYS IN THE  
STATE; TO REQUIRE SIGNAGE ALONG DESIGNATED MUSIC  
HIGHWAYS IN THE STATE; AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE THE ARKANSAS DELTA MUSIC TRAIL  
ACT; TO PROMOTE TOURISM AND PROVIDE TAX  
INCENTIVES FOR ART PROJECTS ALONG  
DESIGNATED MUSIC HIGHWAYS IN THE STATE;  
AND TO REQUIRE SIGNAGE ALONG DESIGNATED  
MUSIC HIGHWAYS IN THE STATE.

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

SECTION 1. Arkansas Code Title 13 is amended to add an additional chapter to read as follows:

### CHAPTER 15

#### Arkansas Delta Music Trail Act

#### Subchapter 1 – General Provisions

#### 13-15-101. Title.

This chapter shall be known and may be cited as the "Arkansas Delta



Music Trail Act".

13-15-102. Definitions.

As used in this chapter:

(1) "Art project" means a work of visual art, including without limitation a sculpture, mural, photographic rendering, mosaic, and electronic art installation, that is:

(A) Permanently installed in a space;

(B) Visible from public roadways and walkways without the payment of a required fee; and

(C) Installed within two (2) miles of a designated music highway;

(2) "Designated music highway" means each of the following:

(A) Rock 'n' Roll Highway 67, as designated in § 27-67-223;

(B) Louis Jordan Memorial Highway, as designated in § 27-67-227;

(C) Levon Helm Memorial Highway, as designated in § 27-67-227;

(D) Sister Rosetta Tharpe Memorial Highway, as designated in § 27-67-227;

(E) Americana Music Highway, as designated in § 27-67-227;

(F) Johnny Cash Memorial Highway, as designated in § 27-67-227; and

(G) Delta Rhythm & Bayous Highway, as designated in § 27-67-226;

(3) "Person" means an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation, or any other legal entity; and

(4)(A) "Qualified expenses" means the costs and expenses incurred by a person to create and install an art project.

(B) "Qualified expenses" includes without limitation the cost of supplies necessary to create and install an art project and the cost of an artist's labor in creating the art project.

(C) "Qualified expenses" does not include costs or expenses related to building a structure that is not used exclusively to

support or display an art project.

Subchapter 2 – Arkansas Delta Music Commission

13-15-201. Creation – Membership.

(a) There is created the Arkansas Delta Music Commission within the Department of Arkansas Heritage.

(b) The commission shall be composed of nine (9) members:

(1) The Director of the Department of Arkansas Heritage or his or her designee;

(2) The Director of the Department of Parks and Tourism or his or her designee; and

(3)(A)(i) One (1) individual who shall be appointed from each region containing a designated music highway.

(ii) The region for each designated music highway shall be composed of the counties through which the designated music highway runs.

(B) The Governor shall appoint the members of the commission under this subdivision (b)(3).

(C)(i) Four (4) of the members appointed under this subdivision (b)(3) shall have a background in the arts.

(ii) The remaining three (3) members shall have a background in the arts, history, or tourism.

(c)(1) The term of office of the initial members of the commission appointed under subdivision (b)(3) of this section shall be determined by lot as follows:

(A) The initial term of office of three (3) of the members shall be two (2) years; and

(B) The initial term of office of four (4) of the members shall be three (3) years.

(2) All successor members, other than those appointed to fill unexpired terms, shall serve two-year terms.

(c) All vacancies in positions filled by members appointed under subdivision (b)(3) of this section shall be filled by appointment by the Governor and shall be for the remainder of the term.

(d) Members of the commission shall serve without compensation for

their service but may receive expense reimbursement in accordance with § 25-16-901 et seq.

(e) The Department of Arkansas Heritage shall provide meeting space and staffing for the commission.

13-15-202. Meetings.

(a)(1) The Arkansas Delta Music Commission shall meet as often as necessary to perform its duties under this chapter.

(2) The commission shall meet at least quarterly.

(b) The Director of the Department of Arkansas Heritage shall call the first meeting of the commission.

(c)(1) At the first meeting of the commission, the commission shall select a Chair of the Arkansas Delta Music Commission.

(2) The chair shall serve as chair for the period of time determined by the commission.

(d) A quorum for each meeting of the commission shall be five (5) members.

(e) A majority vote of the members present is required for the commission to take action.

13-15-203. Powers and duties.

(a) The Arkansas Delta Music Commission shall:

(1) Develop, implement, and administer a tourism program based on art projects that focus on highlighting music stories and related dynamics on the designated music highways;

(2) Develop guidelines for the types of art projects that will be eligible for the tax incentives provided in this chapter and the process for applying for approval of qualified expenses for art projects under this chapter;

(3) Create a signage program that captures the stories, biographies, and points of interest in blues, rock and roll, jazz, rockabilly, soul, hip hop, opera, country, and gospel music throughout the Arkansas Delta;

(4) Maintain information about federal and state grant opportunities to encourage cities and towns to develop exhibits related to the musical heritage of the city or town; and

(5) Adopt rules necessary to implement the Arkansas Delta Music Trail Program created under this chapter, including without limitation rules stating:

(A) The procedure to apply for approval of qualified expenses; and

(B) The criteria to be used by the commission when determining whether to approve qualified expenses and issue a certificate of completion for an art project.

(b) The commission may accept, receive, and use grants, moneys, equipment, material, services, and real and personal property donated, bequeathed, or devised for any purpose relating to the activities of the commission and not expressly designated for any other agency.

13-15-204. Biennial report.

(a) The Arkansas Delta Music Commission shall submit a report by December 31 of each even-numbered year to the:

(1) Governor;

(2) Chair of the Senate Committee on Revenue and Taxation;

(3) Chair of the House Committee on Revenue and Taxation;

(4) Chair of the Senate Committee on Agriculture, Forestry, and Economic Development; and

(5) Chair of the House Committee on Agriculture, Forestry, and Economic Development.

(b) The report required under subsection (a) of this section shall include:

(1) The commission's goals for increasing the number of art projects and signage over the next biennium;

(2) The economic development opportunities the commission will focus on over the next biennium;

(3) The qualified expenses approved under this chapter during the biennium for which the report is being made, including without limitation:

(A) The name of the person who applied for approval of qualified expenses for an art project;

(B) A description of the art project for which the qualified expenses were approved; and

(C) The location of the art project for which the qualified expenses were approved; and

(4) The benefits realized in terms of economic development as a result of the commission's actions and the tax incentives provided under this chapter.

### Subchapter 3 – Arkansas Delta Music Trail Program

#### 13-15-301. Creation.

(a) The Arkansas Delta Music Commission shall establish and administer the Arkansas Delta Music Trail Program to:

(1) Create a tourism program based on art projects that focus on highlighting music stories and related dynamics on the designated music highways;

(2) Provide tax incentives to eligible persons for the creation and installation of an art project under this chapter; and

(3) Create a signage program that captures the stories, biographies, and points of interest in blues, rock and roll, jazz, rockabilly, soul, hip hop, opera, country, and gospel music throughout the Delta region of Arkansas.

(b) The Department of Arkansas Heritage and the Department of Parks and Tourism shall provide assistance to the commission in establishing and administering the program.

#### 13-15-302. Income tax credit for approved art project.

(a) There is allowed an income tax credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount equal to the lesser of one hundred percent (100%) of the total qualified expenses stated in a certificate of completion issued by the Arkansas Delta Music Commission under § 13-15-303 or twenty-five thousand dollars (\$25,000).

(b) The amount of the income tax credit under this section that may be claimed by the taxpayer in a tax year shall not exceed the amount of income tax due by the taxpayer.

(c) Any unused income tax credit under this section may be carried forward for five (5) consecutive tax years following the tax year in which the income tax credit was earned.

13-15-303. Application for approval of qualified expenses – Certificate of completion.

(a) A person may apply to the Arkansas Delta Music Commission for approval of qualified expenses for the purpose of claiming the income tax credit allowed under § 13-15-302.

(b) An application for approval of qualified expenses shall:

(1) Be for an art project that will:

(A) Stimulate regional tourism;

(B) Enhance local community development efforts;

(C) Create opportunities for Arkansas artists to showcase their work;

(D) Enhance the community where the art project will be located; and

(E) Promote awareness and encourage the enjoyment of the stories, biographies, and points of interest in blues, rock and roll, country, and gospel music throughout the Arkansas Delta;

(2) Be in the form prescribed by the commission; and

(3) Indicate the amount of qualified expenses the applicant expects to incur.

(c)(1) The commission shall not approve qualified expenses exceeding two hundred fifty thousand dollars (\$250,000) in any one (1) calendar year.

(2)(A) The total amount of qualified expenses that may be approved under this subsection shall be divided among the designated music highways in proportion to each designated music highway's length as compared to the total length of all of the designated music highways.

(B) If the commission does not approve qualified expenses under this section that are equal to the amount of funds allocated to a designated music highway under subdivision (c)(2) of this section, the commission may reallocate the funds to another designated music highway to fund one (1) or more additional art projects.

(3)(A) The approval of qualified expenses under this section is contingent on the appropriation and availability of funding for the Arkansas Delta Music Trail Program.

(B) The commission shall not solicit or accept applications for the program if funds for the program are not available.

(d) At least one-third (1/3) of art projects for which qualified expenses are approved under this section shall be visible from a designated music highway.

(e)(1) Upon completion of an art project, the owner shall submit documentation required by the commission to verify that the completed art project complies with the requirements of this chapter.

(2) If the commission determines that an art project is complete and complies with the requirements of this chapter, the commission shall issue a certification of completion specifying the total amount of qualified expenses and the income tax credit allowed under this subchapter.

13-15-304. Highway signage.

(a) The Arkansas Department of Transportation shall erect appropriate signs along each of the designated music highways, including without limitation a sign at or near each of the art projects that has been issued a certificate of completion under § 13-15-303.

(b) If the department does not have the funds available to erect the signs required under subsection (a) of this section, the department may accept and use gifts, grants, and donations received from private, public, and nonprofit sources, including without limitation a city street department or a county road department for:

(1) Acquiring and installing the signs required under subsection (a) of this section; and

(2) Maintaining, replacing, or reconstructing the signs required under subsection (a) of this section.

SECTION 2. DO NOT CODIFY. Rules.

(a) When adopting the initial rules required under this act, the Arkansas Delta Music Commission shall file the final rules with the Secretary of State for adoption under § 25-15-204(f):

(1) On or before July 1, 2020; or

(2) If approval under § 10-3-309 has not occurred by July 1, 2020, as soon as practicable after approval under § 10-3-309.

(b) The commission shall file the proposed rules with the Legislative Council under § 10-3-309(c) sufficiently in advance of July 1, 2020, so that the Legislative Council may consider the rules for approval before July 1,

2020.

**APPROVED: 4/16/19**