

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

HOUSE BILL 1048

By: Representative K. Hendren

## For An Act To Be Entitled

AN ACT CONCERNING MOTOR FUEL, DISTILLATE SPECIAL FUEL, AND LIQUEFIED GAS SPECIAL FUEL TAXES AND REVENUES; TO CONVERT THE MOTOR FUEL, DISTILLATE SPECIAL FUEL, AND LIQUEFIED GAS SPECIAL FUEL TAXES TO A PERCENTAGE OF THE SALES PRICE; TO DEDICATE EXCESS REVENUES TO THE REPAYMENT OF AMENDMENT 91 BONDS; TO MAKE RELATED CHANGES TO THE FUEL TAX AND HIGHWAY REVENUE AND FINANCING LAWS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO CONVERT THE MOTOR FUEL, DISTILLATE SPECIAL FUEL, AND LIQUEFIED GAS SPECIAL FUEL TAXES TO A PERCENTAGE OF THE SALES PRICE; TO DEDICATE EXCESS REVENUES TO THE REPAYMENT OF AMENDMENT 91 BONDS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 26-55-205 is amended to read as follows:  
26-55-205. Levy of tax.

~~(a) There is levied a privilege or excise tax of eight and one-half cents (8 1/2¢) on each gallon of motor fuel as defined in this subchapter, sold or used in this state, or purchased for sale or use in this state, to be computed in the manner hereinafter set forth.~~  
ten and three-fourths percent (10 3/4%) on each gallon of motor fuel as defined in this subchapter, sold or used in this state, or purchased for sale or use in this state, to be computed in the manner hereinafter set forth.



~~(b) In addition to the tax levied in subsection (a) of this section, there is levied an excise tax of one cent (1¢) on each gallon of motor fuel as defined in this subchapter, sold or used in this state, or purchased for sale or use in this state, to be computed in the manner hereinafter set forth.~~

SECTION 2. Arkansas Code § 26-55-206(b), concerning the allocation of taxes collected under the Motor Fuel Tax Law, is amended to read as follows:

~~(b)(1) The funds collected by this subchapter shall be allocated and distributed only in the manner now established by existing laws relating to motor fuel taxes.~~

~~(2) One cent (1¢) of the tax levied on each gallon of motor fuel under this subchapter shall be remitted to the Treasurer of State separate and apart from other motor fuel and distillate special fuel taxes, and the gross amount thereof, without making any deduction therefrom for credit to the Constitutional Officers Fund and the State Central Services Fund, shall be distributed as provided by the Arkansas Highway Revenue Distribution Law, §§ 27-70-201 — 27-70-203, 27-70-206, and 27-70-207.~~

(b) The funds collected under this subchapter shall be distributed as follows:

(1) The first two hundred ninety-eight million dollars (\$298,000,000) shall be distributed as follows:

(A)(i) Ninety percent (90%) shall be distributed under the Arkansas Highway Revenue Distribution Law, §§ 27-70-201 – 27-70-203, 27-70-206, and 27-70-207.

(ii) The distribution of taxes under subdivision (b)(1)(A)(i) of this section is subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2005, § 27-64-301 et seq., the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq., and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.;

(B) Five percent (5%) shall be remitted to the Treasurer of State separate and apart from other motor fuel taxes, and the gross amount, without making any deduction for credit to the Constitutional Officers Fund and the State Central Services Fund, shall be distributed as provided by the Arkansas Highway Revenue Distribution Law, §§ 27-70-201 – 27-

70-203, 27-70-206, and 27-70-207; and

(C) Five percent (5%) shall be credited to the State Highway Special Construction Account; and

(2)(A) The remainder shall be used to pay off bonds issued under Arkansas Constitution, Amendment 91.

(B) After any bonds issued under Arkansas Constitution, Amendment 91 have been repaid, the remainder shall be distributed as stated in subdivision (b)(1) of this section.

SECTION 3. Arkansas Code § 26-56-109 is amended to read as follows:

26-56-109. Distribution of revenues.

Except as provided in § 26-56-224(b)-(f), all taxes, penalties, and other amounts collected under ~~the provisions of this chapter shall be classified as special revenues, and the net amount shall be distributed as provided by the Arkansas Highway Revenue Distribution Law, §§ 27-70-201—27-70-203, 27-70-206, and 27-70-207.~~ distributed as follows:

(1)(A) On or before June 30 of each fiscal year, the first four million dollars (\$4,000,000) of the taxes collected under this chapter as general revenues shall be distributed as follows:

(i) Seventy-five percent (75%) to be deposited into the General Revenue Fund Account of the State Apportionment Fund;

(ii) Fourteen and six-tenths percent (14.6%) to be deposited into the Educational Adequacy Fund;

(iii) Eight and three-tenths percent (8.3%) to be deposited into the Property Tax Relief Trust Fund; and

(iv) Two and one-tenth percent (2.1%) to be deposited into the Conservation Tax Fund.

(B) The distribution of taxes under subdivision (1)(A) of this section is subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2005, § 27-64-301 et seq., the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq., and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.;

(2) The next one hundred twenty-five million dollars (\$125,000,000) shall be distributed as follows:

(A)(i) Ninety-five percent (95%) as provided by the

Arkansas Highway Revenue Distribution Law, §§ 27-70-201 – 27-70-203, 27-70-206, and 27-70-207.

(ii) The distribution of taxes under subdivision (2)(A)(i) of this section is subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2005, § 27-64-301 et seq., the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq., and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.; and

(B) Five percent (5%) to the State Highway Special Construction Account; and

(3)(A) The remainder shall be used to pay off bonds issued under Arkansas Constitution, Amendment 91.

(B) After any bonds issued under Arkansas Constitution, Amendment 91 have been repaid, the remainder shall be distributed under subdivision (2) of this section.

SECTION 4. Arkansas Code § 26-56-201(a), concerning the imposition of tax on distillate special fuel, is amended to read as follows:

~~(a)(1)(A)(i) There is levied an excise tax at the rate of eight and one-half cents (8 1/2¢) per gallon~~ eleven and one-quarter percent (11 1/4%) on all distillate special fuel sold or used in this state or purchased for sale or use in this state.

~~(ii) In addition to the tax levied in subdivision (a)(1)(A)(i) of this section, there is levied an excise tax at the rate of one cent (1¢) per gallon on all distillate special fuel sold or used in this state or purchased for sale or use in this state.~~

~~(B) The additional levies provided in subdivision (a)(2) of this section and § 26-56-502 are specifically intended to apply to the taxes levied by this section and shall remain effective.~~

~~(2) In addition to the tax levied in subdivision (a)(1) of this section, there is levied an excise tax of one cent (1¢) for each gallon of distillate special fuel, as defined in § 26-56-102, sold or used in this state, or purchased for sale or use in this state, to be computed in the manner set forth in this section.~~

SECTION 5. Arkansas Code § 26-56-201(d)-(g), concerning the imposition and distribution of tax on distillate special fuel, are repealed.

~~(d)(1) In addition to the taxes levied on distillate special fuel in this section and § 26-56-502, there is levied an additional excise tax of four cents (4¢) per gallon upon all distillate special fuel subject to the taxes levied in this section and § 26-56-502.~~

~~(2) This additional excise tax shall be levied, collected, reported, and paid in the same manner and at the same time as is prescribed by law for the levying, collection, reporting, and payment of the other distillate special fuel taxes under Arkansas law.~~

~~(e)(1)(A) In addition to the taxes levied on distillate special fuel in this section and §§ 26-56-502 and 26-56-601, there is levied an excise tax of two cents (2¢) per gallon upon all distillate special fuel subject to the taxes levied in this section and §§ 26-56-502 and 26-56-601.~~

~~(B) Effective one (1) year after April 1, 1999, the additional tax levied by this subsection shall be increased by an additional two cents (2¢) per gallon.~~

~~(2) This additional excise tax shall be levied, collected, reported, and paid in the same manner and at the same time as is prescribed by law for the levying, collection, reporting, and payment of the other distillate special fuel taxes under Arkansas law.~~

~~(3) The additional tax levied by this subsection shall be taken into consideration and used when calculating tax credits or additional tax due under § 26-56-214.~~

~~(f) Except as provided in subsection (g) of this section, the additional taxes collected under this section are special revenues and shall be distributed as set forth in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq., and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.~~

~~(g)(1) In order to offset the general revenues lost by the tax exemption contained in § 26-52-436(c) and (d) and § 26-53-144(c) and (d), the Chief Fiscal Officer of the State shall, on or before June 30, 2013, and on or before June 30 of each fiscal year thereafter, deposit the first four million dollars (\$4,000,000) of the taxes collected under subdivision~~

~~(a)(1)(A)(i) of this section as general revenues, to be distributed as follows:~~

~~(A) Seventy five percent (75%) to be deposited into the General Revenue Fund Account of the State Apportionment Fund;~~

~~(B) Fourteen and six tenths percent (14.6%) to be deposited into the Educational Adequacy Fund;~~

~~(C) Eight and three tenths percent (8.3%) to be deposited into the Property Tax Relief Trust Fund; and~~

~~(D) Two and one tenth percent (2.1%) to be deposited into the Conservation Tax Fund.~~

~~(2) The balance of the taxes collected under subdivision (a)(1)(A)(i) of this section shall be deposited as special revenues and distributed in the manner required by law.~~

~~(3) The classification and distribution of taxes under subdivision (g)(1) of this section is subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., and the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.~~

~~(4) The taxes collected under subdivision (a)(1)(A)(ii) of this section shall be distributed as provided in § 26-56-221.~~

SECTION 6. Arkansas Code § 26-56-224(b)(1), concerning the tax imposed on dyed distillate special fuel, is amended to read as follows:

(b)(1) There is levied an excise tax at the rate of ~~six cents (6¢) per gallon~~ three percent (3%) on all dyed distillate special fuel sold, used, or utilized in this state.

SECTION 7. Arkansas Code § 26-56-301 is amended to read as follows:

26-56-301. Levy and imposition of tax – Alternative payment of fees = Distribution.

(a) There is levied and imposed an excise tax of ~~seven and one half cents (7 1/2¢) per gallon~~ eight and one-quarter percent (8 1/4%) upon the use, as defined in § 26-56-102(22), of all liquefied gas special fuels within this state. Such use of liquefied gas special fuels ~~shall constitute~~ constitutes and is declared to be the taxable incident of this levy.

(b) However, in lieu of the ~~gallonage~~ tax levied in this section with

respect to liquefied gas special fuels used under this subchapter, except as otherwise provided herein the Director of the Department of Finance and Administration shall require the payment of the fees prescribed in § 26-56-304 in the case of all vehicles required to obtain liquefied gas special fuels user's permits under this subchapter, except licensed liquefied gas special fuels suppliers.

(c) The funds collected under this subchapter shall be distributed under the Arkansas Highway Revenue Distribution Law, §§ 27-70-201 – 27-70-203, 27-70-206, and 27-70-207.

SECTION 8. Arkansas Code § 19-5-1103, concerning the Property Tax Relief Trust Fund, is amended to read as follows:

(b) The fund shall consist of such revenues as generated by §§ 26-52-302(c), § 26-52-317(c)(1)(B), § 26-52-319(a)(2)(B), § 26-53-107(c), § 26-53-145(c)(1)(B), § 26-53-148(a)(2)(B), ~~26-56-201(g)(1)(G)~~ § 26-56-109(1)(A)(iii), and § 26-56-224(c)(2) and shall be used for such purposes as set out in § 26-26-310.

SECTION 9. Arkansas Code § 19-5-1227(b), concerning the revenues included in the Educational Adequacy Fund, is amended to read as follows:

(b) After the Treasurer of State has made deductions from the revenues under § 19-5-203(b)(2)(A), the Educational Adequacy Fund shall consist of:

(1) All net revenues collected due to enactments of the Eighty-Fourth General Assembly meeting in Second Extraordinary Session, unless a different distribution of those additional net revenues is otherwise provided in the act creating those additional net revenues;

(2) The revenues credited to the Educational Adequacy Fund under § 26-54-113(b)(2);

(3) The revenues generated by §§ 26-52-302(d), § 26-52-316, § 26-52-317(c)(1)(C), § 26-52-319(a)(2)(C), § 26-53-107(d), § 26-53-145(c)(1)(C), § 26-53-148(a)(2)(C), ~~26-56-201(g)(1)(B)~~ § 26-56-109(1)(A)(ii), § 26-56-224(c)(3), and § 26-57-1002(d)(1)(A)(ii); and

(4) Other revenues as provided by law.

SECTION 10. Arkansas Code § 19-6-201(68), concerning the enumeration of general revenues, is amended to read as follows:

(68) The first four million dollars (\$4,000,000) of the ~~eight and one-half cent (8 1/2¢)~~ tax on distillate special fuels levied each fiscal year under § 26-56-201(a)(1)(A)(i);

SECTION 11. Arkansas Code § 19-6-301(3) and (4), concerning the enumeration of special revenues, are amended to read as follows:

(3) Distillate special motor fuels taxes and liquefied gas special motor fuels taxes and license and permit fees, as enacted by § 26-56-101 et seq., known as the "Special Motor Fuels Tax Law", ~~and all laws amendatory thereto, including the:~~

~~(A) Eight and one-half cent (8.5¢) tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A)(i), after the deduction of the first four million dollars (\$4,000,000) each fiscal year under § 26-56-201(g)(1) and one cent (1¢) tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A)(ii);~~

~~(B) Seven and one-half cent (7.5¢) tax on liquefied gas special motor fuels levied by § 26-56-301(a);~~

~~(C) Additional one cent (1¢) tax on distillate special motor fuels levied by § 26-56-201(a)(2);~~

~~(D) Additional four cent (4¢) tax on liquefied gas special motor fuels and the additional two cent (2¢) tax on distillate special motor fuels levied by § 26-56-502(a);~~

~~(E) Additional four cent (4¢) tax on distillate special motor fuels levied by § 26-56-201(d)(1);~~

~~(F) Additional five cent (5¢) tax on liquefied gas special motor fuels and the additional two cent (2¢) tax on distillate special motor fuels levied by § 26-55-1201(a) and § 26-56-601; and~~

~~(G) Additional liquefied gas special motor fuels user permit fees levied in § 26-55-1002;~~

(4) Gasoline taxes, as enacted by the Motor Fuel Tax Law, § 26-55-201 et seq., ~~including the:~~

~~(A) Eight and one-half cent (8.5¢) tax on motor fuels levied by § 26-55-205(a);~~

~~(B) Additional one cent (1¢) tax on motor fuels levied by § 26-55-205(b);~~

~~(C) Additional four cent (4¢) tax on motor fuels levied by~~

~~§ 26-55-1002(a);~~

~~(D) Additional five cent (5¢) tax on motor fuels levied by § 26-55-1201(a) and § 26-56-601; and~~

~~(E) Additional total of three cents (3¢) tax on motor fuels levied by § 26-55-1006;~~

SECTION 12. Arkansas Code § 19-6-405(6), concerning the revenues included in the State Highway and Transportation Department Fund, is amended to read as follows:

(6) ~~Those designated revenues as set out in § 26-56-201(e)(1), which consist of the additional total of four cents (4¢) distillate special fuel taxes~~ Revenues equal to four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state to be distributed as provided in the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq.;

SECTION 13. The introductory language of Arkansas Code § 19-6-484, concerning the Conservation Tax Fund, is amended to read as follows:

The Conservation Tax Fund shall consist of those general revenues as specified in ~~§ 26-56-201(g)(1)(D)~~ § 26-56-109(1)(A)(iv) and those special revenues as specified in § 19-6-301(193) there to be distributed to the fund accounts as set out below, which are created by this section unless specifically created in other provisions of the Arkansas Code, and under the following procedures:

SECTION 14. Arkansas Code § 26-18-303(b)(22)-(24), concerning exceptions to the confidentiality rules applicable to tax records, are amended to read as follows:

(22) Disclosure of information, including disclosure as required under § 26-55-232, regarding delinquent motor fuel excise tax levied by the Motor Fuel Tax Law, § 26-55-201 et seq., ~~and by § 26-56-601 et seq.,~~ to a bonding company that provides the surety bond required by § 26-55-222 for the taxpayer that owes the delinquent tax;

(23) Disclosure of information regarding delinquent distillate special fuel tax levied by § 26-56-201 et seq., ~~and by § 26-56-601 et seq.,~~ to a bonding company that provides the surety bond required by § 26-56-204

for the taxpayer that owes the delinquent tax;

(24) Disclosure of information regarding delinquent liquefied gas special fuel tax levied by § 26-56-301 et seq. ~~and by § 26-56-601 et seq.~~ to a bonding company that provides the surety bond required by § 26-56-303 for the taxpayer that owes the delinquent tax; and

SECTION 15. Arkansas Code § 26-55-229(c)(3), concerning the information required in tax reports under the Motor Fuel Tax Law, is amended to read as follows:

(3) An itemized statement of the number of gallons of motor fuel ~~deducted in accordance with the provisions of § 26-55-230(a)(1)(C) or § 26-55-230(a)(1)(D) in making any previous monthly report with respect to which motor fuel so deducted the tax payable under the terms of this subchapter have not theretofore been paid~~ received during the next-preceding calendar month, within the meaning of § 26-55-202(13)(A), by being placed in a tank, which was thereafter delivered by the person receiving it to a common carrier pipeline for shipment or delivery to a point in Arkansas, but had not been, at the close of the next-preceding calendar month, delivered by the pipeline at its destination, even though because of being mingled in the common carrier pipeline system with other motor fuel, the motor fuel to be delivered to the point of destination is not the identical motor fuel delivered by the shipper to the common carrier pipeline;

SECTION 16. Arkansas Code § 26-55-230 is amended to read as follows:

26-55-230. ~~Computation and payment~~ Payment of tax.

(a) At the time of filing of each monthly report with the Director of the Department of Finance and Administration, each distributor shall pay to the director the full amount of the motor fuel tax ~~for~~ collected during the next-preceding calendar month, ~~which shall be computed as follows:~~

~~(1) From the sum of the total number of gallons of motor fuel received, reduced by the total number of gallons received upon which the tax has been paid as evidenced by the itemized statement filed pursuant to § 26-55-229(c)(8) by the distributor within the State of Arkansas during the next-preceding calendar month, plus the total number of gallons of motor fuel deducted on any previous monthly report of the distributor under the provisions of subdivisions (a)(1)(C) and (D) of this section with respect to~~

which the tax payable under this subchapter remains unpaid, shall be made the following deductions:

(A) The total number of gallons of motor fuel received by the distributor within the State of Arkansas and sold or otherwise disposed of during the next preceding calendar month as set forth in § 26-55-207;

(B) The total number of gallons of motor fuel received by the distributor within the State of Arkansas and sold or otherwise disposed of during the next preceding calendar month as set forth in § 26-55-210;

(C) The total number of gallons of motor fuel which, during any previous calendar month, was received, within the meaning of § 26-55-202(13)(A) or § 26-55-202(13)(B), by being placed in a tank but had not been withdrawn therefrom at the close of the next preceding calendar month;

(D) The total number of gallons of motor fuel received during any previous calendar month, within the meaning of § 26-55-202(13)(A), by being placed in a tank, which was thereafter delivered by the person receiving it to a common carrier pipeline for shipment or delivery to a point in Arkansas, but had not been, at the close of the next preceding calendar month, delivered by the pipeline at its destination, even though because of being mingled in the common carrier pipeline system with other motor fuel, the motor fuel to be delivered to the point of destination is not the identical motor fuel delivered by the shipper to the common carrier pipeline;

(E)(i) That number of gallons of motor fuel lost due to fire, flood, storm, theft, or other cause beyond the distributor's control, other than through evaporation.

(ii) The deduction for the loss may be included in the report filed for the month in which the loss occurred or in any subsequent report filed within a period of one (1) year; and

(F)(i) That number of gallons of motor fuel which shall be equal to three percent (3%) of the first one million gallons (1,000,000 gals.), and no allowance for the remaining gallons of the total number of gallons of motor fuel received by the distributor during the next preceding calendar month, less the total number of gallons deducted under subdivisions (a)(1)(A)-(E) of this section.

(ii) It is determined by the General Assembly that three percent (3%) of the first one million gallons (1,000,000 gals.) and no allowance for the remaining gallons so received is the actual and average

~~amount of loss resulting from evaporation, shrinkage, and the losses resulting from unknown causes irrespective of the amount thereof, and the cost of collection;~~

~~(2) The number of gallons remaining after the deductions set forth in subdivision (a)(1) of this section have been made shall be multiplied by the rate of tax under § 26-55-205; and~~

~~(3) The remaining number of gallons computed on a volumetric basis shall be multiplied by the rate provided by law in the adjoining state, the rate not to exceed the rate provided by § 26-55-205, and the resulting figure, together with the figure obtained in subdivision (a)(2) of this section, shall be the total amount of motor fuel tax due for the next preceding calendar month.~~

~~(b) In reporting and computing this tax, distributors shall adjust all volume measurements of motor fuel to a temperature of sixty degrees Fahrenheit (60° F).~~

~~(e) (b) The director by regulation shall provide for the payment and collection of the motor fuel tax when it is due but which under the terms of this subchapter is not required to be remitted by a distributor.~~

SECTION 17. Arkansas Code § 26-55-702 is amended to read as follows:  
26-55-702. Liability for tax.

~~Any~~ A person, firm, or corporation that operates on the highways of this state a motor carrier, bus, truck, transport, or other motor vehicle, having a gross loaded weight of twenty-six thousand one pounds (26,001 lbs.) or more and having motor fuel commonly or commercially sold and used as gasoline as defined in § 26-55-202 in its fuel tank or tanks upon which the Arkansas motor fuel tax has not been paid is liable for a tax at the rate ~~per~~ per gallon ~~under~~ stated in § 26-55-205 on the gasoline used or consumed in the State of Arkansas, subject to § 26-55-710.

SECTION 18. Arkansas Code Title 26, Chapter 55, Subchapter 10, is repealed.

~~Subchapter 10 — Additional Taxes and Fees~~

~~26-55-1001. Applicability.~~

~~The additional taxes and fees levied in this subchapter on motor fuel, distillate special fuels, liquefied petroleum gas special fuel, and vehicles~~

~~using liquefied petroleum gas special fuel shall be applicable to motor fuel and distillate special motor fuels sold and to liquefied petroleum gas vehicles which are registered or for which registration is renewed on and after April 1, 1985.~~

~~26-55-1002.—Additional tax levied on motor fuel.~~

~~(a) In addition to the tax levied upon motor fuel in § 26-55-205, there is levied an excise tax of four cents (4¢) per gallon upon all motor fuel subject to the tax levied in that section.~~

~~(b) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of other motor fuel taxes.~~

~~26-55-1004.—Disposition of revenues.~~

~~(a)(1) All taxes, interest, penalties, and costs received by the Director of the Department of Finance and Administration from the additional taxes and fees levied by this subchapter shall be classified as special revenues and shall be deposited into the State Treasury.~~

~~(2) The net amount thereof shall be transferred by the Treasurer of State on the last business day of each month, as follows:~~

~~(A) Fifteen percent (15%) of the amount to the County Aid Fund;~~

~~(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and~~

~~(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund.~~

~~(b)(1) All such funds credited to the State Highway and Transportation Department Fund shall be used for construction, reconstruction, and maintenance of the rural state highways of the state and their extensions into municipalities and industrial access roads.~~

~~(2) The State Highway Commission shall provide to each member of the General Assembly on January 1, 1986, and annually thereafter, a report indicating how the money provided by this subchapter was spent, which roads were worked on, and what other progress was made regarding the plan outlined to the General Assembly by the commission during the debate on this subchapter.~~

~~26-55-1005. Motor fuel excise tax.~~

~~This act may be referred to and cited as the "Arkansas Distillate Special Fuel Excise Tax Act of 1999" and the "Motor Fuel Excise Tax Act of 1999".~~

~~26-55-1006. Excise tax rates.~~

~~(a) In addition to the taxes levied on motor fuel in §§ 26-55-205, 26-55-1002, and 26-55-1201, there is levied an additional excise tax of three cents (3¢) per gallon on all motor fuels subject to the taxes levied in §§ 26-55-205, 26-55-1002, and 26-55-1201.~~

~~(b) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of the other motor fuel taxes under Arkansas law.~~

~~(c) The additional tax levied by this section shall be taken into consideration and used when calculating tax credits or additional tax due under § 26-55-710.~~

~~(d) The additional taxes collected pursuant to this section shall be considered special revenues and shall be distributed as set forth in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.~~

SECTION 19. Arkansas Code Title 26, Chapter 55, Subchapter 12, is repealed.

~~Subchapter 12—Additional Taxes on Motor Fuel, Distillate Special Fuels, and Liquefied Gas Special Fuels~~

~~26-55-1201. Additional taxes on motor fuel, distillate special fuels, and liquefied gas special fuels.~~

~~(a) On and after March 6, 1991, in addition to the taxes levied upon motor fuel in §§ 26-55-205 and 26-55-1002 and upon distillate special fuels in §§ 26-56-201 and 26-56-502 and upon liquefied gas special fuels in §§ 26-56-301 and 26-56-502, and in addition to any other taxes levied on the fuel or fuels during the Seventy-Eighth Regular Session of the General Assembly, there is hereby levied an excise tax of five cents (5¢) per gallon upon all motor fuel and liquefied gas special fuels and an excise tax of two cents (2¢) per gallon upon all distillate special fuels subject to the taxes levied in §§ 26-55-205, 26-55-1002, 26-56-201, 26-56-502, 26-56-301, and 26-56-502.~~

~~(b) Such additional taxes shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of other motor fuel taxes, distillate special fuels taxes, and liquefied gas special fuels taxes.~~

~~26-55-1202. Additional funds deposited into State Treasury.~~

~~(a) All of the additional taxes, fees, penalties, and interest collected under the provisions of this subchapter and §§ 26-55-710, 26-56-214, and 26-56-304 shall be classified as special revenues and shall be deposited into the State Treasury. After deducting therefrom the amount to be credited to the Constitutional Officers Fund and the State Central Services Fund as provided in the Revenue Stabilization Law, § 19-5-101 et seq., the Treasurer of State shall transfer on the last business day of each month:~~

~~(1) Fifteen percent (15%) of the amount thereof to the County Aid Fund;~~

~~(2) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and~~

~~(3) Seventy percent (70%) of the amount thereof to a special account in the State Highway and Transportation Department Fund to be designated the "1991 Highway Construction and Maintenance Account".~~

~~(b) The funds in the 1991 Highway Construction and Maintenance Account shall be held, managed, and used in the same manner and for the same purposes as set out in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., excluding however, § 27-70-206.~~

~~(c) Provided that, in keeping with the spirit of Pub. L. No. 97-424, § 105, and the State Highway Commission's goals for encouraging the participation of disadvantaged business enterprises in entering into and performing contracts with the commission, including the purchasing of supplies and equipment by the commission and for the construction, reconstruction, and maintenance of highways and bridges in the state highway system, the commission is authorized to expend up to ten percent (10%) of the total funds and revenues available and disbursed to the commission pursuant to this act for the purposes of achieving those goals.~~

SECTION 20. Arkansas Code § 26-55-1305(c)(2), concerning refunds paid from the Gasoline Tax Refund Fund, is amended to read as follows:

(2) The refund for purchases of distillate special fuel tax shall does not include the moneys ~~which~~ that have been pledged to the repayment of highway bonds under ~~§ 26-56-201~~ the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2005, § 27-64-301 et seq., the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq., and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.

SECTION 21. Arkansas Code §§ 26-56-221 and 26-56-222 are repealed.

~~26-56-221. Distribution of taxes.~~

~~(a) Taxes from the additional one-cent tax levied on distillate special fuel in § 26-56-201(a)(1)(A) shall be remitted to the Treasurer of State separate from other distillate special fuel taxes.~~

~~(b) The gross amount of the taxes described in subsection (a) of this section shall be distributed under the Arkansas Highway Revenue Distribution Law, §§ 27-70-201—27-70-203, 27-70-206, and 27-70-207, without making any deduction for credit to the Constitutional Officers Fund and the State Central Services Fund.~~

~~26-56-222. Disposition of funds collected under §§ 26-56-201, 26-56-214, and 27-14-601.~~

~~(a) All of the additional taxes, fees, penalties, and interest collected under §§ 26-56-201, 26-56-214, and 27-14-601 shall be classified as special revenues and shall be deposited into the State Treasury.~~

~~(b) After deducting the amount to be credited to the Constitutional Officers Fund and the State Central Services Fund as provided under the Revenue Stabilization Law, § 19-5-101 et seq., the Treasurer of State shall transfer on the last business day of each month:~~

~~(1) Fifteen percent (15%) of the amount thereof to the County Aid Fund;~~

~~(2) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and~~

~~(3) Seventy percent (70%) of the amount thereof to the State Highway and Transportation Department Fund.~~

~~(c) The funds shall be further disbursed in the same manner and used for the same purposes as set out in the Arkansas Highway Revenue Distribution~~

~~Law, § 27-70-201 et seq.~~

SECTION 22. Arkansas Code § 26-56-227(b)(1), concerning the penalty for mixed dyed and undyed distillate special fuel, is amended to read as follows:

(b)(1) The Director of the Department of Finance and Administration upon finding any fuel supply tank of a motor vehicle, fuel storage tank, or fuel storage facility outside of the terminal containing mixed dyed and undyed distillate special fuel, which fuel is being used or utilized in a motor vehicle or is being stored for ultimate usage or utilization in a motor vehicle not excepted in § 26-56-225 shall:

(A) Assess for taxation purposes the entire number of gallons of the fuel that could be contained in those fuel supply tanks, fuel storage tanks, or fuel storage facilities, if the tanks or facilities were filled to capacity, as taxable gallons at the ~~total per-gallon tax rates set out~~ rate stated in this chapter; and

(B) Assess a penalty of ten dollars (\$10.00) per gallon on all the fuel.

SECTION 23. Arkansas Code § 26-56-228(b)(1), concerning the authority of the Director of the Department of Finance and Administration, is amended to read as follows:

(b)(1)(A) ~~Any~~ A person who ~~shall refuse~~ refuses to allow the director to sample, test, and measure the fuel that could be contained in ~~any~~ a fuel supply tank of a motor vehicle, ~~or in any~~ a fuel storage tank, or ~~in any~~ a fuel storage facility outside of the terminal shall be assessed taxes at the ~~total per-gallon tax rates set out~~ rate stated in this chapter upon all fuels as determined by the director that could be contained in the fuel supply tank, fuel storage tank, or fuel storage facility, if filled to capacity.

(B) Additionally, a penalty of ten dollars (\$10.00) per gallon on all the fuel shall be assessed.

SECTION 24. Arkansas Code § 26-56-230 is repealed.

~~26-56-230. Disposition of taxes, fees, and other revenues.~~

~~Except as provided in § 26-56-224(b)-(f), all taxes, fees, penalties, and other amounts collected under the provisions of §§ 26-56-223—26-56-231~~

~~shall be classified as special revenues, and the net amount shall be distributed as provided by the Arkansas Highway Revenue Distribution Law, §§ 27-70-201, 27-70-203, 27-70-206, and 27-70-207.~~

SECTION 25. Arkansas Code § 26-56-231(a), concerning the authority to promulgate rules to implement a portion of the laws regarding distillate special fuels, is amended to read as follows:

(a) The Director of the Department of Finance and Administration, in consultation with the Director of State Highways and Transportation, shall have the authority to make and promulgate rules and regulations to fully implement and enforce the provisions of §§ 26-56-223 – ~~26-56-230~~ 26-56-229.

SECTION 26. Arkansas Code § 26-56-304(d)(1) and (2), concerning user permits for liquefied gas special fuels, are amended to read as follows:

(d)(1) At the time of applying for the permit and prior to the registration and issuance of a motor vehicle license for the vehicle, each applicant except licensed liquefied gas special fuels suppliers shall remit to the director, in addition to the regular fee prescribed by law for the registration and licensing of the vehicle, an additional fee in an amount which is determined by the General Assembly, based upon information available from statistical studies of the motor vehicular use of liquefied gas special fuels by various classes of users, as follows:

NONFARM VEHICLES

	Annual Additional Fee
Passenger cars and motor homes .....	\$ 164.00
Pickup trucks, one-half (½) and three-quarter (¾) ton .....	195.00
Pickup trucks, one (1) ton .....	251.00
Trucks, maximum gross loaded weight in excess of one (1) ton but not exceeding 22,500 pounds .....	520.00
Passenger buses except school buses manufactured and licensed as such .....	520.00
School buses manufactured and licensed as such .....	260.00
Trucks, maximum gross loaded weight in excess of 22,500 pounds .....	609.00

FARM VEHICLES

In order to aid in the production of farm products and to eliminate

apparent inequities in liquefied gas special fuels fees which are in lieu of the ~~gallone~~ tax on the fuel used in vehicles operated primarily on farms and not on the main highway system of this state, a special classification is created for farm vehicles using liquefied gas special fuels and entitled to be registered and licensed as natural resources farm vehicles. The flat fee in lieu of the ~~gallone~~ tax on the fuel used in the vehicle shall be as follows:

- Pickup trucks, one-half ( $\frac{1}{2}$ ) and three-quarter ( $\frac{3}{4}$ ) ton ..... \$ 130.00
- Pickup trucks, one (1) ton ..... 156.00
- Trucks, maximum gross loaded weight in excess of one (1) ton but not exceeding 22,500 pounds ..... 178.00
- Trucks, maximum gross loaded weight in excess of 22,500 pounds ..... 260.00

(2) If the director determines that the flat fee provided herein in lieu of the ~~gallone~~ tax on liquefied gas special fuels is, in the case of common or contract carriers or other vehicles for hire, inadequate to compensate for the ~~gallone~~ tax, the director may require the common or contract carriers or owners of other vehicles for hire to pay a fee based upon the actual mileage of the common or contract carrier or vehicle for hire for the previous year, the current year, or any other reasonable basis.

SECTION 27. Arkansas Code § 26-56-306(b) and (c), concerning window decals for the purchase of liquefied gas special fuels, are amended to read as follows:

(b) Each motor vehicle bearing the special and distinctive window decals shall entitle the owner or user of the motor vehicle to purchase liquefied gas special fuels from licensed liquefied gas special fuels suppliers only without the necessity of paying the ~~gallone~~ tax levied thereon under § 26-56-301, it being the intent of that section that the payment of the special fee levied by § 26-56-304 shall be in lieu of and in full satisfaction of the liquefied gas special fuels ~~gallone~~ taxes that would have otherwise been due on liquefied gas special fuels used in the motor vehicle during the period for which the license and permit is issued.

(c) When a motor vehicle bearing a special and distinctive liquefied gas special fuels window decal is transferred, the liquefied gas special fuels window decal shall remain with the motor vehicle, and, when the

registration of the motor vehicle is transferred to the new owner, the new owner shall be entitled to purchase liquefied gas special fuels for the motor vehicle without payment of the ~~gallonage~~ tax thereon the same as the former owner.

SECTION 28. Arkansas Code § 26-56-307(d), concerning the computation of tax due on liquefied gas special fuels by suppliers or interstate users, is amended to read as follows:

(d) When calculating the ~~number of gallons of liquefied gas special fuels on which the gallonage tax levied by~~ due under § 26-56-301 ~~is due~~, the suppliers and users shall be allowed a credit equal to the amount of the tax paid on ~~each gallon of~~ the liquefied gas special fuels purchased or received in this state when each credit is supported by a copy of the purchase invoice showing the amount of tax paid, signed by the supplier or dealer from which the liquefied gas special fuels ~~was~~ were purchased or delivered.

SECTION 29. Arkansas Code § 26-56-312(b), concerning the importation or use of liquefied gas special fuels by unlicensed persons, is amended to read as follows:

(b) For the purposes of determining the number of gallons of liquefied gas special fuels consumed in operating on the highways of this state, the liquefied gas special fuels user shall ~~be required to~~ pay to the Director of the Department of Finance and Administration the tax levied by this subchapter on ~~each gallon~~ the total amount of liquefied gas special fuels contained in the supply tank of the motor vehicle at the time of entry into the state and upon all liquefied gas special fuels used in this state upon which the tax levied in this subchapter has not been paid.

SECTION 30. Arkansas Code § 26-56-313(a), concerning the purchase of liquefied gas special fuels by unlicensed persons, is amended to read as follows:

(a) Any person purchasing liquefied gas special fuels for delivery into the supply tanks of the motor vehicle of the person, if the person does not have a liquefied gas special fuels user's permit as evidenced by the appropriate license issued therefor as provided in this subchapter or if the person is not a bonded licensed liquefied gas special fuels supplier, shall

pay to the supplier or dealer at the time of purchase of liquefied gas special fuels the ~~gallonage~~ tax levied in § 26-56-301 on ~~each gallon~~ the total amount of liquefied gas special fuels so delivered into the supply tanks of the motor vehicle.

SECTION 31. Arkansas Code Title 26, Chapter 56, Subchapter 5, is repealed.

~~Subchapter 5—Additional Taxes and Fees~~

~~26-56-501.—Applicability.~~

~~The additional taxes and fees levied in this subchapter on motor fuel, distillate special fuel, liquefied gas special fuels, and vehicles using liquefied gas special fuels shall be applicable to motor fuel and distillate special fuel sold and liquefied gas special fuels vehicles which are registered or for which registration is renewed on and after April 1, 1985.~~

~~26-56-502.—Additional tax levied.~~

~~(a) In addition to the tax levied upon distillate special fuel in § 26-56-201 and upon liquefied gas special fuels in § 26-56-301, there is levied an excise tax of four cents (4¢) per gallon upon all liquefied gas special fuels and two cents (2¢) per gallon upon all distillate special fuel subject to the tax levied in those sections.~~

~~(b) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of other distillate special fuel taxes.~~

~~26-56-504.—Disposition of revenues.~~

~~(a)(1) All taxes, interest, penalties, and costs received by the Director of the Department of Finance and Administration from the additional taxes and fees levied by this subchapter shall be classified as special revenues and shall be deposited into the State Treasury.~~

~~(2) The net amount thereof shall be transferred by the Treasurer of State on the last business day of each month, as follows:~~

~~(A) Fifteen percent (15%) of the amount to the County Aid Fund;~~

~~(B) Fifteen percent (15%) of the amount to the Municipal Aid Fund; and~~

~~(C) Seventy percent (70%) of the amount to the State Highway and Transportation Department Fund.~~

~~(b)(1) All such funds credited to the State Highway and Transportation Department Fund shall be used for construction, reconstruction, and maintenance of the rural state highways of the state and their extensions into municipalities and industrial access roads.~~

~~(2) The State Highway Commission shall provide to each member of the General Assembly on January 1, 1986, and annually thereafter, a report indicating how the money provided by this subchapter was spent, which roads were worked on, and what other progress was made regarding the plan outlined to the General Assembly by the commission during the debate on this subchapter.~~

SECTION 32. Arkansas Code Title 26, Chapter 56, Subchapter 6, is repealed.

~~Subchapter 6—Additional Taxes on Motor Fuel, Distillate Special Fuels, and Liquefied Gas Special Fuels~~

~~26-56-601.—Excise tax levied.~~

~~(a) On and after March 6, 1991, in addition to the taxes levied upon motor fuel in §§ 26-55-205 and 26-55-1002 and upon distillate special fuel in §§ 26-56-201 and 26-56-502 and upon liquefied gas special fuels in §§ 26-56-301 and 26-56-502, and in addition to any other taxes levied on the fuel or fuels during the Seventy-Eighth Regular Session of the General Assembly, there is hereby levied an excise tax of five cents (5¢) per gallon upon all motor fuel and liquefied gas special fuels and an excise tax of two cents (2¢) per gallon upon all distillate special fuel subject to the taxes levied in §§ 26-55-205, 26-55-1002, 26-56-201, 26-56-301, and 26-56-502.~~

~~(b) Such additional taxes shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of other motor fuel taxes, distillate special fuel taxes, and liquefied gas special fuels taxes.~~

~~26-56-602.—Additional funds deposited into State Treasury.~~

~~(a) All of the additional taxes, fees, penalties and interest collected under the provisions of this subchapter and §§ 26-55-710, 26-56-214, and 26-56-304 shall be classified as special revenues and shall be deposited into~~

~~the State Treasury. After deducting therefrom the amount to be credited to the Constitutional Officers Fund and the State Central Services Fund as provided in the Revenue Stabilization Law, § 19-5-101 et seq., the Treasurer of State shall transfer on the last business day of each month:~~

~~(1) Fifteen percent (15%) of the amount thereof to the County Aid Fund;~~

~~(2) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and~~

~~(3) Seventy percent (70%) of the amount thereof to a special account in the State Highway and Transportation Department Fund to be designated the "1991 Highway Construction and Maintenance Account".~~

~~(b) The funds in the 1991 Highway Construction and Maintenance Account shall be held, managed, and used in the same manner and for the same purposes as set out in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., excluding however, § 27-70-206.~~

~~(c) Provided that, in keeping with the spirit of Pub. L. No. 97-424, § 105, and the State Highway Commission's goals for encouraging the participation of disadvantaged business enterprises in entering into and performing contracts with the commission, including the purchasing of supplies and equipment by the commission and for the construction, reconstruction, and maintenance of highways and bridges in the state highway system, the commission is authorized to expend up to ten percent (10%) of the total funds and revenues available and disbursed to the commission pursuant to this act for the purposes of achieving those goals.~~

SECTION 33. Arkansas Code § 26-56-705(c)(2), concerning refunds paid from the Gasoline Tax Refund Fund, is amended to read as follows:

(2) The refund for purchases of distillate special fuel tax ~~shall~~ does not include the moneys which have been pledged to the repayment of highway bonds under ~~§ 26-56-201~~ the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2005, § 27-64-301 et seq., the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq., and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.

SECTION 34. Arkansas Code Title 26, Chapter 56, Subchapter 8, is

repealed.

~~Subchapter 8—Additional Tax on Distillate Special Fuel~~

~~26-56-801.—Definition.~~

~~As used in this subchapter, “distillate special fuel” means distillate special fuel as defined in § 26-56-102(6), except that distillate special fuel for purposes of the tax levied by this subchapter shall exclude distillate special fuel not intended for highway use, as defined by federal regulations on January 1, 2011, and for agricultural purposes.~~

~~26-56-802.—Additional tax on distillate special fuel.~~

~~(a)(1)—In addition to all other taxes levied upon distillate special fuel, there is levied an additional tax on distillate special fuel of five cents (5¢) for each gallon of distillate special fuel sold or used in this state or purchased for sale or use in this state.~~

~~(2)—The additional tax on distillate special fuel applies only to distillate special fuel intended for highway use or to fuel a motor vehicle intended for highway use.~~

~~(b)—The additional distillate special fuel tax under this section is subject to the exemptions under this chapter.~~

~~(c)(1)—The levy of the additional tax on distillate special fuel by subdivision (a)(1) of this section is conditioned upon the approval by a majority of the qualified electors of the state voting on the measure providing for the levy of the additional tax on distillate special fuel and the issuance of bonds in a statewide election held under the provisions of the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.~~

~~(2)—If the levy of the additional tax on distillate special fuel and the issuance of the bonds is approved, the:~~

~~(A) Effective date of the additional tax on distillate special fuel levied by subdivision (a)(1) of this section shall be the first day of the second month following the month in which the Secretary of State certifies the vote of the voters of the state approving the levy of the additional tax on distillate special fuel and the issuance of bonds; and~~

~~(B) Additional tax on distillate special fuel levied by subdivision (a)(1) of this section shall terminate and shall no longer be collected upon certification by the Chair of the State Highway Commission that the bonds issued under the Arkansas Highway Finance Act of 2011, § 27-~~

~~64-501 et seq., have been paid in full and all obligations of the commission with respect to the bonds have been performed in full.~~

~~(3) If the levy of the additional tax on distillate special fuel and the issuance of the bonds are not approved, the levy of the additional tax on distillate special fuel by subdivision (a)(1) of this section shall terminate and the additional tax shall not be collected.~~

~~26-56-803.—Administration.~~

~~The tax on distillate special fuel levied by this subchapter shall be administered in accordance with the provisions of the Arkansas Tax Procedure Act, § 26-18-101 et seq.~~

~~26-56-804.—Disposition.~~

~~The tax imposed by this subchapter is levied to provide revenue to be used by the state to defray, in whole or in part, the cost of constructing, widening, reconstructing, maintaining, resurfacing, and repairing the public highways of this state and shall be distributed as set forth in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.~~

SECTION 35. Arkansas Code § 27-64-203(5), concerning the definitions used in the Arkansas Highway Financing Act of 1999, is amended to read as follows:

(5) “Designated revenues” means:

(A) That portion designated by the commission of funds received or to be received from the federal government of the United States as federal highway assistance funding allocated to the state designated as federal highway interstate maintenance funds, and, if needed, that portion of national highway system funds authorized by State Highway Commission Minute Order 98-214 adopted September 22, 1998; and

(B) ~~Revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 26-56-201~~ equal to four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state and transferred to the State Highway and Transportation Department Fund pursuant to § 27-70-207(d) in accordance with

~~§ 26-56-201~~ § 26-56-109(2)(A)(ii) and ~~§ 26-55-1006~~ § 26-55-206(b)(1)(A); and

SECTION 36. Arkansas Code § 27-64-206 is repealed.

~~27-64-206. Election.~~

~~(a) Bonds shall not be issued under this subchapter unless the issuance of bonds has been approved by a majority of the qualified electors of the state voting on the question at a statewide special election called by proclamation of the Governor in accordance with § 7-11-201 et seq.~~

~~(b)(1)(A) Notice of such election shall be published by the Secretary of State in a newspaper of general circulation in the state at least thirty (30) days prior to such election.~~

~~(B) Notice thereof shall be mailed to each county board of election commissioners and the sheriff of each county at least sixty (60) days prior to such election.~~

~~(2)(A) The notice of election shall state that the election is to be held for the purpose of submitting to the people the following proposition in substantially the form set forth herein:~~

~~“Authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds (the “Bonds”) in a total principal amount not to exceed five hundred seventy-five million dollars (\$575,000,000). If approved, such bonds will be issued in several series of various principal amounts from time to time for the purpose of paying the cost of constructing and renovating improvements to interstate highways and related facilities in the State of Arkansas.”~~

~~(B) The bonds shall be general obligations of the State of Arkansas, payable from certain designated revenues and also secured by the full faith and credit of the State of Arkansas, including its general revenues. Pursuant to this subchapter, the “Bond Act”, the bonds will be repaid first from revenues derived from federal highway assistance funding allocated to the State of Arkansas designated as federal highway interstate maintenance funds, and, if needed, that portion of national highway system funds authorized by State Highway Commission Minute Order 98-214 adopted September 22, 1998, and, second, from revenue derived from the increase in the excise tax levied on distillate special fuels and diesel pursuant to § 26-56-201(e) and transferred to the State Highway and Transportation Department Fund pursuant to § 27-70-207(d) in accordance with § 26-56-201(f)~~

~~and § 26-55-1006(d). To the extent that designated revenues are insufficient to make timely payment of debt service on the bonds, such payment shall be made from the general revenues of the State of Arkansas. The bonds shall be issued pursuant to the authority of and the terms set forth in this subchapter.~~

~~(C) Pursuant to this subchapter, the specific highway improvements to be financed are limited to restoration and improvements to all of the interstate highway systems within the state, including roadways, bridges, or rights of way under the jurisdiction of the commission, which shall also include the acquisition, construction, reconstruction, and renovation of such interstate highway systems and facilities appurtenant or pertaining thereto.~~

~~(D) Pursuant to this subchapter, "designated revenues" are defined as that portion designated by the commission of all funds received or to be received from the federal government of the United States as federal highway interstate maintenance funds, and, if needed, that portion of national highway system funds authorized by State Highway Commission Minute Order 98-214 adopted September 22, 1998, and revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 26-56-201(e) and transferred to the State Highway and Transportation Department Fund pursuant to § 27-70-207(d) in accordance with § 26-56-201(f) and § 26-55-1006(d). Designated revenues shall not include the revenues derived from the increase in tax on motor fuel, gasoline, resulting from the Arkansas Distillate Special Fuel Excise Tax Act of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305. The bonds are further secured by the full faith and credit of the State of Arkansas, and to the extent that designated revenues are insufficient to make timely payment of debt service on the bonds, the general revenues of the state shall be used to pay debt service on the bonds. Pursuant to § 26-56-201, the excise tax on distillate special fuels, in addition to the taxes levied pursuant to §§ 26-56-201, 26-56-502, and 26-56-601, will increase by two cents (2¢) per gallon on April 1, 1999, and the additional tax levied by § 26-56-201(e) shall increase to four cents (4¢) per gallon on the first anniversary of such date.~~

~~(c)(1) The ballot title shall be "Issuance of State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds and pledge of full~~

~~faith and credit of the State of Arkansas.”~~

~~(2) On each ballot there shall be printed the title, the proposition set forth in § 27-64-206(b)(2) of this section, and the following:~~

~~“FOR issuance of State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds in an amount not to exceed \$575,000,000 and the pledge of the full faith and credit of the State of Arkansas to further secure such bonds . . . . . [ ]~~

~~AGAINST issuance of State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds in an amount not to exceed \$575,000,000 and the pledge of the full faith and credit of the State of Arkansas to further secure such bonds . . . . . [ ]”~~

~~(d)(1) The county boards of election commissioners in each of the several counties of the state shall hold and conduct the election, and each such board is hereby authorized and directed to take such action with respect to the appointment of election officials and such other matters as are required by the laws of the state. The vote shall be canvassed and the result thereof declared in each county by such boards.~~

~~(2) Within ten (10) days after the date of the election, the results shall be certified by such county boards to the Secretary of State, who shall forthwith tabulate all returns so received and certify to the Governor the total vote for and against the proposition submitted pursuant to this subchapter.~~

~~(e)(1) The result of the election shall be proclaimed by the Governor by the publication of such proclamation one (1) time in a newspaper of general circulation in the State of Arkansas.~~

~~(2) The results as proclaimed shall be conclusive unless a complaint challenging such results is filed within thirty (30) days after the date of such publication in the Pulaski County Circuit Court.~~

~~(f)(1) If a majority of the qualified electors voting on the proposition vote in favor of the issuance of the bonds, then the commission shall proceed with the issuance of bonds in the manner and on the terms set forth in this subchapter.~~

~~(2) If a majority of the qualified electors voting on the proposition vote against the issuance of the bonds, none of the bonds authorized by this subchapter shall be issued.~~

~~(g) Subsequent elections may be called by the Governor if the proposition fails, but each such subsequent election may be held no earlier than six (6) months after the date of the preceding election.~~

SECTION 37. Arkansas Code § 27-64-211(a)(2)(B), concerning the sources of repayment for bonds under the Arkansas Highway Financing Act of 1999, is amended to read as follows:

(B) ~~Revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 26-56-201~~ equal to four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state and transferred to the State Highway and Transportation Department Fund pursuant to § 27-70-207(d) in accordance with ~~§ 26-55-1006(d)~~ § 26-55-206(b)(1)(A) and ~~§ 26-56-201(f)~~ § 26-56-109(2)(A).

SECTION 38. Arkansas Code § 27-64-302(4), concerning legislative findings and intent under the Arkansas Interstate Highway Financing Act of 2005, is amended to read as follows:

(4) The bonds should be payable from revenues currently designated by the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., ~~including federal highway assistance funding and available proceeds from the distillate special fuels tax levied under § 26-56-201(e);~~ and

SECTION 39. Arkansas Code § 27-64-303(4), concerning the definitions to be used under the Arkansas Interstate Highway Financing Act of 2005, is amended to read as follows:

(4) "Designated revenues" means:

(A) The portion designated by the commission of funds received or to be received from the federal government as federal highway assistance funding allocated to the state designated as federal highway interstate maintenance funds; and

(B) ~~Revenues derived from the distillate special fuels tax levied under § 26-56-201(e)~~ equal to four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state that are available for expenditure after any distributions required by the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq.; and

SECTION 40. Arkansas Code § 27-64-305 is repealed.

~~27-64-305.—Election.~~

~~(a)(1)—No State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds shall be issued under this subchapter unless the authority of the State Highway Commission to issue the bonds from time to time is approved by a majority of the qualified electors of the state voting on the question at a statewide election called by proclamation of the Governor.~~

~~(2)—The election may be in conjunction with a general election, or it may be a special election.~~

~~(b)(1)—Notice of the election shall be:~~

~~(A)—Published by the Secretary of State in a newspaper of general circulation in the state at least thirty (30) days prior to the election; and~~

~~(B)—Mailed to each county board of election commissioners and the sheriff of each county at least sixty (60) days prior to the election.~~

~~(2)—The notice of election shall state that the election is to be held for the purpose of submitting to the people the following proposition in substantially the following form:~~

~~“Authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds (the “Bonds”) if the total principal amount outstanding from the issuance of the bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to Arkansas Highway Financing Act of 1999, shall not, at any time, exceed five hundred seventy five million dollars (\$575,000,000). If approved, the bonds will be issued in several series of various principal amounts from time to time for the purpose of paying the cost of constructing and renovating improvements to interstate highways and related facilities in the State of Arkansas.~~

~~“The bonds shall be general obligations of the State of Arkansas, payable from certain designated revenues and also secured by the full faith and credit of the State of Arkansas, including its general revenues.~~

~~“Pursuant to the Arkansas Interstate Highway Financing Act of 2005 (the “Bond Act”), the bonds will be repaid first from: (1) revenues derived from federal highway assistance funding allocated to the State of Arkansas designated as federal highway interstate maintenance funds; and (2) revenues derived from~~

~~the excise tax levied on distillate special fuels (diesel) pursuant to Arkansas Code § 26-56-201(e) that are available for expenditure after any distributions required by the Arkansas Highway Financing Act of 1999. To the extent that designated revenues are insufficient to make timely payment of debt service on the bonds, the payment shall be made from the general revenues of the State of Arkansas. The bonds shall be issued pursuant to the authority of and the terms set forth in the Bond Act.~~

~~“Pursuant to the Bond Act, the highway improvements to be financed are limited to the restoration and improvements to all of the interstate highway systems within the state, including roadways, bridges, or rights-of-way under jurisdiction of the State Highway Commission, which shall also include the acquisition, construction, reconstruction, and renovation of the interstate highway systems and facilities appurtenant or pertaining thereto.~~

~~“Pursuant to the Bond Act, “designated revenues” are defined as: (1) the portion designated by the commission of funds received or to be received from the federal government of the United States as federal highway assistance funding allocated to the state designated as federal highway interstate maintenance funds; and (2) revenues derived from the distillate special fuels tax levied under Arkansas Code § 26-56-201(e) that are available for expenditure after any distributions required by the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq. The bonds are further secured by the full faith and credit of the State of Arkansas, and to the extent “designated revenues” are insufficient to make timely payment of debt service on the bonds, the general revenues of the state shall be used to pay debt service on the bonds.”~~

~~(c) The ballot title shall be “Issuance of State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds and pledge of full faith and credit of the State of Arkansas”. On each ballot there shall be printed the title, the proposition set forth in subdivision (b)(2) of this section, and the following:~~

~~“FOR authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds provided that the total principal amount outstanding from the issuance of the bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to Arkansas Highway Financing Act of 1999, shall not, at any time, exceed five hundred seventy five million dollars (\$575,000,000), and the~~

~~pledge of the full faith and credit of the State of Arkansas to further secure the bonds . . . . . [ ]”~~

~~“AGAINST authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds provided that the total principal amount outstanding from the issuance of the bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to Arkansas Highway Financing Act of 1999, shall not, at any time, exceed five hundred seventy five million dollars (\$575,000,000), and the pledge of the full faith and credit of the State of Arkansas to further secure the bonds . . . . . [ ]”~~

~~(d)(1) Each county board of election commissioners shall hold and conduct the election and may take any action with respect to the appointment of election officials and other matters as required by the laws of the state.~~

~~(2) The vote shall be canvassed and the result of the vote declared in each county by the board. Within ten (10) days after the date of the election, the results shall be certified by the boards to the Secretary of State, who shall tabulate all returns received and certify to the Governor the total vote for and against the proposition submitted pursuant to this subchapter.~~

~~(e) The result of the election shall be proclaimed by the Governor by the publication of the proclamation one (1) time in a newspaper of general circulation in the State of Arkansas. The results as proclaimed shall be conclusive unless a complaint is filed within thirty (30) days after the date of the publication in Pulaski County Circuit Court challenging the results.~~

~~(f)(1) If a majority of the qualified electors voting on the proposition vote in favor of the proposition, then the commission may issue bonds from time to time in the manner and on the terms set forth in this subchapter.~~

~~(2) If a majority of the qualified electors voting on the proposition vote against the proposition, the commission shall have no authority to issue bonds.~~

~~(g) Subsequent elections may be called by the Governor if the proposition fails, but each subsequent election may be held no earlier than six (6) months after the date of the preceding election.~~

SECTION 41. Arkansas Code § 27-64-310(b)(2), concerning sources of

repayment for bonds under the Arkansas Interstate Highway Financing Act of 2005, is amended to read as follows:

(2) Revenues ~~derived from the distillate special fuels tax levied under § 26-56-201(e)~~ equal to four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state that are available for expenditure after any distributions required by the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq.

SECTION 42. Arkansas Code § 27-64-402(b), concerning legislative findings under the Arkansas Interstate Highway Financing Act of 2007, is amended to read as follows:

(b) The General Assembly has further determined that the bonds should be payable from revenues currently designated by the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., ~~including federal highway assistance funding and the proceeds from the Arkansas Distillate Special Fuel Excise Tax Act of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305,~~ and that the repayment of such bonds should also be guaranteed by the full faith and credit of the state.

SECTION 43. Arkansas Code § 27-64-403(5), concerning the definitions used under the Arkansas Interstate Highway Financing Act of 2007, is amended to read as follows:

(5) "Designated revenues" shall mean:

(A) That portion designated by the commission of funds received or to be received from the federal government as federal highway assistance funding allocated to the state designated as federal highway interstate maintenance funds; and

(B) Revenues ~~derived from the increase in taxes levied on distillate special fuels pursuant to the Arkansas Distillate Special Fuel Excise Tax Act of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305~~ equal to four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state; and

SECTION 44. Arkansas Code § 27-64-405 is repealed.

~~27-64-405. Election.~~

~~(a) No bonds shall be issued under this act unless the authority of the State Highway Commission to issue such bonds is approved by a majority of the qualified electors of the state voting on the question at a statewide election called by proclamation of the Governor. Such election may be in conjunction with a general election or it may be a special election. Notice of such election shall be published by the Secretary of State in a newspaper of general circulation in the state at least thirty (30) days prior to such election, and notice thereof shall be mailed to each county board of election commissioners and the sheriff of each county at least sixty (60) days prior to such election.~~

~~(b) The notice of election shall state that the election is to be held for the purpose of submitting to the people the following proposition in substantially the form set forth in this subsection:~~

~~“Authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds (the ‘Bonds’) from time to time provided that the total principal amount outstanding from the issuance of such bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., shall not, at any time, exceed five hundred seventy-five million dollars (\$575,000,000). If approved, the bonds will be issued in one (1) or more series of various principal amounts with the last series being issued no later than December 31, 2015. The bonds shall be issued for the purpose of paying the cost of constructing and renovating improvements to interstate highways and related facilities in the State of Arkansas.~~

~~“The bonds shall be general obligations of the State of Arkansas, payable from certain designated revenues and also secured by the full faith and credit of the State of Arkansas, including its general revenues. Pursuant to the Arkansas Interstate Highway Financing Act of 2007 (the ‘Bond Act’), § 27-64-401 et seq., the bonds will be repaid first from: (1) revenues derived from federal highway assistance funding allocated to the State of Arkansas designated as federal highway interstate maintenance funds, and (2) revenue derived from the increase in the excise tax levied on distillate special fuels (diesel) pursuant to § 26-56-201(e) and transferred to the State Highway and Transportation Department Fund pursuant to § 27-70-207(d) in accordance with § 26-55-1006(d). To the extent that designated revenues are~~

~~insufficient to make timely payment of debt service on the bonds, such payment shall be made from the general revenues of the State of Arkansas. The bonds shall be issued pursuant to the authority of and the terms set forth in the Bond Act, § 27-64-401 et seq.~~

~~“Pursuant to the Bond Act, § 27-64-401 et seq., the highway improvements to be financed are limited to the restoration and improvements to all of the interstate highway system within the state, including roadways, bridges, or rights-of-way under jurisdiction of the State Highway Commission, which shall also include the acquisition, construction, reconstruction, and renovation of such interstate highway system and facilities appurtenant or pertaining thereto.~~

~~“Pursuant to the Bond Act, § 27-64-401 et seq., ‘designated revenues’ are defined as: (1) that portion designated by the commission of all funds received or to be received from the federal government as federal highway interstate maintenance funds, and (2) revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 26-56-201(e) and transferred to the State Highway and Transportation Department Fund pursuant to Arkansas Code § 27-70-207(d) in accordance with § 26-55-1005(d).~~

~~Designated revenues shall not include the revenues derived from the increase in tax on motor fuel (gasoline) resulting from the ‘Arkansas Distillate Special Fuel Excise Tax Act of 1999’ and the ‘Motor Fuel Excise Tax Act of 1999’, §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305. The bonds are further secured by the full faith and credit of the State of Arkansas, and to the extent ‘designated revenues’ are insufficient to make timely payment of debt service on the bonds, the general revenues of the state shall be used to pay debt service on the bonds.”~~

~~(c) The ballot title shall be “Issuance of State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds and pledge of full faith and credit of the State of Arkansas.” On each ballot there shall be printed the title, the proposition set forth in § 27-64-406, and the following:~~

~~“FOR authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds from time to time provided that the total principal amount outstanding from the issuance of such bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to the Arkansas Highway Financing Act of 1999, Arkansas Code § 27-64-201 et seq., shall not, at any time, exceed five~~

~~hundred seventy five million dollars (\$575,000,000); such bonds to be issued in one or more series of various principal amounts, with the last series being issued no later than December 31, 2015, and to be secured by the full faith and credit of the State of Arkansas . . . . . [ ]”~~

~~“AGAINST authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds from time to time provided that the total principal amount outstanding from the issuance of such bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to the Arkansas Highway Financing Act of 1999, Arkansas Code § 27-64-201 et seq., shall not, at any time, exceed five hundred seventy five million dollars (\$575,000,000); such bonds to be issued in one or more series of various principal amounts, with the last series being issued no later than December 31, 2015, and to be secured by the full faith and credit of the State of Arkansas . . . . . [ ]”~~

~~(d) The county boards of election commissioners in each of the several counties of the state shall hold and conduct the election, and each such board is hereby authorized and directed to take such action with respect to the appointment of election officials and such other matters as is required by the laws of the state. The vote shall be canvassed and the result thereof declared in each county by such boards. The results shall, within ten (10) days after the date of the election, be certified by such county boards to the Secretary of State, who shall forthwith tabulate all returns so received and certify to the Governor the total vote for and against the proposition submitted pursuant to this act.~~

~~(e) The result of the election shall be proclaimed by the Governor by the publication of such proclamation one (1) time in a newspaper of general circulation in the State of Arkansas, and the results as proclaimed shall be conclusive unless a complaint is filed within thirty (30) days after the date of such publication in the Pulaski County Circuit Court challenging such results.~~

~~(f) If a majority of the qualified electors voting on the proposition vote in favor of the proposition, then the commission shall be authorized to issue bonds in the manner and on the terms set forth in this act. If a majority of the qualified electors voting on the proposition vote against the proposition, the commission shall have no such authority. Subsequent elections may be called by the Governor if the proposition fails, but each~~

~~such subsequent election may be held no earlier than six (6) months after the date of the preceding election.~~

SECTION 45. Arkansas Code § 27-64-410 is amended to read as follows:

27-64-410. Sources of repayment.

The State of Arkansas Federal Grant Anticipation and Tax Revenue Bonds or GARVEE bonds shall be general obligations of the State of Arkansas secured and payable from the designated revenues, as defined herein, and the general revenues of the state. The bonds will be payable first from certain designated revenues, specifically: (1) that portion designated by the State Highway Commission of funds received or to be received from the federal government as federal highway assistance funding allocated to the state designated as federal highway interstate maintenance funds, and (2) revenues ~~derived from the increase in taxes levied on distillate special fuels pursuant to section 2 of the Arkansas Distillate Special Fuel Excise Tax Act of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305~~ equal to four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state and transferred to the State Highway and Transportation Department Fund pursuant to § 27-70-207(d) in accordance with ~~§ 26-55-1005(d)~~ § 26-55-206(b)(1)(A). To the extent that designated revenues are insufficient to make timely payment of debt service on the bonds, such payment shall be made from the general revenues of the State of Arkansas. In order to secure the payment of debt service, any trust instrument, resolution, or other document setting forth the security for the bondholders may provide for the direct payment of the federal highway assistance funds that are designated revenues directly into a trust fund, or to a paying agent, for the payment of debt service on the bonds, and it shall not be necessary for such funds to be deposited into the State Treasury.

SECTION 46. Arkansas Code § 27-64-502(4), concerning legislative findings under the Arkansas Highway Financing Act of 2011, is amended to read as follows:

(4) Bonds should be payable from revenues currently designated by the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., ~~including federal highway assistance funding and the proceeds from the Arkansas~~

~~Distillate Special Fuel Excise Tax Act of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305, and § 26-56-801 et seq.; and~~

SECTION 47. Arkansas Code § 27-64-503(4), concerning the definitions to be used under the Arkansas Highway Financing Act of 2011, is amended to read as follows:

(4) "Designated revenues" means:

(A) The portion designated by the commission of funds received or to be received from the federal government as federal highway assistance funding allocated to the state; and

(B) ~~Revenues derived from the distillate special fuel tax levied under~~ equal to:

(i) ~~§ 26-56-201(e)~~ Four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state that are available for expenditure after any distributions required by the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2005, § 27-64-301 et seq., and the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.; and

(ii) ~~§ 26-56-802~~ Five cents (5¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state; and

SECTION 48. Arkansas Code § 27-64-505 is repealed.

~~27-64-505. Election.~~

~~(a)(1) State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds shall not be issued under this subchapter unless the levy of the additional tax on distillate special fuel under § 26-56-802 and the authority of the State Highway Commission to issue the bonds from time to time are approved by a majority of the qualified electors of the state voting on the question at a statewide election called by proclamation of the Governor.~~

~~(2) The election may be in conjunction with a general election, or it may be a special election.~~

~~(b)(1) Notice of the election shall be:~~

~~(A) Published by the Secretary of State in a newspaper of general circulation in the state at least thirty (30) days prior to the election; and~~

~~(B) Mailed to each county board of election commissioners and the sheriff of each county at least sixty (60) days prior to the election.~~

~~(2) The notice of election shall state that the election is to be held for the purpose of submitting to the people the following proposition in substantially the following form:~~

~~“Authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds (the ‘Bonds’) if the total principal amount outstanding from the issuance of the bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2005, § 27-64-301 et seq., and the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq., shall not, at any time, exceed one billion one hundred million dollars (\$1,100,000,000). If approved, the bonds will be issued in several series of various principal amounts from time to time, with the last series being issued no later than December 31, 2017, for the purpose of paying the cost of constructing and renovating improvements to the Interstate Highway System and related facilities in the State of Arkansas and improvements to other routes on the National Highway System and related facilities in the State of Arkansas.~~

~~“The bonds shall be general obligations of the State of Arkansas, payable from certain designated revenues including particularly and without limitation a new tax described below, and also secured by the full faith and credit of the State of Arkansas, including its general revenues.~~

~~“Under the Arkansas Highway Financing Act of 2011 (the ‘Bond Act’), the bonds will be repaid first from: (1) revenues derived from federal highway assistance funding allocated to the State of Arkansas; (2) revenues derived from the excise tax levied on distillate special fuel (diesel) pursuant to Arkansas Code § 26-56-201(e) that are available for expenditure after any distributions required by the Arkansas Highway Financing Act of 1999, the Arkansas Interstate Highway Financing Act of 2005, and the Arkansas Interstate Highway Financing Act of 2007; and (3) revenues derived from a new~~

~~excise tax levied on distillate special fuel (diesel) pursuant to Arkansas Code § 26-56-802 at the rate of five cents (5¢) per gallon if the measure is approved. To the extent that designated revenues are insufficient to make timely payment of debt service on the bonds, the payment shall be made from the general revenues of the State of Arkansas. The bonds shall be issued pursuant to the authority of and the terms set forth in the Bond Act.~~

~~“Under the Bond Act, the highway improvements to be financed are limited to the restoration and improvements to the Interstate Highway System and of other routes on the National Highway System within the state, including roadways, bridges, or rights of way under jurisdiction of the State Highway Commission, which shall also include the acquisition, construction, reconstruction, and renovation of the Interstate Highway System and of other routes on the National Highway System and facilities appurtenant or pertaining thereto.~~

~~“Under Arkansas Code § 26-56-802, there is levied, subject to approval of this measure, a new excise tax levied on distillate special fuel (diesel) at the rate of five cents (5¢) per gallon. This tax shall not be levied unless this measure is approved by the voters.~~

~~“Under the Bond Act, ‘designated revenues’ are defined as: (1) the portion designated by the commission of funds received or to be received from the federal government of the United States as federal highway assistance funding allocated to the state; (2) revenues derived from the excise tax levied on distillate special fuel (diesel) pursuant to Arkansas Code § 26-56-201(e) that are available for expenditure after any distributions required by the Arkansas Highway Financing Act of 1999, the Arkansas Interstate Highway Financing Act of 2005, and the Arkansas Interstate Highway Financing Act of 2007; and (3) revenues derived from the excise tax levied on distillate special fuel (diesel) pursuant to Arkansas Code § 26-56-802, which is a new five-cent per gallon tax to be levied upon the approval of this measure. The bonds are further secured by the full faith and credit of the State of Arkansas, and to the extent ‘designated revenues’ are insufficient to make timely payment of debt service on the bonds, the general revenues of the state shall be used to pay debt service on the bonds.”~~

~~(c) The ballot title shall be “Issuance of State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds and pledge of full faith and credit of the State of Arkansas, and the levy of an additional five-cent per~~

~~gallon tax on distillate special fuel (diesel)". On each ballot there shall be printed the title, the proposition set forth in subdivision (b)(2) of this section, and the following:~~

~~"FOR authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds provided that the total principal amount outstanding from the issuance of the bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to Arkansas Highway Financing Act of 1999, the Arkansas Interstate Highway Financing Act of 2005, and the Arkansas Interstate Highway Financing Act of 2007, shall not, at any time, exceed one billion one hundred million dollars (\$1,100,000,000); such bonds to be issued in one or more series of various principal amounts with the last series being issued no later than December 31, 2017, and the pledge of the full faith and credit of the State of Arkansas to further secure the bonds, and the levy of an additional five cent per gallon excise tax on distillate special fuel (diesel) to pay, as described above, along with other 'designated revenues,' as defined in the Arkansas Highway Financing Act of 2011, debt service on bonds . . . . . [ ]"~~

~~"AGAINST authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds provided that the total principal amount outstanding from the issuance of the bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to Arkansas Highway Financing Act of 1999, the Arkansas Interstate Highway Financing Act of 2005, and the Arkansas Interstate Highway Financing Act of 2007, shall not, at any time, exceed one billion one hundred million dollars (\$1,100,000,000); such bonds to be issued in one or more series of various principal amounts with the last series being issued no later than December 31, 2017, and the pledge of the full faith and credit of the State of Arkansas to further secure the bonds, and the levy of an additional five cent per gallon excise tax on distillate special fuel (diesel) to pay, as described above, along with other 'designated revenues,' as defined in the Arkansas Highway Financing Act of 2011, debt service on bonds . . . . . [ ]"~~

~~(d)(1) Each county board of election commissioners shall hold and conduct the election and may take any action with respect to the appointment of election officials and other matters as required by the laws of the state.~~

~~(2)(A) The vote shall be canvassed, and the result of the vote declared in each county by the board.~~

~~(B) Within ten (10) days after the date of the election, the results shall be certified by the boards to the Secretary of State, who shall tabulate all returns received and certify to the Governor the total vote for and against the proposition submitted pursuant to this subchapter.~~

~~(e)(1) The result of the election shall be proclaimed by the Governor by the publication of the proclamation one (1) time in a newspaper of general circulation in the State of Arkansas.~~

~~(2) The results as proclaimed shall be conclusive unless a complaint is filed within thirty (30) days after the date of the publication in Pulaski County Circuit Court challenging the results.~~

~~(f)(1) If a majority of the qualified electors voting on the proposition vote in favor of the proposition, then the commission may issue bonds from time to time in the manner and on the terms set forth in this subchapter.~~

~~(2) If a majority of the qualified electors voting on the proposition vote against the proposition, the commission shall have no authority to issue bonds.~~

SECTION 49. Arkansas Code § 27-64-510(b)(2), concerning sources of repayment of bonds under the Arkansas Highway Financing Act of 2011, is amended to read as follows:

(2) Revenues ~~derived from the distillate special fuel tax levied under equal to:~~

(A) ~~Section 26-56-201(e)~~ Four cents (4¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state that are available for expenditure after any distributions required by the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2005, § 27-64-301 et seq., and the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.; and

(B) ~~Section 26-56-802~~ Five cents (5¢) per gallon of distillate special fuel sold or used in the state or purchased for sale or use in the state.

SECTION 50. Arkansas Code § 27-70-103 is amended to read as follows:  
27-70-103. State Highway Special Construction Account.

(a) ~~All~~ A portion of the taxes, penalties, and other amounts collected pursuant to the additional taxes and fees levied in under §§ 26-55-205(b) and 26-56-201(a)(2) shall be classified as special revenues, as described in § 26-55-206(b)(1)(C) and § 26-56-109(2)(B).

(b) After deducting ~~therefrom~~ the three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund as required by § 27-70-206(1), the Treasurer of State shall transfer the net amount remaining to the State Highway and Transportation Department Fund to be set aside in a special account ~~therein~~ to be known as the State Highway Special Construction Account to be used solely and exclusively by the State Highway Commission:

(1) For construction of roads and highways on the state highway system; and

(2) To provide funds for transfer to the State Aid Road Fund as may be provided by law.

(c) ~~None of these~~ These funds shall not be used for the construction of highway buildings, ~~for~~ the payment of salaries, ~~for~~ the purchase of supplies and materials, ~~for~~ highway maintenance, or any ~~other~~ purpose other than the construction of state highways.

(d) ~~All~~ The taxes, penalties, and other amounts ~~collected pursuant to~~ §§ 26-55-205(b) and 26-56-201(a)(2) described in subsection (a) of this section shall be distributed solely and exclusively for the purposes ~~set forth~~ stated in this section. ~~None of the~~ The amounts shall not be distributed ~~as provided by~~ under § 27-70-206(2) and (3).

SECTION 51. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the highways, roads, streets, and bridges of this state are in dire need of construction, reconstruction, and maintenance; that well-maintained roadways are necessary for economic development in this state; that applying tax on motor fuel, distillate special fuel, and liquefied gas special fuel as a percentage of the sale price is necessary to help pay for the construction, reconstruction, and maintenance of our roadways because it will allow revenues to grow with the use of fuel; and that this act is necessary because decreasing fuel prices have had a negative impact on the revenues available for the construction, reconstruction, and maintenance of Arkansas roads. Therefore, an emergency

is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2015.