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

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1360

By: Representative A. Davis
By: Senator Hester

For An Act To Be Entitled

AN ACT TO CREATE THE TRANSFORMATION AND EFFICIENCIES ACT OF 2019; TO ESTABLISH CABINET-LEVEL DEPARTMENTS; TO ESTABLISH THE CABINET-LEVEL DEPARTMENT OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION; TO TRANSFER VARIOUS STATE AGENCIES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE TRANSFORMATION AND EFFICIENCIES ACT OF 2019; TO ESTABLISH THE CABINET-LEVEL DEPARTMENT OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION; AND TO TRANSFER VARIOUS STATE AGENCIES.

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

SECTION 1. Arkansas Code Title 25, Chapter 43, is amended to add an additional subchapter to read as follows:

Subchapter 7 — Department of Finance and Administration

25-43-701. Department of Finance and Administration.

There is created the Department of Finance and Administration as a cabinet-level department.

25-43-702. State entities transferred to the Department of Finance and Administration.

(a) The administrative functions of the following state entities are transferred to the Department of Finance and Administration pursuant to a cabinet level transfer:

(1) Alcoholic Beverage Control Division, created under § 25-8-101;

(2) Assessment Coordination Department, created under § 25-28-101;

(3) Arkansas Tobacco Control Board, created under § 26-57-255;

(4) Arkansas Tobacco Control, created under § 26-57-257;

(5) Arkansas Racing Commission, created under § 23-110-201;

(6) Medical Marijuana Commission, created under Arkansas Constitution, Amendment 98, § 19;

(7) Office of the Arkansas Lottery, created under § 23-115-201;

(8) Office of Motor Vehicle, created under § 27-14-401;

(9) Office of Driver Services, created under § 27-16-402; and

(10) Office of Child Support Enforcement, created under § 9-14-206.

(b) Each state entity transferred shall retain its specified statutory duties.

25-43-703. Secretary of the Department of Finance and Administration.

(a) The Secretary of the Department of Finance and Administration is the executive head of the Department of Finance and Administration.

(b) The secretary shall be appointed by the Governor, unless otherwise specified by law.

(c) The secretary shall serve at the pleasure of the Governor.

(d) The secretary may:

(1) Delegate to the employees of the department, or any state entity transferred to the department under § 25-43-702, any of the powers or duties of the department required to administer the department;

(2) Hire department personnel;

(3) Perform or assign duties assigned to the department; and

(4) Serve as the director, or the administrative or executive head, of any state entity under the administrative control of the department, if the secretary meets all statutory requirements for the position.

SECTION 2. Arkansas Code § 2-9-106(c), concerning the Arkansas Catfish Promotion Board's list of commercial producers who are entitled to vote in referenda, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration shall be reimbursed from funds collected for the costs of holding referenda.

SECTION 3. Arkansas Code § 2-9-107(c)(1), concerning the Arkansas Catfish Board's vote on the levy of an assessment on the sale of catfish feed, is amended to read as follows:

(c)(1) The assessment imposed and levied by this section shall be collected by the ~~Director~~ Secretary of the Department of Finance and Administration from each seller of catfish feed, who shall add the assessment to the purchase price of catfish feed sold in this state to commercial catfish producers.

SECTION 4. Arkansas Code § 2-9-109(a)(3), concerning catfish assessment records, is amended to read as follows:

(3) The records shall be preserved for a period of two (2) years and shall be offered for inspection at any time upon written demand by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agent or representative.

SECTION 5. Arkansas Code § 2-9-109(b), concerning catfish assessment records, is amended to read as follows:

(b)(1) At such times as the ~~director~~ secretary may require, every person required to pay the assessment provided for in this chapter shall submit reports or otherwise document any information deemed necessary for the efficient collection of the assessment imposed in this chapter.

(2) The ~~director~~ secretary has the power to cause any authorized agent or representative to enter upon the premises of any person required to pay the assessment provided for in this chapter and examine or cause to be examined by the agent any books, papers, and records which deal in any way with the payment of the assessment or enforcement of the provisions of this chapter.

SECTION 6. Arkansas Code § 2-9-110 is amended to read as follows:

2-9-110. Assessment refund.

(a) So long as the assessment on the sale of catfish feed continues to be levied as provided in this chapter, any catfish producer may request and receive a refund of such assessment, provided he or she makes a written application therefor with the ~~Director~~ Secretary of the Department of Finance and Administration within sixty (60) calendar days after the date of sale, supported by copies of sales slips from the seller of the catfish feed and a refund form approved by the Arkansas Catfish Promotion Board.

(b) The ~~director~~ secretary shall create and approve a refund claim form.

SECTION 7. Arkansas Code § 2-9-111 is amended to read as follows:

2-9-111. Penalty.

(a)(1) Any seller who fails to file a report, collect an assessment, or remit any assessment when due shall pay a penalty not to exceed five percent (5%) of the amount of the assessment that should have been collected or remitted, plus an additional penalty not to exceed one percent (1%) of the amount of the assessment that should have been collected or remitted for each month of delay, or fraction of a month, after the first month the report was required to be filed or the assessment became due.

(2) The penalty shall be paid to the ~~Director~~ Secretary of the Department of Finance and Administration and shall be disposed of in the same manner as funds derived from the payment of an assessment as provided in this chapter.

(b) The ~~director~~ secretary shall collect the penalties levied in this section, together with the delinquent assessment, by any or all of the following methods:

(1) Voluntary payment; or

(2) Legal proceedings instituted in a court of competent jurisdiction seeking any remedies available, including, but not limited to, injunctive relief to enjoin any seller owing the assessment or penalties from engaging in business as a seller of catfish feed until the amount of the assessment due and all penalties are paid.

(c) Any person required to pay the assessment provided for in this chapter who refuses to allow full inspection of the premises or any book,

record, or other document relating to the liability of the person for the assessment imposed or who shall hinder or in any way delay or prevent the inspection shall be guilty of a violation punishable by a fine not exceeding five hundred dollars ($500).

SECTION 8. Arkansas Code § 2-10-205 is amended to read as follows:

2-10-205. Rules.

The ~~Director~~ Secretary of the Department of Finance and Administration and the Secretary of the ~~Arkansas Agriculture~~ Department of Agriculture shall adopt rules to implement this subchapter.

SECTION 9. Arkansas Code § 2-20-403 is amended to read as follows:

2-20-403. Penalties.

(a)(1) Any first purchaser or other person required to pay an assessment under this subchapter who fails to pay any assessment when due shall forfeit a penalty of two percent (2%) of the assessment each month beginning the day following the date the assessment was due.

(2) The penalty shall be paid to the Arkansas Soybean Promotion Board or to its designee, the ~~Director~~ Secretary of the Department of Finance and Administration, and shall be disposed of in the same manner as funds derived from the payment of an assessment as provided in this subchapter.

(b) The board or its designee shall collect the penalty levied in this section, together with the delinquent assessment, by any and all of the following methods:

(1) Voluntary payment by the person liable;

(2) Legal proceedings instituted in a court of competent jurisdiction; or

(3) Injunctive relief to enjoin any person owing the assessment or penalty from operating his or her business or engaging in business as a buyer or seller of soybeans until the delinquent assessment or penalty is paid.

(c)(1) Any person required to pay the assessment provided for in this subchapter who refuses to allow full inspection of the premises or any book, record, or other document relating to the liability of the person for the assessment imposed or who shall hinder or in any way delay or prevent the inspection shall be guilty of a violation.

(2) Upon conviction, an offender shall be punished by a fine not exceeding five hundred dollars ($500).

SECTION 10. Arkansas Code § 2-20-405(a)(3), concerning the powers of the Arkansas Soybean Promotion Board, is amended to read as follows:

(3) To collect assessments paid on soybeans marketed within the state and to establish procedures for ensuring compliance with regard to the payment of such assessments; provided, that the Arkansas Soybean Promotion Board may designate the ~~Director~~ Secretary of the Department of Finance and Administration to collect assessments and ensure compliance with regard to the payment of such assessments, subject to such rules as may be promulgated by the Arkansas Soybean Promotion Board and as may be reasonably necessary to comply with the Soybean Promotion, Research and Consumer Information Act of 1990;

SECTION 11. Arkansas Code § 2-20-406(a)(1), concerning assessments on Arkansas-grown soybeans, is amended to read as follows:

(a)(1) Except as otherwise prescribed by regulations approved by the United States Secretary of Agriculture or the Arkansas Soybean Promotion Board, each person purchasing from, and making payment to, a producer for soybeans produced by such producer and marketed for commercial use, including, in any case in which soybeans are pledged as collateral for a loan issued under any federal price support loan program, the Commodity Credit Corporation, shall be a first purchaser and shall collect an assessment from the producer, and each producer shall pay such assessment to the first purchaser, at the applicable rate prescribed in this section. Each first purchaser shall remit such assessment to the board or to its designee, the ~~Director~~ Secretary of the Department of Finance and Administration. For the purpose of this section, purchases from a producer of soybeans or contracts with a producer for production of soybeans for livestock feed or any other application shall constitute marketing for commercial use.

SECTION 12. Arkansas Code § 2-20-406(c)(1), concerning assessments on Arkansas-grown soybeans, is amended to read as follows:

(c)(1) The proceeds of the assessment shall be deposited with the Treasurer of State in a special fund to be established for the Arkansas

Soybean Promotion Board; provided, that the ~~director~~ secretary may deduct not more than three percent (3%) to cover the cost of collections.

SECTION 13. Arkansas Code § 2-20-407(b)(1), concerning reports, books, and records to be sent to the Arkansas Soybean Promotion Board, is amended to read as follows:

(b)(1) Each person who is subject to this subchapter shall maintain and make available for inspection by the ~~secretary~~ United States Department of Agriculture, the board or its designee, the ~~Director~~ Secretary of the Department of Finance and Administration, such books and records as are necessary to carry out the provisions of this subchapter and the rules issued thereunder, including such records as are necessary to verify any reports required. Such records shall be retained for at least two (2) years beyond the fiscal period of their applicability.

SECTION 14. The introductory language of Arkansas Code § 2-20-407(c), concerning reports, books, and records to be sent to the Arkansas Soybean Promotion Board, is amended to read as follows:

(c) All information obtained from books, records, or reports required to be filed or kept under this section shall be kept confidential by all persons, including employees and former employees of the board, all officers and employees and all former officers and employees of the Department of Finance and Administration, and by all officers and employees and all former officers and employees of contracting parties having access to such information, and shall not be available to board members or any other producers. Only those persons having a specific need for such information in order to effectively administer the provisions of this subchapter shall have access to such information. In addition, only such information so furnished or acquired as the ~~secretary~~ United States Department of Agriculture or the board deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the ~~secretary~~ United States Department of Agriculture or the board, or to which the ~~secretary~~ United States Department of Agriculture, any officer of the United States, the board, or the ~~director~~ Secretary of the Department of Finance and Administration, is a party. This section shall not be deemed to prohibit:

SECTION 15. Arkansas Code § 2-20-408 is amended to read as follows:

2-20-408. Refunds to producers.

(a) So long as the assessment on soybeans is as provided in § 2-20-406(b)(1), any soybean producer may request and receive a refund of such assessment, provided he or she makes a written application therefor with the Arkansas Soybean Promotion Board or its designee, the ~~Director~~ Secretary of the Department of Finance and Administration, within forty-five (45) days from the date of sale, supported by copies of sales slips signed by the purchaser, and provided further, that the application is filed before the annual accounting is made of the funds not later than July 1 each year.

(b) So long as the assessment on soybeans is as provided in § 2-20-406(b)(2), any soybean producer may request and receive a refund of such assessment to the extent provided by the Soybean Promotion, Research and Consumer Information Act of 1990. Such producer shall make written application therefor with the board or its designee, the ~~director~~ secretary, within forty-five (45) days from the date the assessment was due from such producer, supported by copies of sales slips signed by the purchaser.

SECTION 16. Arkansas Code § 2-20-504(a) and (b), concerning penalties in regards to rice promotion, are amended to read as follows:

(a)(1) Any buyer who fails to file a report or pay any assessment within the required time set by the ~~Director~~ Secretary of the Department of Finance and Administration shall forfeit to the ~~director~~ secretary a penalty of five percent (5%) of the assessment determined to be due plus one percent (1%) for each month of delay, or fraction of a month, after the first month after the report was required to be filed or the assessment became due.

(2) The penalty shall be paid to the ~~director~~ secretary and shall be disposed of by him or her in the same manner as funds derived from the payment of assessment imposed in this subchapter.

(b) The ~~director~~ secretary shall collect the penalty levied in this subchapter, together with the delinquent assessment, by any or all of the following methods:

(1) Voluntary payment by the person liable;

(2) Legal proceedings instituted in a court of competent jurisdiction; or

(3) Injunctive relief to enjoin any buyer owing an assessment or penalty from operating his or her business or engaging in business as a buyer of rice until the delinquent assessment or penalty is paid.

SECTION 17. Arkansas Code § 2-20-507(b), concerning assessments on grown rice, is amended to read as follows:

(b) The assessment imposed and levied by this section shall be collected by the ~~Director~~ Secretary of the Department of Finance and Administration from the buyer of rice at the first point of sale or at the point the rice enters into the United States Department of Agriculture loan program.

SECTION 18. Arkansas Code § 2-20-508(a)(3), concerning records and other documentation in regards to the Arkansas Rice Research and Promotion Board, is amended to read as follows:

(3) The record shall be preserved for a period of one (1) year and shall be offered for inspection at any time upon written demand by the ~~Director~~ Secretary of the Department of Finance and Administration or any duly authorized agent or representative of him or her.

SECTION 19. Arkansas Code § 2-20-508(b), concerning records and other documentation in regards to the Arkansas Rice Research and Promotion Board, is amended to read as follows:

(b)(1) At such times as the ~~director~~ secretary may require, every buyer shall submit reports or otherwise document any information deemed necessary for the efficient collection of the assessment imposed in this subchapter.

(2) The ~~director~~ secretary shall have the power to cause any duly authorized agent or representative to enter upon the premises of any buyer of rice and examine or cause to be examined by the agent any books, papers, and records which deal in any way with respect to the payment of the assessment or enforcement of the provisions of this subchapter.

SECTION 20. Arkansas Code § 2-20-603(a), concerning penalties in regard to wheat promotion, is amended to read as follows:

(a)(1) Any buyer who fails to file a report or pay any assessment

within the required time set by the ~~Director~~ Secretary of the Department of Finance and Administration shall forfeit to the ~~director~~ secretary a penalty of five percent (5%) of the assessment determined to be due plus one percent (1%) for each month of delay, or fraction of a month, after the first month after the report was required to be filed or the assessment became due.

(2) The penalty shall be paid to the ~~director~~ secretary and shall be disposed of by him or her in the same manner as funds derived from the payment of assessment imposed in this subchapter.

SECTION 21. The introductory language of Arkansas Code § 2-20-603(b), concerning penalties in regards to wheat promotion, is amended to read as follows:

(b) The ~~director~~ secretary shall collect the penalty levied in this subchapter, together with the delinquent assessment, by any or all of the following methods:

SECTION 22. Arkansas Code § 2-20-606(b)(1), concerning the assessments on grown wheat, is amended to read as follows:

(b)(1) The assessment imposed and levied by this section shall be collected by the ~~Director~~ Secretary of the Department of Finance and Administration from the buyer of wheat at the first point of sale or when the wheat enters the United States Department of Agriculture loan program.

SECTION 23. Arkansas Code § 2-20-607(a)(3), concerning records and other documentation in regard to the Arkansas Wheat Promotion Board, is amended to read as follows:

(3) The record shall be preserved for a period of one (1) year and shall be offered for inspection at any time upon written demand by the ~~Director~~ Secretary of the Department of Finance and Administration or any duly authorized agent or representative of him or her.

SECTION 24. Arkansas Code § 2-20-607(b), concerning records and other documentation in regard to the Arkansas Wheat Promotion Board, is amended to read as follows:

(b)(1) At such times as the ~~director~~ secretary may require, every buyer shall submit reports or otherwise document any information deemed

necessary for the efficient collection of the assessment imposed in this subchapter.

(2) The ~~director~~ secretary shall have the power to cause any duly authorized agent or representative to enter upon the premises of any buyer of wheat and examine or cause to be examined by the agent any books, papers, and records which deal in any way with respect to the payment of the assessment or enforcement of the provisions of this subchapter.

SECTION 25. Arkansas Code § 2-20-608(1), concerning refunds to wheat producers, is amended to read as follows:

(1) He or she makes a written application with the ~~Director~~ Secretary of the Department of Finance and Administration within forty-five (45) days from the date of sale, supported by copies of sales slips signed by the purchaser; and

SECTION 26. Arkansas Code § 2-20-802(a), concerning penalties regarding corn and grain sorghum promotion, is amended to read as follows:

(a)(1) Any buyer who fails to file a report or pay any assessment within the required time set by the ~~Director~~ Secretary of the Department of Finance and Administration shall forfeit to the ~~director~~ secretary a penalty of five percent (5%) of the assessment determined to be due plus one percent (1%) for each month of delay, or fraction of a month, after the first month after the report was required to be filed or the assessment became due.

(2) The penalty shall be paid to the ~~director~~ secretary and shall be disposed of by him or her in the same manner as funds derived from the payment of the assessment imposed in this subchapter.

SECTION 27. The introductory language of Arkansas Code § 2-20-802(b), concerning penalties regarding corn and grain sorghum promotion, is amended to read as follows:

(b) The ~~director~~ secretary shall collect the penalty levied in this section, together with the delinquent assessment, by any or all of the following methods:

SECTION 28. Arkansas Code § 2-20-805(c)(1), concerning the powers and duties, assessments, and buyers' records in regard to the Arkansas Corn and

Grain Sorghum Promotion Board, is amended to read as follows:

(c)(1) The assessment imposed and levied by this section shall be collected by the ~~Director~~ Secretary of the Department of Finance and Administration from the buyer of corn or grain sorghum at the first point of sale or when the corn or grain sorghum enters the United States Department of Agriculture loan program.

SECTION 29. Arkansas Code § 2-20-805(d)(3)-(5), concerning the powers and duties, assessments, and buyers' records in regards to the Arkansas Corn and Grain Sorghum Promotion Board, are amended to read as follows:

(3) The record shall be preserved for a period of one (1) year and shall be offered for inspection at any time upon written demand by the ~~director~~ secretary or any duly authorized agent or representative of the ~~director~~ secretary.

(4) Every buyer, at such time or times as the ~~director~~ secretary may require, shall submit reports or otherwise document any information deemed necessary for the efficient collection of the assessment imposed in this section.

(5) The ~~director~~ secretary shall have the power to cause any duly authorized agent or representative to enter upon the premises of any buyer of corn or grain sorghum and examine or cause to be examined by the agent any book, paper, and record which deal in any way with respect to the payment of the assessment or enforcement of the provisions of this subchapter.

SECTION 30. Arkansas Code § 2-35-310 is amended to read as follows:

2-35-310. Refunds.

Any cattle producer may request and receive a refund of the amount deducted from the sale of his or her cattle if he or she makes a written application with the ~~Director~~ Secretary of the Department of Finance and Administration within forty-five (45) days from the date of sale, supported by copies of sales slips signed by the buyer and, if the application is filed before the annual accounting is made of the funds, not later than July 1 each year.

SECTION 31. Arkansas Code § 2-35-403(a), concerning the assessment and

the conduct of the program regarding beef promotion and research, is amended to read as follows:

(a) The assessment levied under the national beef promotion and research program in the amount of one dollar ($1.00) per head of cattle sold shall be collected, reported, and remitted to the ~~Director~~ Secretary of the Department of Finance and Administration by the persons, in the manner, and at the times prescribed by the federal Beef Promotion and Research Act of 1985 and the administrative orders and rules issued under the provisions of that act.

SECTION 32. Arkansas Code § 2-35-404 is amended to read as follows:

2-35-404. Rules.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to adopt appropriate rules not inconsistent with this subchapter or the federal law, orders, and rules regarding the national beef promotion and research program as he or she may deem necessary to carry out the intent and purposes of, and to assure compliance with, this subchapter and the federal laws, orders, and rules relating to the national beef promotion and research program.

SECTION 33. The introductory language of Arkansas Code § 2-35-405(a), concerning the disposition of funds, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall deposit in the State Treasury all funds collected by him or her under this subchapter and the federal Beef Promotion and Research Act of 1985 and the federal administrative orders and rules issued under that act. Beginning with funds collected by him or her on and after the first day of the month next following January 22, 1987, the Treasurer of State shall:

SECTION 34. Arkansas Code § 2-40-206(b), concerning the funding of a bovine disease program, is amended to read as follows:

(b)(1) The fee shall be collected by the purchaser and remitted monthly to the ~~Director~~ Secretary of the Department of Finance and Administration, except that if the sale occurs through a livestock auction market or any other agent of the seller, the livestock auction market or other agent shall collect and remit the fee. The ~~director~~ secretary may

promulgate such rules as it deems necessary to implement the collection of the fee.

(2)(A) After deducting three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund the remainder of funds so remitted to the ~~director~~ secretary shall be deposited into the State Treasury as special revenues and credited to the Livestock and Poultry Commission Disease and Pest Control Fund.

(B) Before the close of each fiscal year, the Chief Fiscal Officer of the State shall determine the amount of funds which will remain at the end of the fiscal year in the Livestock and Poultry Commission Disease and Pest Control Fund from fees collected under the provisions of this section. He or she shall allow such funds to be carried forward and made available for the same purposes in the next-succeeding fiscal year.

(C) The ~~director~~ secretary shall release all information related to the fee levied per head on all cattle sold in the state to be used for the bovine disease control and eradication fund when requested by the Secretary of the ~~Arkansas Agriculture~~ Department of Agriculture.

SECTION 35. Arkansas Code § 2-40-1201(b) and (c), concerning fees and disposition of funds, are amended to read as follows:

(b)(1) Each livestock market operator shall collect fees and remit monthly to the ~~Director~~ Secretary of the Department of Finance and Administration.

(2) The ~~director~~ secretary may promulgate such rules as it deems necessary to implement the collection of the fee.

(c) After deducting three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund, the remainder of funds so remitted to the ~~director~~ secretary shall be deposited into the State Treasury as special revenues and credited to the Livestock and Poultry Commission Swine Testing Fund.

SECTION 36. Arkansas Code § 3-2-101(a), concerning the prohibition of interest in alcoholic beverages by enforcement officers, is amended to read as follows:

(a) Neither the ~~Director~~ Secretary of the Department of Finance and Administration nor any officer, employee, deputy, or assistant thereof shall

have any direct or indirect interest in or on any premises where alcoholic liquors are manufactured or sold, nor shall he or she have any direct or indirect interest in any business wholly or partially devoted to the manufacture or sale of alcoholic liquors or own any stock in any corporation which has any direct or indirect interest in the premises where alcoholic liquors are manufactured or sold or in any business wholly or partially devoted to the manufacture or sale of alcoholic liquors.

SECTION 37. Arkansas Code § 3-2-203(a), concerning the director and staff of the Alcoholic Beverage Control Enforcement Division, is amended to read as follows:

(a) The Director of the Alcoholic Beverage Control Enforcement Division shall be appointed by the ~~Director~~ Secretary of the Department of Finance and Administration and shall serve at the pleasure of the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 38. Arkansas Code § 3-2-205(b)(5)(A), concerning the powers and duties of the Alcohol Beverage Control Division and the Alcoholic Beverage Control Enforcement Division, is amended to read as follows:

(5)(A) To keep records in proper form, to be prescribed by the Director of the Alcoholic Beverage Control Division and the ~~Director~~ Secretary of the Department of Finance and Administration, of all permits issued and all permits revoked under the provisions of this act and to keep records in such form so as to provide ready information as to the identity of all permit holders, including the names of stockholders who are not exempted under subdivision (b)(5)(B) of this section, and directors of corporations holding permits, and also the location of all permitted premises.

SECTION 39. Arkansas Code § 3-2-205(c)(6), concerning the powers and duties of the Alcohol Beverage Control Division and the Alcoholic Beverage Control Enforcement Division, is amended to read as follows:

(6) Any other powers, functions, and duties pertaining to the control of alcoholic beverages which previously were granted to the ~~Director~~ Secretary of the Department of Finance and Administration and which are not specifically delegated to the Alcoholic Beverage Control Board by the provisions of this subchapter.

SECTION 40. Arkansas Code § 3-2-205(d)(4), concerning the powers and duties of the Alcohol Beverage Control Division and the Alcoholic Beverage Control Enforcement Division, is amended to read as follows:

(4) Any other powers, functions, and duties pertaining to the control of alcoholic beverages which previously were granted to the ~~Director~~ Secretary of the Department of Finance and Administration and which are not specifically delegated to the Director of the Alcoholic Beverage Control Division or the board by the provisions of this subchapter.

SECTION 41. Arkansas Code § 3-2-205(e)(2)-(4), concerning the powers and duties of the Alcohol Beverage Control Division and the Alcoholic Beverage Control Enforcement Division, are amended to read as follows:

(2) The collection of all such taxes and permit or license fees shall be by the ~~Director~~ Secretary of the Department of Finance and Administration and his or her agents and employees, as provided by law.

(3) The ~~Director~~ Secretary of the Department of Finance and Administration shall make a biennial report to the Governor and the General Assembly of his or her activities for the past year, which shall include statistics as to the amount of vinous (except wines), spirituous, or malt liquors manufactured in the State of Arkansas and the disposition thereof; the increase or decrease in their consumption over the preceding year; the amount of taxes and permit fees collected; and such other information as he or she deems advisable.

(4) The ~~Director~~ Secretary of the Department of Finance and Administration shall report by June 1 of each year to the Alcoholic Beverage Control Division and the board any and all permit and license holders who are more than ninety (90) days delinquent on any alcoholic beverage sales tax, excise tax, supplemental mixed drink tax, any other tax relating to the sale or dispensing of alcoholic beverages, or any state or local gross receipts or compensating use taxes.

SECTION 42. Arkansas Code § 3-4-103(e), concerning the continuation of a permitted business that holds an alcoholic beverage permit by a benefiting fiduciary, is amended to read as follows:

(e) For each endorsement, a fee of five dollars ($5.00) shall be paid

to the ~~Director~~ Secretary of the Department of Finance and Administration by the applicant, which shall be paid into the same fund as other permit fees herein provided.

SECTION 43. Arkansas Code § 3-4-301(a)(7), concerning the grounds for revocation of any permit issued for alcoholic beverages, is amended to read as follows:

(7) For failure or default of a permittee to pay any license or permit tax or any part thereof or penalties imposed by this act and for a violation of any rule or regulation of the ~~Director~~ Secretary of the Department of Finance and Administration or the Director of the Alcoholic Beverage Control Division in pursuance thereof;

SECTION 44. Arkansas Code § 3-4-301(b)(1), concerning the grounds for revocation of any permit issued for alcoholic beverages, is amended to read as follows:

(b)(1) Whenever any person holding a retailer's permit to sell and dispense vinous or spirituous liquors for beverage purposes at retail shall fail to pay any Arkansas gross receipts tax, franchise tax, or the three percent (3%) special alcoholic beverage excise tax within sixty (60) days after the taxes become due, the ~~Director~~ Secretary of the Department of Finance and Administration shall notify the Alcoholic Beverage Control Board of that fact and the board shall immediately revoke such permit.

SECTION 45. Arkansas Code § 3-4-501(b) and (c), concerning when fees are due, are amended to read as follows:

(b) It shall be the duty of the person required to pay the license to make a report giving the facts in such form and substance as the Director of the Alcoholic Beverage Control Division shall by rule require. All payments therefor shall be made to the ~~Director~~ Secretary of the Department of Finance and Administration, payable to the Treasurer of State, and all permit fees shall likewise be made to the ~~Director~~ Secretary of the Department of Finance and Administration and payable to the Treasurer of State.

(c)(1) Except for grocery store wine permit fees under § 3-5-1802, all permits or license fees or taxes, penalties, fines, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration under the

provisions of this act shall be general revenues and shall be deposited into the State Treasury to the credit of the State Apportionment Fund.

(2) The Treasurer of State shall allocate and transfer the amounts to the various State Treasury funds participating in general revenues in the respective proportions to each as provided by and to be used for the respective purposes set forth in the Revenue Stabilization Law, § 19-5-101 et seq.

SECTION 46. Arkansas Code § 3-5-216(c), concerning the warehousing of beer and light wines, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide for the collection of all fees and taxes imposed by this subchapter upon beer and wine at designated warehouses as provided for in subdivision (b)(1) of this section.

SECTION 47. Arkansas Code § 3-5-223(a), concerning actions to recover taxes, is amended to read as follows:

(a) Where the ~~Director~~ Secretary of the Department of Finance and Administration finds upon investigation that the state has lost tax on account of the evasion of any provision of law, he or she may bring suit in his or her own name in the proper court for the recovery of such taxes.

SECTION 48. Arkansas Code § 3-5-224 is amended to read as follows:

3-5-224. Disposition of funds.

All permits or license fees or taxes, penalties, fines, proceeds of all forfeitures, special inspection fees, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of this subchapter shall be general revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund. The Treasurer of State shall allocate and transfer those revenues to the various State Treasury funds participating in general revenues in the respective proportions to each as provided by and to be used for the respective purposes set forth in the Revenue Stabilization Law, § 19-5-101 et seq.

SECTION 49. Arkansas Code § 3-5-225 is amended to read as follows:

3-5-225. Additional administrative personnel.

The ~~Director~~ Secretary of the Department of Finance and Administration and the Director of the Alcoholic Beverage Control Division are authorized to employ such additional clerks, inspectors, and assistants as may be necessary for the enforcement of this subchapter.

SECTION 50. Arkansas Code § 3-5-602 is amended to read as follows:

3-5-602. Rules and regulations.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to establish appropriate rules and regulations, if he or she deems it advisable, to simplify the furnishing of information to the Department of Finance and Administration as required under the provisions of this subchapter.

(b) The ~~director~~ secretary may promulgate forms which are to be filed with the department abbreviating information now required to be furnished under this subchapter or may waive in writing the filing of any information with the department on condition that the information and records will be kept by Arkansas wineries for department inspection and audit.

SECTION 51. Arkansas Code § 3-5-803 is amended to read as follows:

3-5-803. Acquisition of ingredients from outside state.

Whenever reference is made in this subchapter ~~and § 3-5-405 [repealed]~~ to the acquisition of grapes, berries, fruits, or vegetables from sources outside this state to be used for the purposes and in the quantities authorized in this subchapter ~~and § 3-5-405 [repealed]~~, for the production of native wines, the term shall also be deemed to mean the acquisition of equivalent amounts thereof in the form of juice, pulp, or blendable wines to be used in the manufacture or blending of native wines in this state within the allowable percentages of such products used in the preparation of juices, pulp, or blendable wines as set forth in the order by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 52. Arkansas Code § 3-5-804(b)(3), concerning the construction of the Native Wine Industry Disaster Relief Act with existing laws, is amended to read as follows:

(3) To authorize the importation of products to offset losses of

production of products in this state, only in accordance with a native wine industry disaster relief order of the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 53. Arkansas Code § 3-5-805 is amended to read as follows:

3-5-805. Declaration of a relief program — Effect.

(a) Whenever, due to excessive heat, drought, flood, plant disease, or other natural disaster, the production of Arkansas-grown grapes, fruits, berries, or vegetables necessary to sustain the operation of native wineries on a full production basis is severely curtailed, upon petition therefor by one (1) or more native wineries licensed to do business in this state, and upon certification from the University of Arkansas Division of Agriculture Cooperative Extension Service that the production of such products has been curtailed due to natural disaster and outlining the estimated extent of the curtailment, the ~~Director~~ Secretary of the Department of Finance and Administration shall determine, within thirty (30) days, whether circumstances exist which justify the declaration of a native wine industry disaster relief program. In connection therewith, the ~~director~~ secretary shall make independent studies and obtain information as he or she may deem appropriate or necessary to reach a proper decision in regard to the petition.

(b)(1) Upon conclusion of the studies, and in no event later than thirty (30) days after the date of the receipt of the petition, the ~~director~~ secretary shall issue a ruling.

(2) If the ~~director~~ secretary shall determine that circumstances justify the invoking of a native wine industry disaster relief program, as authorized in this subchapter ~~and § 3-5-405 [repealed]~~, he or she shall state in his or her order the facts which justify the establishment of the program, the anticipated loss in production of Arkansas-grown grapes, fruits, berries, or vegetables, or varieties thereof, to result from the natural disaster, and the duration for which the native wine industry disaster relief program shall extend.

(3) Copies of the order shall be filed by the ~~director~~ secretary with each licensed native winery in this state and with other interested parties who may request copies of the order.

(c) During the period of the native wine industry disaster relief

program, as determined by the ~~director~~ secretary, native wineries in this state may acquire from sources outside this state supplies of grapes, fruits, berries, or vegetables within the percentage of their total consumption of such products as set forth by the ~~director~~ secretary.

SECTION 54. Arkansas Code § 3-5-807 is amended to read as follows:

3-5-807. Tax on wines produced under program.

(a) During a period of native wine industry disaster relief order issued by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of § 3-5-805, any native wine produced from grapes, berries, fruits, or vegetables within the permissible quantities authorized to be imported from sources of supply outside this state to replace losses in production of such products in this state resulting from natural disaster, within the percentages set forth in the native wine industry disaster relief order of the ~~director~~ secretary, shall be subject to the native wine tax imposed under the provisions of § 3-5-409 [repealed]. The provisions of subchapter 6 of this chapter shall be inoperative with respect to wines produced from the grapes, fruits, berries, and vegetables imported from sources of supply outside this state within the quantities set forth in the order of the ~~director~~ secretary.

(b) However, if quantities of wine are produced from the grapes, berries, fruits, and vegetables, or juices, pulp, or blendable wines thereof produced outside this state in excess of the percentage of the products authorized in the order of the ~~director~~ secretary to offset losses of production in this state resulting from natural disaster, the tax on such excess native wine produced from imported grapes, fruits, berries, and vegetables, or from juices, pulp, or blendable wines derived therefrom, shall be reported and paid as provided in subchapter 6 of this chapter.

SECTION 55. Arkansas Code § 3-5-903 is amended to read as follows:

3-5-903. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may establish reasonable rules and regulations to be followed by wineries in this state in making application for the subsidy payments and to prevent abuse of the subsidy payments.

SECTION 56. Arkansas Code § 3-5-904(c), concerning the eligibility of an Arkansas-bonded winery, is amended to read as follows:

(c) However, in any year in which there are losses in production of Arkansas-grown grapes, fruits, berries, or vegetables used in the production of wine resulting from droughts, floods, tornadoes, extreme weather conditions, or other natural causes, the percentage of Arkansas-grown and Arkansas-produced grapes, fruits, berries, or vegetables used in producing wine, as required in this subchapter, shall be reduced in the proportion of the losses in production of the products as determined and set forth in a disaster relief order issued by the ~~Director~~ Secretary of the Department of Finance and Administration prepared under the same procedures as set forth in the Native Wine Industry Disaster Relief Act~~, § 3-5-405 [repealed] and~~ § 3-5-801 et seq.

SECTION 57. Arkansas Code § 3-5-905 is amended to read as follows:

3-5-905. Applications.

Any winery in this state that produces wine from grapes, fruits, berries, or vegetables grown in this state and complies with the provisions of § 3-5-904, that desires to receive the grants authorized in this subchapter with respect to the purchase of such products or with respect to such products produced in vineyards or of other growing facilities in this state belonging to the winery, may make application for grant payments under this subchapter upon forms and in accordance with the rules and regulations promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 58. Arkansas Code § 3-5-907(a), concerning grant payments and amounts, is amended to read as follows:

(a) Grant payments as authorized in this subchapter shall be made by the ~~Director~~ Secretary of the Department of Finance and Administration from moneys appropriated by the General Assembly for that purpose at each regular session and fiscal session of the General Assembly.

SECTION 59. Arkansas Code § 3-5-1005 is amended to read as follows:

3-5-1005. Applications.

Any winery in this state which produces wines from grapes, berries,

fruits, or vegetables grown in this state, which desires to receive the subsidy authorized in this subchapter with respect to such purchases, may make application for the subsidy with the Department of Finance and Administration upon forms and in accordance with rules and regulations promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 60. Arkansas Code § 3-5-1007(a), concerning the creation of the Arkansas Wine Grape, Berry, Fruit, and Vegetable Subsidy Fund, is amended to read as follows:

(a) In order to provide moneys to be used in paying the subsidies to Arkansas grape, berry, fruit, and vegetable producers whose production is sold to wineries in this state for making wine, the ~~Director~~ Secretary of the Department of Finance and Administration is authorized and directed to cause to be set aside in the State Treasury an amount of sixty-nine cents (69¢) for each seventy-five cents (75¢) gallonage tax collected on wines produced by wineries in this state from grapes, berries, fruits, or vegetables used in the production of wines in this state.

SECTION 61. Arkansas Code § 3-5-1208 is amended to read as follows:

3-5-1208. Rules and regulations.

The Director of the Alcoholic Beverage Control Division, ~~and~~ the Alcoholic Beverage Control Board, and the ~~Director~~ Secretary of the Department of Finance and Administration, and any other applicable agency of this state, shall promulgate and adopt such regulations as they deem necessary for the implementation of this subchapter, which regulations may consist in whole or in part of the federal regulations.

SECTION 62. Arkansas Code § 3-5-1413 is amended to read as follows:

3-5-1413. Rules.

The Director of the Alcoholic Beverage Control Board and the ~~Director~~ Secretary of the Department of Finance and Administration may adopt rules for the implementation of this subchapter.

SECTION 63. Arkansas Code § 3-5-1608 is amended to read as follows:

3-5-1608. Bond.

By consent of the ~~Director~~ Secretary of the Department of Finance and Administration, the small farm winery may file a bond with the ~~director~~ secretary, the bond to be approved by him or her, which will entitle the small farm winery to the privilege of making settlement of its taxes every thirty (30) days, the time to be set by the ~~director~~ secretary.

SECTION 64. Arkansas Code § 3-5-1609 is amended to read as follows:

3-5-1609. Penalty.

Upon conviction, a person who violates this subchapter or any reasonable rule adopted under this subchapter by the Director of the Alcoholic Beverage Control Division or the ~~Director~~ Secretary of the Department of Finance and Administration is guilty of a Class B misdemeanor.

SECTION 65. Arkansas Code § 3-5-1707 is amended to read as follows:

3-5-1707. Rules.

The Director of the Alcoholic Beverage Control Division, the Alcoholic Beverage Control Board, the ~~Director~~ Secretary of the Department of Finance and Administration, and any other affected agency of this state may adopt rules to implement this subchapter.

SECTION 66. Arkansas Code § 3-5-1708(a), concerning the disposition of funds, is amended to read as follows:

(a) Permit fees or taxes, label fees, penalties, fines, proceeds of all forfeitures, special inspection fees, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration under this subchapter shall be general revenues and shall be deposited into the State Treasury to the credit of the State Apportionment Fund.

SECTION 67. Arkansas Code § 3-6-106(a), concerning the collection of fees and taxes, is amended to read as follows:

(a) The permit fees and the tax herein provided shall be collected in the same manner as all other liquor taxes and under such reasonable rules and regulations as the ~~Director~~ Secretary of the Department of Finance and Administration or his or her successor may provide.

SECTION 68. Arkansas Code § 3-7-105 is amended to read as follows:

3-7-105. Malt liquor tax — Reporting and payments.

(a) The excise tax levied on malt liquors by § 3-7-104 shall be reported and paid to the ~~Director~~ Secretary of the Department of Finance and Administration on or before the fifteenth day of the month following the month in which the wholesaler or other person authorized to sell malt liquors obtains delivery of such malt liquors from the supplier.

(b) The ~~director~~ secretary shall provide forms necessary for reporting the tax due and shall enforce the tax pursuant to the Arkansas Tax Procedure Act, § 26-18-101 et seq.

SECTION 69. Arkansas Code § 3-7-107 is amended to read as follows:

3-7-107. Enforcement — Rules and regulations.

(a) Sections 3-7-101 — 3-7-104 and 3-7-106 — 3-7-110 shall be administered and enforced by the Director of the Alcoholic Beverage Control Division and the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The Director of the Alcoholic Beverage Control Division and the ~~Director~~ Secretary of the Department of Finance and Administration are authorized and directed to issue permits as provided for in §§ 3-7-101 — 3-7-104 and 3-7-106 — 3-7-110, for the manufacture, sale, and transportation of distilled spirits and to enforce the license tax provisions of §§ 3-7-101 — 3-7-104 and 3-7-106 — 3-7-110 and the collection of the license taxes imposed hereby and to promulgate reasonable rules and regulations for those purposes.

SECTION 70. Arkansas Code § 3-7-108 is amended to read as follows:

3-7-108. Disposition of funds.

All taxes, penalties, and costs collected by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of §§ 3-7-101 — 3-7-104 and 3-7-106 — 3-7-110 shall be general revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund. The Treasurer of State, on or before the fifth day of the month next following the month during which such funds shall have been received by him or her, shall allocate and transfer the funds to the various State Treasury funds in the proportions to each as provided by law, after first transferring to the General Revenue Fund of the State Apportionment Fund an amount equivalent to the cost of collection and other charges as also provided by

law.

SECTION 71. Arkansas Code § 3-7-111(b)(3), concerning additional taxes for native wine and beer, is amended to read as follows:

(3) All taxes, penalties, fines, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of this subsection shall be deposited into the State Treasury as general revenues to the credit of the State Apportionment Fund. There those amounts shall be allocated to the various funds, fund accounts, and accounts participating in general revenues in the respective proportions to each as provided by law and shall be used for the respective purposes set forth in the Revenue Stabilization Law, § 19-5-101 et seq.

SECTION 72. Arkansas Code § 3-7-201(b)-(d), concerning the collection of taxes imposed for a special alcoholic beverage excise tax, are amended to read as follows:

(b) It shall be the duty of every retailer in this state to collect the tax from the consumer in addition to the established retail price of beer, liquor, cordials, liqueurs, specialties, and sparkling and still wines and to file a return and remittance with the ~~Director~~ Secretary of the Department of Finance and Administration on or before the twentieth day of each calendar month for the preceding month.

(c) Failure to file the return and remittance on the due date shall be cause for the ~~director~~ secretary to enter an assessment for the return and remittance and add as a penalty ten percent (10%) of the amount of tax found to be due.

(d) Returns shall be filed upon forms prescribed by the ~~director~~ secretary in accordance with such regulations as the ~~director~~ secretary may promulgate hereunder.

SECTION 73. Arkansas Code § 3-7-202(a), concerning the procedure for obtaining a lien, is amended to read as follows:

(a) If the taxpayer fails to demand a hearing before the ~~Director~~ Secretary of the Department of Finance and Administration within twenty (20) days after an assessment of the tax due the state has been made under this subchapter or, if the taxpayer shall fail to pay the tax assessed by the

~~director~~ secretary after a hearing and an order by the ~~director~~ secretary establishing the tax, as hereinbefore provided, then the ~~director~~ secretary may as soon as practicable thereafter issue to the circuit clerk of any county of the state a certificate certifying that the person therein named is indebted to the state for the tax established by the ~~director~~ secretary to be due.

SECTION 74. Arkansas Code § 3-7-203(a), concerning a lien and execution of the lien, is amended to read as follows:

(a) On the entry of the certificate of the ~~Director~~ Secretary of the Department of Finance and Administration, the circuit clerk shall issue an execution directed to the sheriff of the county, commanding him or her to levy upon and against all real and personal property of the taxpayer, which execution shall be by the clerk placed in the hands of the sheriff for levying thereon. The ~~director~~ secretary shall thereby have all the remedies and may take all the proceedings for the collection of the tax which may be had or taken upon the recovery of a judgment at law.

SECTION 75. Arkansas Code § 3-7-203(d), concerning a lien and execution of the lien, is amended to read as follows:

(d) However, in the event the sheriff is unable, after diligent effort, to effect collection of the tax, interest, penalties, and costs, the ~~director~~ secretary shall be empowered and authorized to pay such fees as are properly shown to be due to the clerk and sheriff out of the Miscellaneous Tax Refund Account.

SECTION 76. Arkansas Code § 3-7-204 is amended to read as follows:

3-7-204. Alternative remedies.

Nothing in this subchapter shall preclude the ~~Director~~ Secretary of the Department of Finance and Administration from resorting to any other legal means of collecting taxes as may now be provided by law. The issuance of a certificate of indebtedness, the entry thereof by the clerk, and the levy of execution, as provided herein, shall not constitute an election of remedies in respect to the collection of the tax.

SECTION 77. Arkansas Code § 3-7-205 is amended to read as follows:

3-7-205. Disposition of funds.

All taxes, interest, penalties, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of this subchapter shall be general revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund. The Treasurer of State shall allocate and transfer the revenues to the various State Treasury funds participating in general revenues in the respective proportions to each as provided by and to be used for the respective purposes set forth in the Revenue Stabilization Law, § 19-5-101 et seq.

SECTION 78. The introductory language of Arkansas Code § 3-7-302(a), concerning monthly reports and payments of excise tax, is amended to read as follows:

(a) Each licensee responsible for the payment of excise tax shall file on or before the fifteenth day of each month a verified report on forms provided by the ~~Director~~ Secretary of the Department of Finance and Administration showing, for the preceding calendar month, the exact quantity of spirituous liquor:

SECTION 79. Arkansas Code § 3-7-302(b) and (c), concerning monthly reports and payments of excise tax, are amended to read as follows:

(b) The report on forms prescribed by the ~~director~~ secretary shall also show the amount of excise tax payable after allowance for all proper deductions for all spirituous liquors received by him or her in this state and shall include such additional information as the ~~director~~ secretary may require for the proper administration of this subchapter.

(c) Payment of the excise tax levied by law in the amount disclosed by the report shall accompany the report and shall be paid to the ~~director~~ secretary.

SECTION 80. Arkansas Code § 3-7-303 is amended to read as follows:

3-7-303. Records — Penalties.

(a) Each wholesale distributor and importer of spirituous liquors required to file a return shall keep such complete and accurate books, papers, invoices, and other records as may be necessary to substantiate the

accuracy of his or her report and the amount of excise tax due and shall retain the records for not less than three (3) years, subject to the use and inspection of the ~~Director~~ Secretary of the Department of Finance and Administration or his or her agents.

(b) Any person required by this subchapter to retain books, papers, invoices, and other records who fails to produce them upon demand by the ~~director~~ secretary or his or her agent or agents of the Alcoholic Beverage Control Division or its successor agency, unless the failure to produce is due to providential or other causes beyond his or her control, shall be guilty of a Class A misdemeanor.

SECTION 81. Arkansas Code § 3-7-307 is amended to read as follows:

3-7-307. Rules and regulations — Sales to the military.

The ~~Director~~ Secretary of the Department of Finance and Administration shall continue the present, and if necessary promulgate additional, rules and regulations to relieve wholesale distributors and importers from the liability of paying the excise tax levied and imposed on beverages covered by this subchapter which are sold to agencies of the United States Armed Forces.

SECTION 82. Arkansas Code § 3-7-404 is amended to read as follows:

3-7-404. Rules and regulations.

(a) The rules and regulations required by § 3-7-401 pertaining to a reporting method for paying and collecting excise tax on beer shall be adopted and promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The rules and regulations shall be jointly enforced by both the ~~Director~~ Secretary of the Department of Finance and Administration and the Alcoholic Beverage Control Board.

(c) The Director of the Alcoholic Beverage Control Division shall have authority to promulgate rules and regulations pertaining to the possession, transportation, or importation of beer into the State of Arkansas.

(d) The express purpose of this section is to carry out the intention of §§ 3-7-401 — 3-7-403 to provide authority for protecting the state against loss of revenues derived from the levy of the excise tax on beer. The ~~Director~~ Secretary of the Department of Finance and Administration shall have full authority to adopt whatever rules and regulations he or she may deem

necessary to this end.

SECTION 83. Arkansas Code § 3-7-501(a), concerning the authorization of the Director of the Department of Finance and Administration to adopt rules and regulations, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized and directed to adopt and issue rules and regulations to protect the revenues of this state by prescribing a reporting method for paying and collecting the tax on wines.

SECTION 84. Arkansas Code § 3-7-502 is amended to read as follows:

3-7-502. Reports and payment.

The rules and regulations shall require reports to be filed with the ~~Director~~ Secretary of the Department of Finance and Administration on or before the fifteenth day of the month following the month in which the wholesaler or importer of wines shall obtain delivery of wines from the supplier. The tax due shall accompany this report.

SECTION 85. Arkansas Code § 3-7-505 is amended to read as follows:

3-7-505. Joint enforcement.

The ~~Director~~ Secretary of the Department of Finance and Administration and the Alcoholic Beverage Control Division or its successor agency shall jointly enforce the provisions of this subchapter.

SECTION 86. Arkansas Code § 3-9-213(c)(1), concerning the gross receipts and supplemental taxes on sale of alcoholic beverages, is amended to read as follows:

(c)(1) The supplemental tax shall be reported and paid to the ~~Director~~ Secretary of the Department of Finance and Administration in the same manner and at the same time as the gross receipts tax and shall be subject to such reasonable rules and regulations as the ~~director~~ secretary may prescribe, including the maintenance of permanent records showing all purchases and sales of alcoholic beverages.

SECTION 87. Arkansas Code § 3-9-223(c)(1), concerning private clubs, permit renewal fees, and taxes, is amended to read as follows:

(c)(1) The supplemental tax shall be reported and paid to the ~~Director~~ Secretary of the Department of Finance and Administration in the same manner and at the same time as the gross receipts tax under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and shall be in addition to the tax.

SECTION 88. Arkansas Code § 3-9-223(d), concerning private clubs, permit renewal fees, and taxes, is amended to read as follows:

(d) The ~~director~~ secretary shall promulgate reasonable rules and regulations for the enforcement and collection of the tax levied herein, including a requirement that each permittee maintain records showing all such charges made.

SECTION 89. Arkansas Code § 3-9-229 is amended to read as follows:

3-9-229. Collection of taxes.

The ~~Director~~ Secretary of the Department of Finance and Administration may assess and collect delinquent state and local taxes from the owner or owners of the hotel or restaurant, file claims for unpaid taxes against bonds or other security required to be posted by the permittee, and enforce liens against assets held by the owner or owners. The Alcoholic Beverage Control Division may suspend or refuse to renew a permit held by a nonpartner if the hotel or restaurant owner fails to remit state taxes.

SECTION 90. Arkansas Code § 3-9-232(a), concerning the inspection and records of licensed premises and private clubs, is amended to read as follows:

(a) No permit shall be issued under this subchapter unless the permittee has consented in writing that the licensed premises and its books and records shall be open at all times to all law enforcement and tax officials and officials of the Alcoholic Beverage Control Division, the Alcoholic Beverage Control Enforcement Division, and the ~~Director~~ Secretary of the Department of Finance and Administration without requirement of warrant or other legal process.

SECTION 91. Arkansas Code § 3-9-234(b), concerning the failure to pay renewal fees or taxes, is amended to read as follows:

(b) If any permittee shall fail to remit the supplemental tax upon gross receipts within the time provided in § 3-9-223, a penalty of twenty-five percent (25%) shall be due and payable. If such taxes plus penalty are not paid within thirty (30) days from the due date, the Director of the Alcoholic Beverage Control Division shall revoke the permit of the permittee, and the ~~Director~~ Secretary of the Department of Finance and Administration shall seek recovery of the amount of such taxes and penalties due from the permittee.

SECTION 92. Arkansas Code § 4-60-102 is amended to read as follows:

4-60-102. Applicability.

This chapter does not apply to the laws governing the imposition of a penalty for checks written on accounts which have insufficient funds and which checks are payable to either the ~~Director~~ Secretary of the Department of Finance and Administration or to the Department of Finance and Administration for any taxes, licenses, or fees imposed by any laws of this state.

SECTION 93. Arkansas Code § 4-90-206(a)(4), concerning the disclosure requirements when transferring a motor vehicle, is amended to read as follows:

(4) The ~~Director~~ Secretary of the Department of Finance and Administration shall adopt, pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq., rules not inconsistent with this subchapter or Title 49, Chapter 327 of the United States Code, or any rules promulgated thereunder prescribing the manner in which the written disclosure shall be made.

SECTION 94. Arkansas Code § 4-90-206(b)(2)(B), concerning the disclosure requirements when transferring a motor vehicle, is amended to read as follows:

(B) The ~~director~~ secretary shall adopt, pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq., rules not inconsistent with this subchapter or Title 49, Chapter 327 of the United States Code, or any rules promulgated thereunder prescribing the form of the power of attorney.

SECTION 95. Arkansas Code § 5-65-102(6), concerning the definition of "sworn report" under the Omnibus DWI or BWI Act, is amended to read as follows:

(6) “Sworn report” means a signed and written statement of a certified law enforcement officer, under penalty of perjury, on a form provided by the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 96. Arkansas Code § 5-65-106(b), concerning the impoundment of license plates, is amended to read as follows:

(b) If the court determines it is in the best interest of the dependents of the person, the court shall instruct the ~~Director~~ Secretary of the Department of Finance and Administration to issue a temporary substitute motor vehicle license plate for the motor vehicle, and the temporary substitute motor vehicle license plate shall indicate that the original motor vehicle license plate has been impounded.

SECTION 97. Arkansas Code § 5-65-401(3), concerning the definition of "sworn report" under the laws governing an administrative driver’s license suspension, is amended to read as follows:

(3) “Sworn report” means a signed and written statement of a certified law enforcement officer, under penalty of perjury, on a form provided by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 98. Arkansas Code § 5-65-402(c)(1)(C), concerning the surrender of a license or a permit to an arresting officer, is amended to read as follows:

(C) The petition shall be served on the ~~Director~~ Secretary of the Department of Finance and Administration under Rule 4 of the Arkansas Rules of Civil Procedure.

SECTION 99. Arkansas Code § 5-65-403(d)(1)(B), concerning a notice and a receipt from an arresting officer, is amended to read as follows:

(B) Submitted by mail or in person to the ~~Director~~

Secretary of the Department of Finance and Administration or his or her designated representative within seven (7) days of the issuance of the receipt.

SECTION 100. Arkansas Code § 5-65-403(k), concerning a notice and a receipt from an arresting officer, is amended to read as follows:

(k) If the ~~director~~ secretary orders immobilization of a motor vehicle, notice of immobilization shall be sent by first-class mail to any persons, other than the arrested person, listed as an owner or co-owner of the immobilized motor vehicle in the records of the Office of Motor Vehicle.

SECTION 101. Arkansas Code § 6-13-618(b)(3), concerning the organization and disbursing officer for school district boards of directors, is amended to read as follows:

(3) Such a resolution must be filed with the county treasurer and the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 102. Arkansas Code § 6-13-701(c) and (d), concerning the powers and duties of the board of directors of Arkansas school districts, are amended to read as follows:

(c) An executed certificate of appointment shall be filed with the county clerk, the county treasurer, and the ~~Director~~ Secretary of the Department of Finance and Administration.

(d) School district treasurers shall execute a surety bond in such amount as may be required by the ~~director~~ secretary, who shall approve the bond. The premium on the bond shall be paid out of the funds of the school district.

SECTION 103. Arkansas Code § 6-13-1006(d)(9)(C), concerning the board of directors of education service cooperatives, is amended to read as follows:

(C) Borrowing from other sources for limited or unusual circumstances upon approval of the Commissioner of Primary and Secondary Education and ~~Director~~ Secretary of the Department of Finance and Administration; and

SECTION 104. Arkansas Code § 6-17-406 is amended to read as follows:

6-17-406. License revocation generally — Superintendents and supervisors.

The State Board of Education may revoke the license of any superintendent or supervisor in any and every instance where the ~~Director~~ Secretary of the Department of Finance and Administration has found it necessary to proceed upon the bond of the superintendent or supervisor to recover funds wrongfully used. Revocation shall be mandatory in any and every instance where there is recovery on the bond.

SECTION 105. Arkansas Code § 6-17-911(b) and (c), concerning the effect of failure to make records and settlements, are amended to read as follows:

(b) If the county collector fails to make settlements with the county treasurer as now provided by law, the county treasurer shall forthwith notify the Commissioner of Primary and Secondary Education and the ~~Director~~ Secretary of the Department of Finance and Administration of such failure.

(c)(1) If such delinquent settlement is not made within two (2) weeks, the Treasurer of State shall withhold the monthly distribution of county aid provided for under § 19-5-602(b) upon notification from the ~~Director~~ Secretary of the Department of Finance and Administration that the county has failed to make such settlement.

(2) The monthly distribution shall be withheld until such settlement is made to the satisfaction of the ~~director~~ secretary.

SECTION 106. Arkansas Code § 6-17-1118(a)(6) and (7), concerning the creation of the School Worker Defense Program Advisory Board, are amended to read as follows:

(6) The ~~Director~~ Secretary of the Department of Finance and Administration or his or her designee; and

(7)(A) The Commissioner of Primary and Secondary Education or his or her designee.

(B) Provided, however, no employee of the Department of Education who is charged with administering the defense fund and protection program shall be eligible to serve as the designee of the commissioner.

SECTION 107. Arkansas Code § 6-21-104 is amended to read as follows:

6-21-104. Distribution of surplus commodities in school lunch program.

Upon the request of the State Board of Education and with the approval of the ~~Director~~ Secretary of the Department of Finance and Administration, the Department of Finance and Administration may administer the program of distribution of surplus commodities in the school lunch program under such arrangements with respect to the employment of personnel and the payment of the salaries of personnel, and maintenance, as may be mutually agreeable with the agencies above mentioned.

SECTION 108. Arkansas Code § 6-21-112(e)(2), concerning the creation of the Division of Public School Academic Facilities and Transportation, is amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration shall assign one (1) individual from the staff of the Building Authority Division ~~of the Department of Finance and Administration~~ to serve as a physical plant liaison to the Division of Public School Academic Facilities and Transportation.

SECTION 109. Arkansas Code § 6-21-114(a)(1) and (2), concerning the creation of the Commission for Arkansas Public School Academic Facilities and Transportation, are amended to read as follows:

(1) The ~~Director~~ Secretary of the Department of Finance and Administration;

(2) The Commissioner of Primary and Secondary Education; and

SECTION 110. Arkansas Code § 6-21-114(b)(1), concerning the creation of the Commission for Arkansas Public School Academic Facilities and Transportation, is amended to read as follows:

(b)(1) The members of the commission shall meet and organize immediately after March 29, 2005. The Commissioner of Primary and Secondary Education shall be the chair of the commission.

SECTION 111. Arkansas Code § 6-45-109(b), concerning certification by the Division of Child Care and Early Childhood Education, is amended to read as follows:

(b) Upon certification of the child care facilities, the division shall provide a listing of all certified facilities and their certification numbers to the ~~Director~~ Secretary of the Department of Finance and Administration for the purpose of the income tax credit or refund provided for in §§ 26-51-502 and 26-51-507.

SECTION 112. Arkansas Code § 6-63-602(f) and (g), concerning the administration of the Department of Finance and Administration, are amended to read as follows:

(f) The ~~Director~~ Secretary of the Department of Finance and Administration or his or her designee shall promulgate necessary rules and regulations as deemed necessary to carry out the provisions of this section.

(g) Nothing in this subchapter shall be construed to repeal in any way the exclusion of nonclassified employees of state-supported institutions of higher learning under the Uniform Attendance and Leave Policy Act, § 21-4-201 et seq.

SECTION 113. Arkansas Code § 8-7-903(a), concerning the rules, regulations, and powers of the Director of the Department of Finance and Administration, the Arkansas Pollution Control and Ecology Commission, and the Arkansas Department of Environmental Quality, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to adopt appropriate rules and regulations not inconsistent with this subchapter as he or she may deem necessary to carry out the intent and purposes of and to assure compliance with this subchapter.

SECTION 114. Arkansas Code § 8-7-903(c), concerning the rules, regulations, and powers of the Director of the Department of Finance and Administration, the Arkansas Pollution Control and Ecology Commission, and the Arkansas Department of Environmental Quality, is amended to read as follows:

(c) The Arkansas Department of Environmental Quality shall have the authority to enter upon the property of any owner or operator of an aboveground storage tank to obtain information, conduct surveys, or review records for the purpose of determining substantial compliance, as defined by

this subchapter and regulations promulgated thereunder, with all state and federal laws and regulations relating to aboveground storage tanks prior to the ~~director's~~ secretary's approval of a claim for reimbursement or disbursement.

SECTION 115. Arkansas Code § 8-7-906(e), concerning petroleum environmental assurance fees, is amended to read as follows:

(e) The fee shall be remitted to the ~~Director~~ Secretary of the Department of Finance and Administration at the time, in the manner, and on forms prescribed by the ~~director~~ secretary and may be collected and remitted at the same time and in the same manner as the motor fuels tax and special motor fuels tax under § 26-55-101 et seq. and the Special Motor Fuels Tax Law, § 26-56-101 et seq.

SECTION 116. Arkansas Code § 8-7-906(g)(3), concerning petroleum environmental assurance fees, is amended to read as follows:

(3) The commission shall review the Petroleum Storage Tank Trust Fund balance, as adjusted to reflect the obligations and liabilities of the Petroleum Storage Tank Trust Fund, at least quarterly and report the rate of collection for the fee for the upcoming quarter to the ~~director~~ secretary.

SECTION 117. Arkansas Code § 8-9-404(a)(5)(A), concerning rim removal fees, is amended to read as follows:

(5)(A) The rim removal fees imposed under this section shall be paid monthly to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 118. Arkansas Code § 8-9-404(a)(6), concerning rim removal fees, is amended to read as follows:

(6)(A) The rim removal fees remitted under subdivision (a)(5)(A) of this section shall be collected by the ~~director~~ secretary and shall be subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(B)(i) Each tire retailer shall file a return with the ~~director~~ secretary on or before the twentieth of each month.

(ii) The return shall show the total rim removal fees collected for each tire removed from the rim during the preceding

calendar month.

(iii) The tire retailer shall remit the rim removal fees with the return.

(iv) The ~~director~~ secretary shall prescribe the form and contents of the return.

SECTION 119. Arkansas Code § 8-9-404(d)(5)(A), concerning commercial generator fees, is amended to read as follows:

(5)(A) The commercial generator fees imposed under this section shall be paid monthly to the ~~director~~ secretary.

SECTION 120. Arkansas Code § 8-9-404(d)(6)(A), concerning commercial generator fees, is amended to read as follows:

(6)(A) The commercial generator fees remitted in subdivision (d)(5)(A) of this section shall be collected by the ~~director~~ secretary and shall be subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(B)(i)(a) Each commercial generator shall file a return with the ~~director~~ secretary on or before the twentieth of each month.

(b) The return shall show the total commercial generator fees collected for each tire sold or delivered to the end user during the preceding calendar month.

(c) The commercial generator shall remit the commercial generator fees with the return.

(ii) The ~~director~~ secretary shall prescribe the form and contents of the return.

SECTION 121. The introductory language of Arkansas Code § 9-6-110 is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration or his or her designee shall provide an annual report by October 1 of each year to the Chair of the Senate Interim Committee on Children and Youth and the Chair of the House Committee on Aging, Children and Youth, Legislative and Military Affairs containing the following information:

SECTION 122. Arkansas Code § 10-3-220 is amended to read as follows:

10-3-220. Monitoring of changes made in federal income tax laws and

regulations — Reports of ~~director~~ secretary.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall monitor changes made in federal income tax laws and regulations for the purpose of determining how the changes may affect Arkansas income tax law and for the purpose of determining how the changes differ from provisions adopted for Arkansas income tax purposes.

(b) The ~~director~~ secretary shall report his or her findings annually to the House Committee on Revenue and Taxation and the Senate Committee on Revenue and Taxation and may make such other reports to the House Committee on Revenue and Taxation and the Senate Committee on Revenue and Taxation as he or she deems necessary.

SECTION 123. Arkansas Code § 10-4-410(c), concerning audit cost incurred by the Arkansas Legislative Audit, is amended to read as follows:

(c) If it is determined by the Legislative Joint Auditing Committee that the reimbursement for the auditing of entities of the state is appropriate, the Legislative Auditor and the ~~Director~~ Secretary of the Department of Finance and Administration shall develop guidelines for effecting proper budgetary and accounting procedures for the reimbursements.

SECTION 124. Arkansas Code § 12-8-116 is amended to read as follows:

12-8-116. Motor vehicles.

(a)(1) All automobiles, motorcycles, or other vehicles of any nature owned, used, and operated by the ~~Department~~ Division of Arkansas State Police shall be exempt from the payment of any licenses, fees, and charges required by the laws of this state for the operation of the vehicles upon the public highways of this state.

(2) The Director of the ~~Department~~ Division of Arkansas State Police and the ~~Director~~ Secretary of the Department of Finance and Administration shall adopt identification tags or other insignia which shall be attached to the vehicles by the officers, members, and employees of the ~~Department~~ Division of Arkansas State Police, for which tag or insignia no charge shall be made or collected.

(b) The ~~Department~~ Division of Arkansas State Police is granted authority to purchase used vehicles for use in confidential assignments and drug investigations.

SECTION 125. Arkansas Code § 12-8-307(c)(2) and (3), concerning lease funds and pledged revenues, are amended to read as follows:

(2) The pledged revenues shall be deposited into a bank or banks selected by the ~~Department~~ Division of Arkansas State Police, as and when received by the Commissioner of Motor Vehicles, the Office of Motor Vehicle, the ~~Department~~ Division of Arkansas State Police, the Arkansas State Police Commission, the ~~Director~~ Secretary of the Department of Finance and Administration, or any other state agency.

(3) The pledged revenues shall be deposited to the credit of a fund created and designated as the ~~Department~~ "Division of Arkansas State Police Communications Equipment Lease Fund", referred to in this subchapter as the "lease fund".

SECTION 126. Arkansas Code § 12-10-326(d)(1), concerning prepaid wireless E911 service charges, is amended to read as follows:

(d)(1) Except as provided in subdivision (d)(2) of this section, a seller shall report and pay one hundred percent (100%) of the prepaid wireless E911 charge plus any penalties and interest due to the ~~Director~~ Secretary of the Department of Finance and Administration in the same manner and at the same time as the gross receipts tax under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

SECTION 127. Arkansas Code § 12-27-131(c), concerning the receipts for reimbursement to counties and cities from the Department of Correction, is amended to read as follows:

(c) The operational portion of such receipts shall also be used for debt service unless approval is received from the ~~Director~~ Secretary of the Department of Finance and Administration for other usages.

SECTION 128. Arkansas Code § 12-30-304 is amended to read as follows:

12-30-304. Products — Purchase by state institutions.

(a) It shall be the duty of the various state institutions to purchase, as far as possible, products grown or produced by the state upon its ~~Department~~ Division of Correction and other farms, giving the state preference wherever possible.

(b)(1) Sales shall be made at prevailing market prices and all proceeds thereof shall be deposited with the Treasurer of State to the credit of the ~~Department~~ Division of Correction Farm Fund.

(2) However, the ~~Director~~ Secretary of the Department of Finance and Administration, by proper bookkeeping entries, may charge the institution so purchasing and credit the ~~Department~~ Division of Correction account with such amount.

SECTION 129. Arkansas Code § 13-7-304 is amended to read as follows:

13-7-304. Commission accounts.

The members of the Historic Arkansas Museum Commission shall keep strict account of all moneys received and disbursed by them and by their order and shall file a statement thereof annually with the ~~Director~~ Secretary of the Department of Finance and Administration, who shall properly check and audit the statement of account and the books of the commission.

SECTION 130. Arkansas Code § 14-43-607(e), concerning income taxes, is amended to read as follows:

(e)(1)(A) The governing body of any city levying the tax authorized in this section and the ~~Director~~ Secretary of the Department of Finance and Administration are authorized and empowered to enter into a contractual agreement whereby the ~~director~~ secretary shall collect any of the taxes assessed by the city, whether by withholding of income tax or otherwise, and remit them to the city.

(B) This agreement may also provide for a consideration to be allowed the ~~director~~ secretary for services rendered in making such collections.

(2) The ~~director~~ secretary may establish regulations concerning the procedures for collecting these taxes by him or her.

SECTION 131. Arkansas Code § 14-86-2003 is amended to read as follows:

14-86-2003. Scope of examination.

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration or any auditors appointed by him or her shall have power to make a thorough examination into the affairs of a district specified in § 14-86-2001 when called upon by the county judge.

(2)(A) The ~~director~~ secretary shall have access to all records, books, accounts, papers, and documents concerning the district undergoing such an audit.

(B) The ~~director~~ secretary is also authorized to:

(i) Examine, under oath, any officer, assistant, clerk, or other person touching the matters he or she may be authorized to inquire and examine; and

(ii) Summon and, by attachment, compel the attendance of any person to testify, under oath, before him or her in relation to the affairs of the district.

(b) The failure or refusal of any person to appear before the ~~director~~ secretary or to deliver to him or her any books, records, or other documents shall subject the person to a fine of twenty-five dollars ($25.00) for each day ~~he~~ the person refuses or fails to comply with the request.

SECTION 132. Arkansas Code § 14-164-303(6), concerning the definition of "director" under the Local Government Bond Act of 1985, is amended to read as follows:

(6) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or any successor to the duties thereof and any authorized agent thereof;

SECTION 133. Arkansas Code § 14-164-325 is amended to read as follows:

14-164-325. Taxes not state revenues.

It is the express intent of the General Assembly that any tax levied under the authority of this subchapter by a municipality or county to finance capital improvements of a public nature or economic development projects shall not constitute revenues of the state within the meaning of any constitutional or statutory provisions, but the tax levied under this subchapter shall at all times continue to be revenues of the particular municipality or county notwithstanding the participation or involvement, for the convenience of administration, by the ~~Director~~ Secretary of the Department of Finance and Administration or the Treasurer of State in the manner authorized in this subchapter in any phase of collection, holding, or distribution of proceeds of any tax authorized under this subchapter.

SECTION 134. Arkansas Code § 14-164-327(b), concerning capital improvement bonds, local sales and use taxes, and levy, is amended to read as follows:

(b) A certified copy of the ordinance or ordinances authorizing the levy of a local sales and use tax or taxes and the issuance of bonds secured by the taxes shall be provided to the ~~Director~~ Secretary of the Department of Finance and Administration and to the Treasurer of State as soon as practicable after the adoption of the taxes.

SECTION 135. Arkansas Code § 14-164-329(a), concerning capital improvement bonds, local sales and use tax , effective dates for imposition, and termination of tax levy, is amended to read as follows:

(a) The levy of a local sales and use tax shall not be effective until after the election has been held and the issuance of bonds has been approved by the voters and the ~~Director~~ Secretary of the Department of Finance and Administration has been given ninety (90) days' notice.

SECTION 136. The introductory language of Arkansas Code § 14-164-329(b), concerning capital improvement bonds, local sales and use tax , effective dates for imposition, and termination of tax levy, is amended to read as follows:

(b) In order to provide time for the preparations for election set forth in this section and to provide for the accomplishment of the administrative duties of the ~~director~~ secretary, the following effective dates are applicable with reference to any such ordinance levying such tax:

SECTION 137. Arkansas Code § 14-164-329(b)(1), concerning capital improvement bonds, local sales and use tax, effective dates for imposition, and termination of tax levy, is amended to read as follows:

(1)(A) If an election challenge is not filed within thirty (30) days of the date of publication of the proclamation of the results of the election, the tax shall become effective on the first day of the first month of the calendar quarter after the expiration of the thirty-day period for challenge and after a minimum of sixty (60) days' notice has been provided by the ~~director~~ secretary to sellers unless delayed under subdivision (b)(3) of this section.

(B) A rate change on a purchase from a printed catalog in which the purchaser computed the tax based on local tax rates published in the catalog will be applicable on the first day of a calendar quarter after a minimum of one hundred twenty (120) days' notice by the ~~director~~ secretary to the sellers.

(C) For sales and use tax purposes only, a local boundary change will become effective on the first day of a calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers.

SECTION 138. Arkansas Code § 14-164-329(c)(2) and (3), concerning capital improvement bonds, local sales and use tax , effective dates for imposition, and termination of tax levy, are amended to read as follows:

(2) In order to provide for the accomplishment of the administrative duties of the ~~director~~ secretary and to protect the owners of the bonds, the tax shall be abolished on the first day of the calendar quarter after the expiration of ninety (90) days from the date there is filed with the ~~director~~ secretary a written statement signed by the chief executive officer of the municipality or county levying the tax and by the trustee for the bondholders, if a trustee is serving in such capacity, identifying the tax and the bonds, in which either:

(A) The trustee certifies that the trustee has or will have sufficient funds set aside to pay the principal of and interest on the bonds when due at maturity or at redemption before maturity and the municipality or county levying the tax certifies that the tax is not pledged to any other bonds of such municipality or county; or

(B) The municipality or county levying the tax certifies that there are no longer any bonds outstanding payable from tax collections.

(3) In the case of subdivision (c)(2)(B) of this section, there shall be attached to the written statement proof satisfactory to the ~~director~~ secretary that there are no longer any bonds outstanding payable from tax collections.

SECTION 139. Arkansas Code § 14-164-330 is amended to read as follows:

14-164-330. Capital improvement bonds — Local sales and use tax — Notice to ~~Director~~ Secretary of the Department of Finance and Administration.

As soon as is feasible and no later than ten (10) days following each

of the events set forth in the ordinance with reference to the procedure for the adoption or abolition of the local sales and use tax and the effective dates of the action, the clerk shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of such event.

SECTION 140. Arkansas Code § 14-164-333(a)(2), concerning capital improvement bonds, local sales and use taxes, administration, and collection, is amended to read as follows:

(2)(A) The ~~Director~~ Secretary of the Department of Finance and Administration shall perform all functions incidental to the administration, collection, enforcement, and operation of the tax, as provided in §§ 26-74-201 — 26-74-219, 26-74-221, 26-74-315 — 26-74-317, 26-75-201 — 26-75-221, 26-75-223, 26-75-317, and 26-75-318. Provided, however, to the extent the provisions of § 14-164-329 conflict with any provisions of § 26-74-101 et seq. or § 26-75-101 et seq., or any other law, § 14-164-329 shall be deemed to supersede the conflicting statutes.

(B) The tax levied in this subchapter on new and used motor vehicles shall be collected by the ~~director~~ secretary directly from the purchaser in the manner prescribed in § 26-52-510.

SECTION 141. Arkansas Code § 14-164-333(d), concerning capital improvement bonds, local sales and use taxes, administration, and collection, is amended to read as follows:

(d)(1) Each vendor who is liable for one (1) or more city sales or use taxes shall report a combined city sales tax and a combined city use tax on his or her sales and use tax report. The combined city sales tax is equal to the sum of all sales taxes levied by a city under this subchapter or any other provision of the Arkansas Code. The combined city use tax is equal to the sum of all use taxes levied by a city under this subchapter or any other provision of the Arkansas Code. This provision applies only to taxes collected by the ~~director~~ secretary.

(2) Each vendor who is liable for one (1) or more county sales or use taxes shall report a combined county sales tax and a combined county use tax on his or her sales and use tax report. The combined county sales tax is equal to the sum of all sales taxes levied by a county under this subchapter or any other provision of the Arkansas Code. The combined county

use tax is equal to the sum of all use taxes levied by a county under this subchapter or any other provision of the Arkansas Code. This provision applies only to taxes collected by the ~~director~~ secretary.

SECTION 142. Arkansas Code § 14-164-337(f)(1), concerning the pledge of preexisting sales and use taxes, is amended to read as follows:

(f)(1) Any moneys collected which, as indicated by a certified copy of an ordinance of the municipality or county previously filed with the ~~Director~~ Secretary of the Department of Finance and Administration and the Treasurer of State, are pledged, under the provisions of any act, to secure the retirement of bonds authorized by this subchapter, shall be transmitted by the ~~director~~ secretary to the Treasurer of State.

SECTION 143. Arkansas Code § 14-164-339(e)(1), concerning the simultaneous pledge of local sales and use taxes, is amended to read as follows:

(e)(1) Any moneys collected which, as indicated by a certified copy of an ordinance of the municipality or county previously filed with the ~~Director~~ Secretary of the Department of Finance and Administration and the Treasurer of State, are pledged, under the provisions of any act, to secure the retirement of bonds authorized by this subchapter, shall be transmitted by the ~~director~~ secretary to the Treasurer of State.

SECTION 144. Arkansas Code § 14-164-341(d), concerning bonds for surface transportation projects, is amended to read as follows:

(d) A certified copy of the ordinance authorizing the issuance of bonds under this section shall be filed with the ~~Director~~ Secretary of the Department of Finance and Administration and the Treasurer of State as soon as practicable after the approval of the issuance of the bonds by the voters.

SECTION 145. Arkansas Code § 14-174-102(3), concerning the definition of "director" under the laws governing the economic development tax, is amended to read as follows:

(3) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or any of his or her authorized agents;

SECTION 146. Arkansas Code § 14-174-109(b)(1), concerning public corporations for economic development, is amended to read as follows:

(b)(1) On receipt from the ~~Director~~ Secretary of the Department of Finance and Administration of the net proceeds of the sales and use tax levied or authorized under this subchapter, the local government shall deliver all of the proceeds to the corporation to use in carrying out its functions.

SECTION 147. Arkansas Code § 15-4-1210(c), concerning the commencement and continuation of existence regarding a newly formed company, is amended to read as follows:

(c) A copy of the articles of incorporation or articles of organization so endorsed by the commissioner, as prescribed in § 15-4-1209, shall be filed for recordation in the office of the county clerk in the county in which the principal office of the company is located and a copy shall be delivered to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 148. Arkansas Code § 15-4-1227(f), concerning the dissolution of a company formed under the County and Regional Industrial Development Company Act, is amended to read as follows:

(f) A copy of the certificate of dissolution as accepted and endorsed by the commissioner, as prescribed in subsection (c) of this section, shall be filed for recordation in the office of the county clerk in the county in which the principal office of the company is located, and a copy shall be delivered to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 149. Arkansas Code § 15-4-1228(d), concerning investigations by the Bank Commissioner or Securities Commissioner and injunctions, is amended to read as follows:

(d) A copy of all reports of the investigation or other proceedings conducted pursuant to this section shall be forwarded to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 150. Arkansas Code § 15-4-2008(a)(3), concerning the disbursement of motion picture rebate incentives, is amended to read as follows:

(3) Provide certification to the ~~Director~~ Secretary of the Department of Finance and Administration specifying the amount to be remitted to the production company within one hundred twenty (120) days after the final expenditure report has been submitted.

SECTION 151. The introductory language of Arkansas Code § 15-4-2008(b), concerning the disbursement of motion picture rebate incentives, is amended to read as follows:

(b) The ~~director~~ secretary, within ten (10) working days after the receipt of the certification from the division, shall remit the rebate to:

SECTION 152. Arkansas Code § 15-4-2703(7)(A), concerning the definition of "county or state average hourly wage" under the Consolidated Incentive Act, is amended to read as follows:

(7)(A) “County or state average hourly wage” means the weighted average weekly earnings for Arkansans in all industries, both statewide and countywide, as calculated by the ~~Department~~ Division of Workforce Services in its most recent “Annual Covered Employment and Earnings” publication, divided by forty (40).

SECTION 153. The introductory language of Arkansas Code § 15-4-2703(9)(I), concerning the definition of "eligible businesses" under the Consolidated Incentive Act, is amended to read as follows:

(I) The ~~Executive~~ Director of the Arkansas Economic Development Commission may classify a nonretail business as an eligible business if the following conditions exist:

SECTION 154. Arkansas Code § 15-4-2703(11), concerning the definition of "executive director" under the Consolidated Incentive Act, is amended to read as follows:

~~(11) “Executive director” means the Executive Director of the Arkansas Economic Development Commission;~~

SECTION 155. Arkansas Code § 15-4-2703(12)(C), concerning the definition of "existing employees" under the Consolidated Incentive Act, is amended to read as follows:

(C) If the ~~Executive~~ Director of the Arkansas Economic Development Commission and the ~~Director~~ Secretary of the Department of Finance and Administration find that a significant impairment of Arkansas job opportunities for existing employees will otherwise occur, they may jointly authorize the counting of existing employees as new full-time permanent employees;

SECTION 156. Arkansas Code § 15-4-2703(17)(A)(ii)(b), concerning the definition of "in-house research" under the Consolidated Incentive Act of 2003 is amended to read as follows:

(b) A contractual agreement with a state college, state university, or other research organization to perform research for a targeted business if the ~~Executive~~ Director of the Arkansas Economic Development Commission with the advice of the Board of Directors of the Division of Science and Technology of the Arkansas Economic Development Commission makes a written determination before the research is performed that the research is essential to the core function of the targeted business.

SECTION 157. Arkansas Code § 15-4-2703(41), concerning the definition of "strategic research" under the Consolidated Incentive Act of 2003, is amended to read as follows:

(41) “Strategic research” means research that has strategic economic or long-term commercial value to the state and that is identified in the research and development plan approved from time to time by the ~~Executive~~ Director of the Arkansas Economic Development Commission with the advice of the Board of Directors of the Division of Science and Technology of the Arkansas Economic Development Commission;

SECTION 158. Arkansas Code § 15-4-2705(h)(1), concerning job-creation tax credits, is amended to read as follows:

(h)(1) If a business fails to meet the payroll threshold within two (2) years after the signing of the financial incentive agreement or within the time period established by an extension approved by the ~~Director~~

Secretary of the Department of Finance and Administration and the ~~Executive~~ Director of the Arkansas Economic Development Commission, that business will be liable for repayment of all benefits previously received by the business.

SECTION 159. Arkansas Code § 15-4-2706(b)(1), concerning investment tax incentives, is amended to read as follows:

(b)(1) The award of this incentive shall be at the discretion of the ~~Executive~~ Director of the Arkansas Economic Development Commission.

SECTION 160. Arkansas Code § 15-4-2706(b)(4), concerning investment tax incentives, is amended to read as follows:

(4) Upon approval by the commission, the ~~Executive~~ Director of the Arkansas Economic Development Commission shall transmit an approved financial incentive agreement to the approved company and the Revenue Division of the Department of Finance and Administration.

SECTION 161. The introductory language of Arkansas Code § 15-4-2706(b)(7), concerning investment tax incentives, is amended to read as follows:

(7) Technology-based enterprises, as defined by § 14-164-203(12), may earn, at the discretion of the ~~Executive~~ Director of the Arkansas Economic Development Commission, an income tax credit or sales and use tax credit based on new investment, provided that the technology-based enterprise:

SECTION 162. Arkansas Code § 15-4-2706(c)(4), concerning investment tax incentives, is amended to read as follows:

(4)(A) Upon determination by the ~~Executive~~ Director of the Arkansas Economic Development Commission that the project qualifies for credit under this subsection, the ~~Executive~~ Director of the Arkansas Economic Development Commission shall certify to the ~~Director~~ Secretary of the Department of Finance and Administration that the project qualifies and shall transmit with his or her certification the documents or copies of the documents upon which the certification was based.

(B) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide forms to the qualified business on which to

claim the credit.

(C) At the end of the calendar year in which the application is made and at the end of each calendar year thereafter until the project is completed, the qualified business shall certify on the form provided by the ~~Director~~ Secretary of the Department of Finance and Administration the amount of expenditures on the project during the preceding calendar year.

(D) Upon receipt of the form certifying expenditures, the ~~Director~~ Secretary of the Department of Finance and Administration shall determine the amount due as a credit for the preceding calendar year and issue a memorandum of credit to the qualified business.

(E) The credit against the qualified business's sales and use tax liability shall be a percentage of the eligible project costs equal to five-tenths of one percent (0.5%) above the state sales and use tax rate in effect at the time the financial incentive agreement was signed by the commission.

SECTION 163. Arkansas Code § 15-4-2706(d)(2)(A)(i), concerning investment tax incentives, is amended to read as follows:

(2)(A)(i) A sales and use tax refund of state and local sales and use taxes, excepting the sales and use taxes dedicated to the Educational Adequacy Fund created in § 19-5-1227 and the Conservation Tax Fund as authorized by § 19-6-484, on the purchases of the material used in the construction of a building or buildings or any addition, modernization, or improvement thereon for housing any new or expanding qualified business and machinery and equipment to be located in or in connection with such a building shall be authorized by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 164. Arkansas Code § 15-4-2706(e)(3) and (4), concerning investment tax incentives, are amended to read as follows:

(3) After the ~~Executive~~ Director of the Arkansas Economic Development Commission has determined that the project is eligible for the sales and use tax refund, this determination accompanied by the financial incentive agreement and any other pertinent documentation shall be forwarded to the ~~Director~~ Secretary of the Department of Finance and Administration.

(4)(A)(i) A sales and use tax refund of state and local sales and use taxes, excepting the sales and use taxes dedicated to the Educational Adequacy Fund as authorized by § 26-57-1002(d)(1)(A)(ii)(b) and the Conservation Tax Fund as authorized by § 19-6-484, on the purchases of the material used in the construction of a building or buildings or any addition, modernization, or improvement thereon for housing any new or expanding qualified business and machinery and equipment to be located in or in connection with such a building shall be authorized by the ~~Director~~ Secretary of the Department of Finance and Administration.

(ii) The local sales and use tax may be refunded only from the municipality or county, or both, in which the qualified business is located.

(B) A refund shall not be authorized for:

(i) Routine operating expenditures; or

(ii) The purchase of replacement items under this subsection unless the items are necessary for the implementation or completion of the project.

SECTION 165. Arkansas Code § 15-4-2708(e), concerning research and development tax credits, is amended to read as follows:

(e) To claim the credit granted under subsections (b)-(d) of this section, the taxpayer shall file with his or her return, as an attachment to the form prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration, copies of documentation to show that the ~~Executive~~ Director of the Arkansas Economic Development Commission has approved the research expenditure as a part of a qualified in-house research program or under the research and development programs of the division.

SECTION 166. Arkansas Code § 15-4-2711(g)(2)(A), concerning the administration of the Consolidated Incentive Act of 2003, is amended to read as follows:

(2)(A) If the ~~Executive~~ Director of the Arkansas Economic Development Commission and the ~~Director~~ Secretary of the Department of Finance and Administration find that the approved business has presented compelling reasons for an extension of time, the ~~Executive~~ Director of the Arkansas Economic Development Commission may grant an extension of time not

to exceed forty-eight (48) months.

SECTION 167. Arkansas Code § 15-4-2711(i)(2), concerning the administration of the Consolidated Incentive Act of 2003, is amended to read as follows:

(2) The ~~Executive~~ Director of the Arkansas Economic Development Commission and the ~~Director~~ Secretary of the Department of Finance and Administration may approve the request for extension of time, not to exceed twenty-four (24) months, for the business to bring the payroll back up to the requisite threshold amount and may approve the continuation of benefits during the period the extension is granted.

SECTION 168. Arkansas Code § 15-4-2711(l)(2)(B), concerning the administration of the Consolidated Incentive Act of 2003, is amended to read as follows:

(B) If the ~~Executive~~ Director of the Arkansas Economic Development Commission finds that the business has presented compelling reasons for an extension of time, the ~~Executive~~ Director of the Arkansas Economic Development Commission may grant an extension of time not to exceed twenty-four (24) months.

SECTION 169. Arkansas Code § 15-4-3202(4), concerning the definition of "Chief Fiscal Officer of the State" under the Arkansas Amendment 82 Implementation Act, is amended to read as follows:

(4) “Chief Fiscal Officer of the State” means the Chief Fiscal Officer of the State of Arkansas, who is also the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 170. Arkansas Code § 15-4-3501(c), concerning increased tax refund for major maintenance and improvement projects, is amended to read as follows:

(c) The increased refund of sales and use taxes for major maintenance and improvement projects provided in this section is a discretionary incentive and is not available unless offered by the ~~Executive~~ Director of the Arkansas Economic Development Commission.

SECTION 171. The introductory language of Arkansas Code § 15-4-3501(d), concerning increased tax refund for major maintenance and improvement projects, is amended to read as follows:

(d) The ~~Executive~~ Director of the Arkansas Economic Development Commission shall forward the taxpayer's application, financial incentive agreement, any other pertinent documentation, and a written copy of the determination under this subsection to the ~~Director~~ Secretary of the Department of Finance and Administration if the ~~Executive~~ Director of the Arkansas Economic Development Commission:

SECTION 172. Arkansas Code § 15-4-3501(h), concerning increased tax refund for major maintenance and improvement projects, is amended to read as follows:

(h) The ~~Executive~~ Director of the Arkansas Economic Development Commission and the ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules necessary to implement this section.

SECTION 173. Arkansas Code § 15-5-202(a)(1), concerning the members of the Board of Directors of the Arkansas Development Finance Authority, is amended to read as follows:

(a)(1) The Board of Directors of the Arkansas Development Finance Authority shall consist of the ~~Director~~ Secretary of the Department of Finance and Administration or his or her designee, who shall serve during the ~~director's~~ secretary's absence, and eleven (11) public members to be appointed by the Governor with the advice and consent of the Senate.

SECTION 174. Arkansas Code § 15-5-120(5) and (6), concerning the definitions of "director" and "pledged fees" under the Petroleum Storage Tank Trust Fund Bond Financing Act, are amended to read as follows:

(5) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration;

(6) "Pledged fees" means the fees collected by the ~~director~~ secretary pursuant to § 8-7-906;

SECTION 175. Arkansas Code § 15-5-1205(c)(1), concerning the Petroleum Storage Tank Trust Fund Revenue Bond Debt Service Fund and pledge fees, is

amended to read as follows:

(c)(1) Commencing on the first day of the month next succeeding the issuance of bonds by the authority, the pledged fees shall not be deposited into the State Treasury and shall not be subject to legislative appropriations, but, as received by the ~~Director~~ Secretary of the Department of Finance and Administration or the Treasurer of State, shall be deposited into a bank or banks selected by the authority and approved by the Treasurer of State.

SECTION 176. Arkansas Code § 15-5-1302(5), concerning the definition of "director" under the Affordable Neighborhood Housing Tax Credit Act of 1997, is repealed.

~~(5) "Director" means the Director of the Department of Finance and Administration;~~

SECTION 177. Arkansas Code § 15-5-1303(i) and (j), concerning affordable housing assistance activities, business firms proposing to provide housing assistance, affordable housing units and procedure for approval and tax credits, are amended to read as follows:

(i) A copy of the decision of the authority or its delegate shall be transmitted to the ~~Director~~ Secretary of the Department of Finance and Administration and to the Governor.

(j) A copy of the certification approved by the authority and a statement of the total amount of credits approved by the authority, the amount of credits previously taken by the taxpayer, and the amount being claimed for the current tax year shall be filed in a manner and form designated by the ~~director~~ secretary for any tax year in which a tax credit is being claimed.

SECTION 178. Arkansas Code § 15-5-1305 is amended to read as follows:

15-5-1305. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration and the Arkansas Development Finance Authority shall promulgate rules and regulations necessary to administer the provisions of this subchapter. No rule or portion of a rule promulgated under the authority of this subchapter shall become effective until it has been approved by the ~~director~~ secretary

in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 179. Arkansas Code § 15-5-1603(5), concerning the definition of "review committee" under the Arkansas Risk Capital Matching Fund Act of 2007, is amended to read as follows:

(5) “Review committee” means a committee composed of the President of the Arkansas Development Finance Authority and the ~~Executive~~ Director of the Arkansas Economic Development Commission;

SECTION 180. Arkansas Code § 15-5-1603(8), concerning the definition of "Venture Capital Investment Trust" under the Arkansas Risk Capital Matching Fund Act of 2007, is amended to read as follows:

(8) “Venture Capital Investment Trust” means the public trust formed July 21, 2003, under § 28-72-201 et seq., the trustees of which are the President of the Arkansas Development Finance Authority, the ~~Executive~~ Director of the Arkansas Economic Development Commission, and the ~~Director~~ Secretary of the Department of Finance and Administration, and that has as a principal purpose increasing the availability of equity capital and near-equity capital for emerging and expanding enterprises in the State of Arkansas.

SECTION 181. Arkansas Code § 15-11-506(a), concerning contracts for tourism attraction projects, is amended to read as follows:

(a) Upon granting final approval, the ~~Executive~~ Director of the Arkansas Economic Development Commission may enter into an agreement with an approved company with respect to its tourism attraction project.

SECTION 182. Arkansas Code § 15-11-506(b)(1), concerning contracts for tourism attraction projects, is amended to read as follows:

(1) The amount of approved costs, which shall be determined by negotiations between the ~~Executive~~ Director of the Arkansas Economic Development Commission and the approved company;

SECTION 183. Arkansas Code § 15-11-506(b)(2)(B), concerning contracts for tourism attraction projects, is amended to read as follows:

(B) Within three (3) months of the completion date, the approved company shall document the actual cost of the tourism attraction project through a certification of such costs by an independent certified public accountant acceptable to the ~~Executive~~ Director of the Arkansas Economic Development Commission; and

SECTION 184. The introductory language of Arkansas Code § 15-11-506(b)(3)(A)(ii), concerning contracts for tourism attraction projects, is amended to read as follows:

(ii) However, the term of the agreement may be extended for up to two (2) additional years by the ~~Executive~~ Director of the Arkansas Economic Development Commission with the advice and consent of the ~~Director~~ Secretary of the Department of Finance and Administration, if the ~~Executive~~ Director of the Arkansas Economic Development Commission determines that:

SECTION 185. Arkansas Code § 15-11-506(b)(3)(C), concerning contracts for tourism attraction projects, is amended to read as follows:

(C) Within forty-five (45) days after the end of each calendar year, the approved company shall supply the ~~Executive~~ Director of the Arkansas Economic Development Commission with such reports and certifications as the ~~Executive~~ Director of the Arkansas Economic Development Commission may request, demonstrating to the satisfaction of the ~~Executive~~ Director of the Arkansas Economic Development Commission that the approved company is in compliance with the provisions of this subchapter; and

SECTION 186. The introductory language of Arkansas Code § 15-11-506(c)-(e), concerning contracts for tourism attraction projects, are amended to read as follows:

(c) The agreement shall not be transferable or assignable by the approved company without the written consent of the ~~Executive~~ Director of the Arkansas Economic Development Commission.

(d) If the approved company utilizes sales tax credits which are subsequently disallowed, then the approved company will be liable for the payment to the ~~Director~~ Secretary of the Department of Finance and Administration of all taxes resulting from the disallowance of the credits,

plus applicable penalties and interest.

(e) The ~~Executive~~ Director of the Arkansas Economic Development Commission shall provide a copy of each agreement entered into with an approved company to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 187. Arkansas Code § 15-11-507 is amended to read as follows:

15-11-507. Tourism attraction project sales tax credit.

(a) Upon receiving notification from the ~~Executive~~ Director of the Arkansas Economic Development Commission that an approved company has entered into a tourism attraction project agreement and is entitled to the sales tax credits provided by this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall provide the approved company with such forms and instructions as are necessary to claim those credits.

(b)(1)(A)(i)(a) An approved company shall be entitled to a credit if the approved company certifies to the ~~Director~~ Secretary of the Department of Finance and Administration that it has expended at least five hundred thousand dollars ($500,000) in a high-unemployment county and one million dollars ($1,000,000) in all other counties in approved costs and the ~~Executive~~ Director of the Arkansas Economic Development Commission certifies that the approved company is in compliance with this subchapter.

(b)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall then issue a sales tax credit memorandum to the approved company equal to fifteen percent (15%) of the approved costs.

(2) However, in high-unemployment counties the ~~Director~~ Secretary of the Department of Finance and Administration shall issue a credit memorandum to the approved company equal to twenty-five percent (25%) of the approved costs.

(c) The sales tax credit memorandum shall not include an offset of the tourism tax levied under § 26-63-401 et seq.

(ii) Subsequent requests for credit for additional certified approved costs shall be filed with the Department of Finance and Administration during the term of the agreement.

(B)(i) The ~~Director~~ Secretary of the Department of Finance and Administration may require proof of expenditures.

(ii) Additional credit memoranda may be issued as the approved company certifies additional expenditures of approved costs.

(2)(A) No sales tax credit memorandum shall be issued for any approved costs expended after the expiration of two (2) years from the date the agreement was signed by the ~~Executive~~ Director of the Arkansas Economic Development Commission and the approved company.

(B) However, the ~~Executive~~ Director of the Arkansas Economic Development Commission, with the advice and consent of the ~~Director~~ Secretary of the Department of Finance and Administration, may authorize sales tax credits for approved costs expended up to four (4) years from the date the agreement was signed if the ~~Executive~~ Director of the Arkansas Economic Development Commission determines that the failure to complete the tourism attraction project within two (2) years resulted from:

(i) Unanticipated and unavoidable delay in the construction of the tourism attraction project;

(ii) The tourism attraction project, as originally planned, will require more than two (2) years to complete; or

(iii) A change in business ownership or business structure resulting from a merger or acquisition.

(c) The credit memorandum issued pursuant to subsection (b) of this section may be used to offset a portion of the reported state sales, or gross receipts, tax liability of the approved company for all sales tax reporting periods following the issuance of the credit memorandum, subject to the following limitations:

(1) Only increased state sales tax liability as defined in this subchapter may be offset by the issued credit;

(2)(A) An approved company whose agreement provides that it shall expend approved costs in excess of five hundred thousand dollars ($500,000) in a high-unemployment county and one million dollars ($1,000,000) in all other counties shall be entitled to use one hundred percent (100%) of the issued credit to offset increased state sales tax liability during the first year if its tax liability is equal to or greater than the amount issued in the state sales tax credit memorandum.

(B) Unused credits may be carried forward for a period of nine (9) years;

(3) All issued credit memoranda shall expire at the end of the

month following the expiration of the agreement as provided in § 15-11-506; and

(4) Except as provided in § 15-11-511, credit memoranda shall not be used to offset any tax other than state sales tax.

(d) The approved company shall have no obligation to refund or otherwise return any amount of this credit to the person from whom the sales tax was collected.

(e) By April 1 of each year, the ~~Director~~ Secretary of the Department of Finance and Administration shall certify to the ~~Executive~~ Director of the Arkansas Economic Development Commission the state sales tax liability of the approved companies receiving inducements under this section and the amount of state sales tax credits taken during the preceding calendar year.

(f)(1) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate administrative regulations as are necessary for the proper administration of this subchapter.

(2) The ~~Director~~ Secretary of the Department of Finance and Administration may also develop such forms and instructions as are necessary for an approved company to claim the sales tax credit provided by this subchapter.

(g)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to obtain any information necessary from the approved company and the ~~Executive~~ Director of the Arkansas Economic Development Commission to verify that approved companies have received the proper amounts of sales tax credits as authorized by this subchapter.

(2) The ~~Director~~ Secretary of the Department of Finance and Administration shall demand the repayment of any credits taken in excess of the credit allowed by this subchapter.

SECTION 188. Arkansas Code § 15-11-509(b), concerning income tax credits for tourism attraction projects, is amended to read as follows:

(b) Upon notification from the ~~Executive~~ Director of the Arkansas Economic Development Commission that an approved company has entered into a tourism attraction project agreement and is entitled to the income tax credit provided by this section, the ~~Director~~ Secretary of the Department of Finance and Administration shall provide the approved company with such forms and instructions as are necessary to claim those credits.

SECTION 189. Arkansas Code § 15-11-511(d)(1), concerning special rules and qualified amusement parks, is amended to read as follows:

(d)(1) Notwithstanding the other provisions of this subchapter, a qualified amusement park that on or after January 1, 2006, enters into an agreement that provides that the qualified amusement park shall expend approved costs of more than one million dollars ($1,000,000) shall be entitled to a sales tax credit if the qualified amusement park certifies to the ~~Director~~ Secretary of the Department of Finance and Administration that it has expended at least one million dollars ($1,000,000) in approved costs and the ~~Executive~~ Director of the Arkansas Economic Development Commission certifies that the qualified amusement park is in compliance with this subchapter.

SECTION 190. The introductory language of Arkansas Code § 15-11-511(d)(2), concerning special rules and qualified amusement parks, is amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration shall then issue a sales tax credit memorandum to the qualified amusement park equal to twenty-five percent (25%) of the approved costs. The sales tax credit memorandum may be used to offset the liability of the qualified amusement park for:

SECTION 191. Arkansas Code § 15-11-511(d)(3), concerning special rules and qualified amusement parks, is amended to read as follows:

(3) The ~~Director~~ Secretary of the Department of Finance and Administration may require proof of expenditures.

SECTION 192. The introductory language of Arkansas Code § 15-11-511(d)(5)(B), concerning special rules and qualified amusement parks, is amended to read as follows:

(B) However, the ~~Director~~ Secretary of the Department of Finance and Administration, with the advice and consent of the ~~Executive~~ Director of the Arkansas Economic Development Commission, may authorize sales tax credits for approved costs expended up to four (4) years from the date the agreement was signed if the ~~Executive~~ Director of the Arkansas Economic

Development Commission determines that the failure to complete the tourism attraction project within two (2) years resulted from:

SECTION 193. Arkansas Code § 15-11-511(d)(8), concerning special rules and qualified amusement parks, is amended to read as follows:

(8) By April 1 of each year, the ~~Director~~ Secretary of the Department of Finance and Administration shall certify to the ~~Executive~~ Director of the Arkansas Economic Development Commission the state sales tax liability of the qualified amusement parks receiving inducements under this section and the amount of state sales tax credits taken during the preceding calendar year.

SECTION 194. Arkansas Code § 15-12-103(a), concerning disposition of revenues and grants, is amended to read as follows:

(a) All revenues derived from the additional tax levied by § 26-60-105(b) shall be deposited by the ~~Director~~ Secretary of the Department of Finance and Administration into the State Treasury as special revenues.

SECTION 195. Arkansas Code § 15-12-103(b)(2), concerning disposition of revenues and grants, is amended to read as follows:

(2) Ten percent (10%) of the net amount shall be distributed to the Parks and Tourism Fund Account, to be used by the Department of Parks, Heritage, and Tourism, on approval of the Parks, Recreation, and Tourism Grant Advisory Committee, for making grants for outdoor recreational purposes to cities and counties of this state in accordance with the plan; and

SECTION 196. The introductory language of Arkansas Code § 15-13-203, concerning allowances for variance of the biofuel standard, is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration may grant a waiver for a variance from the biofuel standard under § 15-13-202 if the applicant demonstrates one (1) or more of the following:

SECTION 197. Arkansas Code § 15-13-205 is amended to read as follows:

15-13-205. Rules.

The ~~Director~~ Secretary of the Department of Finance and Administration

shall promulgate rules and regulations to provide for the administration of this subchapter.

SECTION 198. Arkansas Code § 15-72-608(b), concerning the rules and regulations concerning taxes and credits for natural gas, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall have authority to make reasonable rules and regulations for the collection of the taxes and allowance of credit as provided in this subchapter.

SECTION 199. Arkansas Code § 15-74-401(a)(2), regarding penalties for the sale of nontested gasoline, is amended to read as follows:

(2) Fails to comply with all the requirements of any section of this subchapter or rules and regulations promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration under authority of this subchapter.

SECTION 200. Arkansas Code § 15-74-401(b), regarding penalties for the sale of nontested gasoline, is amended to read as follows:

(b) However, the ~~director~~ secretary, or any of his or her deputies or inspectors, shall have the power to compromise the penalty herein fixed by imposing the penalty as the merits of the case demand.

SECTION 201. Arkansas Code § 15-74-402 is amended to read as follows:

15-74-402. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall have authority to promulgate such rules and regulations in regard to the enforcement of this subchapter as shall not be inconsistent with the provisions of the subchapter which in his or her judgment will best serve to carry out the purpose thereof.

SECTION 202. Arkansas Code § 15-74-408 is amended to read as follows:

15-74-408. Inspection of dealer records.

The person, firm, or corporation who receives motor vehicle fuel must keep in his or her possession and file in an orderly manner statements

showing distillation tests, bills of lading, or invoices, as the case may be, covering each quantity received, and those items are to be subject to inspection by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agents.

SECTION 203. Arkansas Code § 15-74-409(c), concerning the testing of oil or gasoline prior to sale, is amended to read as follows:

(c) When any person, firm, or corporation shall receive within this state any of the petroleum oils mentioned in this subchapter for the different purposes mentioned in this subchapter, he or she shall at once notify the ~~Director~~ Secretary of the Department of Finance and Administration, or one (1) of his or her deputies or inspectors, of the quantity of the oils received and request the inspection of the oils. If for any reason the deputies or inspectors are not able to promptly test the petroleum oils, the person, firm, or corporation, or any authorized agent thereof, may subject the products of petroleum to the test prescribed by the provisions of this subchapter, and on furnishing the ~~director~~ secretary, or any deputy or inspector, an affidavit that the oils have been subjected to and have met the requirements of the test prescribed by this subchapter, he or she shall be entitled to receive from the ~~director~~ secretary, or deputy or inspector, a certificate showing that the test has been made. The person, firm, or corporation, or any duly authorized agent thereof, may then sell or offer for sale the oils.

SECTION 204. Arkansas Code § 15-74-410 is amended to read as follows:

15-74-410. Records of inspections — Disposition of funds.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration, or his or her deputies or inspectors, whose duty it is to enforce this subchapter, shall keep a correct record of all oils and fluids inspected by them in a book provided for by the state for that purpose. They shall have the power to make any necessary investigation to determine whether or not any oils have been inspected before being offered for sale.

(b) The ~~director~~ secretary, his or her deputies, or his or her inspectors, shall have the right to administer oaths and inspect any and all records having reference to the receiving, forwarding, transportation, or sale of any oils or fluids.

(c) All records kept by the ~~director~~ secretary, or his or her deputies or inspectors, pertaining to the inspection of oils and fluids mentioned in this subchapter shall be open to the inspection of any interested party.

SECTION 205. Arkansas Code § 16-92-109 is amended to read as follows:

16-92-109. Costs and fees — Reimbursement to counties — Definition.

(a)(1) As used in this section, "costs incurred by the county" means all costs incurred by the county in bringing to trial or trials any person or persons charged with a felony offense, with a crime committed in furtherance of, or in connection with, an escape from the ~~Department~~ Division of Correction, or with escape from the ~~Department~~ Division of Correction.

(2) Costs shall include, but shall not be limited to, salaries and expenses, except normal salaries and expenses incurred by the prosecuting attorney in investigation and prosecution, by the county sheriff in investigation and custody, and by the public defender or court-appointed attorney or attorneys in investigation and defense, as well as all other costs, including the expenses involved in the trial itself.

(3) Expenses shall also include extraordinary expenses for such services as witness fees and expenses, court-appointed expert witnesses, reporter fees, costs of preparing transcripts, necessary courtroom security reasonably required to protect the court and participants, and other direct trial costs.

(4) Trial shall be deemed to include all pretrial hearings and post-conviction proceedings, if any.

(b) Whenever a trial is held in which a crime committed in furtherance of, or in connection with, an escape from the ~~Department~~ Division of Correction is charged or whenever a trial is held for escape from the custody of the ~~Department~~ Division of Correction, the county or counties responsible for the trial or trials of the person or persons charged may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for reimbursement of the total costs incurred by the county or counties in each case.

(c)(1) The county responsible for the costs of the felony proceedings or trial on charges of escape or in connection with escape from the ~~Department~~ Division of Correction, shall prepare a statement of all costs incurred in connection with the proceedings, which shall be certified by the

presiding judge of the circuit court or courts.

(2) The statement of costs incurred by the county or counties shall be sent to the ~~director~~ secretary together with the county's application for reimbursement.

(d)(1) The ~~director~~ secretary shall audit and examine all statements of costs incurred by the county received by him or her in accordance with this section and shall determine whether the costs included in the statements comply with the provisions of this section.

(2) The ~~director~~ secretary shall cause the amount of such costs as he or she determines comply with this section to be paid to the county or counties from the Trial Expense Assistance Fund, which is established by this section on the books of the Treasurer of State, the ~~director~~ secretary, and the Auditor of State, which shall consist of moneys transferred to the Trial Expense Assistance Fund, as costs are incurred, from the Miscellaneous Revolving Fund.

(e) The ~~director~~ secretary may make disbursements from the Trial Expense Assistance Fund to pay court-awarded attorney's fees and costs to court-appointed attorneys for indigent defendants.

SECTION 206. Arkansas Code § 17-21-101(3), concerning the definition of "director" under the laws governing beauty pageants, is repealed.

~~(3) "Director" means the Director of the Department of Finance and Administration;~~

SECTION 207. Arkansas Code § 17-21-103 is amended to read as follows:

17-21-103. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may adopt rules and regulations to administer the provisions of this chapter. ~~Such~~ The rules and regulations shall be adopted in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 208. Arkansas Code § 17-21-201(a), concerning the registration of operators, renewal, and fee, is amended to read as follows:

(a) No person shall conduct a beauty pageant in Arkansas unless registered with the ~~Director~~ Secretary of the Department of Finance and Administration on forms prescribed by him or her. Registration in another

state as a beauty pageant operator shall not be effective in this state.

SECTION 209. Arkansas Code § 17-21-202 is amended to read as follows:

17-21-202. Bond.

(a) Except as provided in § 17-21-203, each operator shall, at the time of registration, file and have approved by the ~~Director~~ Secretary of the Department of Finance and Administration, a bond in which the candidate for registration shall be the principal obligor in the sum of ten thousand dollars ($10,000).

(b) The bond shall be payable to the State of Arkansas for the use of the ~~director~~ secretary and any person who may have a cause of action against the obligor of the bond for any losses caused by a failure to conduct a beauty pageant.

SECTION 210. Arkansas Code § 17-21-205 is amended to read as follows:

17-21-205. Denial, suspension, revocation of registration.

The ~~Director~~ Secretary of the Department of Finance and Administration may deny, suspend, or revoke a registration for:

(1) A violation of any of the provisions of this chapter; or

(2) The making of a false statement on the registration application form.

SECTION 211. Arkansas Code § 17-25-205 is amended to read as follows:

17-25-205. Disposition of funds.

The fees of the Contractors Licensing Board shall be deposited into banks to be used by the board in the manner prescribed by law, similar to the accounts of other examining and licensing boards of the state, and shall be audited under rules and regulations prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 212. Arkansas Code § 17-52-313(a)(2), concerning the disposition of funds by the Secretary of the Arkansas Home Inspector Registration Board, is amended to read as follows:

(2) The ~~secretary~~ Secretary of the Arkansas Home Inspector Registration Board shall institute a system of books and financial records satisfactory to the ~~Director~~ Secretary of the Department of Finance and

Administration.

SECTION 213. Arkansas Code § 19-1-201 is amended to read as follows:

19-1-201. Chief Fiscal Officer of the State.

The ~~Director~~ Secretary of the Department of Finance and Administration shall be the Chief Fiscal Officer of the State.

SECTION 214. Arkansas Code § 19-1-202, concerning the Director of the Department of Finance and Administration, is amended to read as follows:

19-1-202. Director.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall be at least thirty (30) years of age, of good moral character, and of demonstrated ability in the field of his or her employment.

(b) Before entering upon his or her duties of employment, the ~~director~~ Secretary of the Department of Finance and Administration shall take, subscribe, and file in the office of the Secretary of State an oath or affirmation to support the United States Constitution and the Arkansas Constitution and to faithfully discharge the duties of the employment upon which he or she is about to enter.

(c)(1) The ~~director~~ Secretary of the Department of Finance and Administration shall furnish bond to the state, with a corporate surety thereon, in the penal sum of ten thousand dollars ($10,000), conditioned upon the faithful performance of his or her duties and for the proper accounting for all funds received and disbursed by him or her.

(2) The ~~director~~ Secretary of the Department of Finance and Administration shall be the disbursing agent for the Department of Finance and Administration but shall not be required to furnish additional bond as that disbursing agent, nor shall he or she be required to furnish additional bond as disbursing agent of other appropriations for which he or she may be designated disbursing agent under or pursuant to any law of this state unless so directed by the General Assembly.

(3) The ~~director~~ Secretary of the Department of Finance and Administration, if he or she deems it advisable, may require other employees of his or her office to furnish bond, in such penal sums as he or she shall determine.

(4)(A) The original of the bond of the ~~director~~ Secretary of the

Department of Finance and Administration shall be filed in the office of the Secretary of State, and an executed counterpart thereof shall be filed in the office of the Auditor of State.

(B) Any bonds which may be required of employees shall be filed with the ~~director~~ Secretary of the Department of Finance and Administration.

SECTION 215. The introductory language of Arkansas Code § 19-1-203, concerning the Deputy Director of the Department of Finance and Administration, is amended to read as follows:

The Deputy Director of the Department of Finance and Administration, acting under the authority granted to him or her by the ~~Director~~ Secretary of the Department of Finance and Administration, and under the laws relating to budget and accounting procedure, shall:

SECTION 216. Arkansas Code § 19-1-204(a), concerning personnel of the Department of Finance and Administration, is amended to read as follows:

(a) Except as otherwise provided for by this subchapter, all of the personnel of the Department of Finance and Administration shall be employed by and serve at the pleasure of the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 217. Arkansas Code § 19-1-206 is amended to read as follows:

19-1-206. Seal.

The Governor shall procure an official seal for the Department of Finance and Administration. Every paper executed by the ~~Director~~ Secretary of the Department of Finance and Administration or by any other employee of the department and sealed with its official seal shall be received in evidence in any court or other tribunal and may be recorded in the same manner and with like effect as deeds regularly acknowledged.

SECTION 218. The introductory language of Arkansas Code § 19-1-207, concerning a general accounting system to be enforced by the Director of the Department of Finance and Administration, is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration shall:

SECTION 219. Arkansas Code § 19-1-208 is amended to read as follows:

19-1-208. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is vested with the authority to make such reasonable rules and regulations, not inconsistent with the law, as shall be necessary or desirable for the orderly discharge of the duties vested in the Department of Finance and Administration.

SECTION 220. Arkansas Code § 19-1-209(a), concerning the publication of regulations, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall publish and furnish copies to all state agencies of such regulations as are issued by him or her, pursuant to the provisions of law, providing for a general accounting procedure.

SECTION 221. The introductory language of Arkansas Code § 19-1-209(b), concerning the publication of regulations, is amended to read as follows:

(b) The ~~director~~ secretary shall also publish, not less often than biennially, a financial report covering the fiscal affairs of the state and state agencies and shall make the report available to:

SECTION 222. Arkansas Code § 19-1-210 is amended to read as follows:

19-1-210. Recordkeeping.

(a) For the purpose of effectively carrying out the fiscal procedures provided for by law, the ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to install such recordkeeping and other procedures in his or her own office and in other state offices and departments as he or she shall deem necessary or advisable.

(b) The ~~director~~ secretary shall have the authority to require from any state agency any fiscal information which will be necessary for providing adequate records in his or her office and shall prescribe uniform records and forms for all vouchers and other documents which are to be transmitted to the Department of Finance and Administration.

SECTION 223. Arkansas Code § 19-1-211 is amended to read as follows:

19-1-211. Investigations.

(a)(1) In any matter within the jurisdiction of the Department of Finance and Administration, the ~~Director~~ Secretary of the Department of Finance and Administration shall have the power to make investigations and may delegate that power to any division or section head of the department.

(2) For this purpose, the ~~director~~ secretary shall have the power to subpoena witnesses and require the production of any books, records, papers, or documents that may be material or relevant as evidence and to administer oaths to and take the testimony of witnesses.

(b)(1) In case of disobedience to any subpoena or other process, the ~~director~~ secretary may invoke the aid, with the written approval of the Governor, of the Pulaski County Circuit Court in requiring the testimony of witnesses and the production of evidence, books, records, papers, or documents.

(2)(A) In case of refusal to obey the subpoena issued to any person, firm, or corporation, the circuit court shall issue an order calling such person, firm, or corporation to appear before the ~~director~~ secretary or other employee designated by the ~~director~~ secretary and to produce all books and papers so ordered and give evidence touching the matter in question.

(B) Any failure to obey the order of the circuit court may be punished by the circuit court as contempt of the circuit court.

(c) A subpoena for a witness may be issued by the ~~director~~ secretary or by any division or section head of the department in whom any such authority may have been vested by the ~~director~~ secretary and shall be served as provided by law for the service of other subpoenas.

(d)(1)(A) The failure or refusal of any witness to appear or to produce any books, papers, or documents required by the ~~director~~ secretary and to submit them for inspection or the refusal to answer any relevant question propounded by the ~~director~~ secretary shall constitute a violation punishable by a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(B) Each failure or refusal by any witness to appear or produce any such books, papers, or documents shall constitute a separate offense.

(2) False testimony given in any such inquiry shall constitute perjury punishable as provided by law.

SECTION 224. The introductory language of Arkansas Code § 19-1-212, concerning the duty and responsibility of the Director of the Department of Finance and Administration to avoid deficit, is amended to read as follows:

It shall be the duty and responsibility of the ~~Director~~ Secretary of the Department of Finance and Administration to:

SECTION 225. Arkansas Code § 19-1-213(a), concerning the leasing of state property, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration may lease, with approval of the Governor, any state property, real or personal, which is not needed for public use, and the leasing of which is not prohibited by law, where the authority to lease the property is not vested in any other state agency.

SECTION 226. Arkansas Code § 19-1-214 is amended to read as follows:

19-1-214. Federal gifts and surplusage.

The ~~Director~~ Secretary of the Department of Finance and Administration may enter into any contract with the United States ~~of America~~ Government or with any agency thereof for the purpose of accepting gifts and for the acquisition of surplus materials or property upon such terms and conditions as may be agreed upon without regard to the provisions of this subchapter or any other law that requires advertisement for bids or the soliciting or receiving of competitive bids.

SECTION 227. Arkansas Code § 19-1-405 is amended to read as follows:

19-1-405. State agency employees as disbursing agents.

(a)(1) In the event the executive head of any state agency designates some full-time employee to act as his or her agent in the disbursement of funds under his or her control, the agent shall furnish additional bond to be fixed by the ~~Director~~ Secretary of the Department of Finance and Administration.

(2) The executive head of the state agency shall notify the ~~director~~ secretary and the Auditor of State in writing of the designation and shall furnish to the ~~director~~ secretary and the Auditor of State a sample of the signature of the agent.

(b) In the event appropriations are made available to a state agency or to a nongovernment agency or activity and no disbursing agent is provided for by law, then the ~~director~~ secretary and the Auditor of State shall designate a person to act as disbursing agent and fix the amount of bond for such purposes.

SECTION 228. Arkansas Code § 19-1-608 is amended to read as follows:

19-1-608. Notification of Department of Finance and Administration — Review.

(a) Within thirty (30) days after the expiration of the time period for the public officer or employee to effect corrective or remedial action, the agency shall transfer to the ~~Director~~ Secretary of the Department of Finance and Administration a document containing a summary of the violation and any corrective remedial action taken.

(b)(1) The ~~director~~ secretary shall review the summaries of violations received. The ~~director~~ secretary may:

(A) Accept the summary and approve the corrective or remedial action by the agency;

(B) Request additional information regarding the violation and corrective or remedial action by the agency; or

(C) Impose additional corrective or remedial action upon public officers and employees of executive agencies as provided in § 19-1-609.

(2) Quarterly, the ~~director~~ secretary shall submit a summary of all violations of the fiscal responsibility and management laws, including any corrective or remedial action by the agency or the ~~director~~ secretary, to the Governor and members of the General Assembly.

SECTION 229. Arkansas Code § 19-1-609 is amended to read as follows:

19-1-609. Executive agencies.

(a) Before the ~~Director~~ Secretary of the Department of Finance and Administration may impose additional corrective or remedial action regarding public officers or employees of executive agencies, the ~~director~~ secretary shall conduct an investigation regarding any violation. The public officer or employee shall be notified and given the opportunity for a hearing conducted by the ~~director~~ secretary regarding any violation.

(b) The ~~director~~ secretary may impose any one (1) or more of the following as additional corrective or remedial action:

(1) Oral or written warnings or reprimands;

(2) Suspension with or without pay for specified periods of time; or

(3) Termination of employment.

SECTION 230. Arkansas Code § 19-1-610(a), concerning an investigation and suit by the Attorney General, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration, the Legislative Joint Auditing Committee, or the Legislative Council may request the office of the Attorney General to review any information concerning any violation of the fiscal responsibility and management laws of the state in order to determine whether legal action is appropriate.

SECTION 231. Arkansas Code § 19-2-203(a), concerning receipts by the Department of Finance and Administration and additional penalties, is amended to read as follows:

(a) If any person, firm, corporation, partnership, or business makes payment to the Department of Finance and Administration for any license or fees imposed by the laws of this state by means of a check, draft, or order drawn on any bank, person, firm, or corporation, and the check, draft, or order is returned by the bank, person, firm, or corporation without having been paid in full, then the ~~Director~~ Secretary of the Department of Finance and Administration is authorized and empowered to impose a penalty. The penalty shall be in the amount of either ten percent (10%) of the face amount of the check, draft, or order or twenty dollars ($20.00), whichever is greater, against the maker or drawer of the check, draft, or order.

SECTION 232. Arkansas Code § 19-2-307 is amended to read as follows:

19-2-307. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate such rules and regulations as deemed necessary to implement the provisions and intent of this subchapter.

SECTION 233. Arkansas Code § 19-3-701(b)(5), concerning the creation and members of the State Board of Finance, is amended to read as follows:

(5) The ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 234. Arkansas Code § 19-4-102(a)(2)(J), concerning the purpose of the General Accounting and Budgetary Procedures Law, is amended to read as follows:

(J) Further define the powers and duties of the ~~Director~~ Secretary of the Department of Finance and Administration, sometimes referred to as the Chief Fiscal Officer of the State, the Auditor of State, and the Treasurer of State in connection with general accounting, budgetary, and fiscal procedures.

SECTION 235. The introductory language of Arkansas Code § 19-4-302, concerning budget information forms, is amended to read as follows:

To accomplish his or her duties and responsibilities, the ~~Director~~ Secretary of the Department of Finance and Administration, in cooperation with the Legislative Council, shall design budget information forms so that comparative data of the last fiscal year, the current fiscal year, and the next biennium are presented so that state agencies can best express budgetary and program information that will be most useful to the Governor or Governor-elect and the General Assembly in order to facilitate program formulation, execution, and accountability by:

SECTION 236. The introductory language of Arkansas Code § 19-4-303, concerning budget estimates by the Director of the Department of Finance and Administration and the Legislative Council, is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration, in cooperation with the Legislative Council, shall:

SECTION 237. The introductory language of Arkansas Code § 19-4-304(a), concerning regular and fiscal session preparations, is amended to read as follows:

(a) Immediately after July 1 of each even-numbered calendar year, or earlier if determined necessary, the ~~Director~~ Secretary of the Department of

Finance and Administration shall:

SECTION 238. The introductory language of Arkansas Code § 19-4-304(b), concerning regular and fiscal session preparations, is amended to read as follows:

(b) The ~~director~~ secretary shall submit the annual revenue forecast to the Legislative Council:

SECTION 239. Arkansas Code § 19-4-521(2)(B), concerning the definition of personal services for employees under the state accounting and budgetary procedures, is amended to read as follows:

(B) This subclassification may be used to pay part-time or temporary employees who are employed for more than one thousand five hundred (1,500) hours per fiscal year if specific authorization is provided by law and if such use is within standards established by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 240. Arkansas Code § 19-4-1405(e)(1)(A), concerning bidding procedures, is amended to read as follows:

(e)(1)(A) When it is obvious from examination of the bid document that it was the intent of a bidder to submit a responsive bid and because of a scrivener's error, the bid, if accepted, would create a serious financial loss to the bidder, the ~~Director~~ Secretary of the Department of Finance and Administration may relieve the bidder from responsibility under his or her bond and may reject the bid.

SECTION 241. Arkansas Code § 19-4-1405(e)(3)(A), concerning bidding procedures, is amended to read as follows:

(3)(A) To receive relief under subdivision (e)(1) of this section, the bidder must serve written notice to the ~~director~~ secretary or to the chief executive officer or his or her designee of a public institution of higher education exempt from review and approval of the division any time after the bid opening, but no later than seventy-two (72) hours after receiving the intent to award, excluding Saturdays, Sundays, and holidays.

SECTION 242. Arkansas Code § 19-4-1405(e)(4), concerning bidding

procedures, is amended to read as follows:

(4) In the event the ~~director~~ secretary or the chief executive officer or his or her designee of a public institution of higher education exempt from review and approval of the division has relieved the bidder from responsibility under his or her bond, action on the remaining bids should be considered as though the withdrawn bid had not been received.

SECTION 243. Arkansas Code § 19-4-1902 is amended to read as follows:

19-4-1902. Preliminary or informal proposals.

Preliminary or informal proposals which do not commit personnel, space, facilities, or state funds may be submitted directly to the granting source. However, when the grant requested, if approved, would result in the commitment of state personnel, space, facilities, equipment, or funds, or the program to be proposed by the state agency with the resources from the federal grant has not received specific legislative authorization through an appropriation or specific enabling legislation, the requesting agency shall notify, in writing, the ~~Director~~ Secretary of the Department of Finance and Administration that such preliminary or informal proposal is being made and shall briefly describe it.

SECTION 244. Arkansas Code § 19-4-1904(a), concerning the receipt of federal funds, is amended to read as follows:

(a) When any federal funds, grants, aids, or reimbursements, including unsolicited funds, are received by a state agency, the Department of Finance and Administration shall be notified on forms to be prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 245. Arkansas Code § 19-4-1907(a), concerning quarterly reports to be filed with the Legislative Council by the Director of the Department of Finance and Administration, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall file quarterly reports with the Legislative Council itemizing and summarizing all contracts or agreements entered into by the Governor with the federal government, or any agencies or instrumentalities thereof, whereby the State of Arkansas is to participate in any program involving the expenditure of federal funds. These reports shall be filed,

whether or not state funds are obligated in connection therewith, with respect to new federal programs or expansions of existing federal programs which were not in existence or which were not implemented by state participation, at the time of the adjournment of the regular session of the General Assembly and entered into prior to the convening of the next regular session of the General Assembly.

SECTION 246. Arkansas Code § 19-4-1908(a), concerning the review and continuance of programs by the Legislative Council, is amended to read as follows:

(a) The Legislative Council shall review the quarterly reports filed by the ~~Director~~ Secretary of the Department of Finance and Administration as required in this subchapter. The Legislative Council shall submit such findings and recommendations to each succeeding regular session of the General Assembly for enabling legislation to implement, restrict, or prohibit the state's participation in any such new federal program or expanded federal program which was implemented by contract or agreement entered into by the Governor subsequent to the adjournment of the preceding session of the General Assembly.

SECTION 247. Arkansas Code § 19-5-1136(a), concerning the Animal Rescue and Shelter Trust Fund, is amended to read as follows:

(a) As used in this section, "registered governmentally owned animal rescue shelter" means an animal rescue or shelter owned by a county or municipality that has submitted notice to the Department of Finance and Administration as required under subsection (f) of this section and is on the official list of registered governmentally owned animal rescue shelters prepared by the ~~Director~~ Secretary of the Department of Finance and Administration under subsection (f) of this section.

SECTION 248. Arkansas Code § 19-5-1136(f)(1)(A), concerning the Animal Rescue and Shelter Trust Fund, is amended to read as follows:

(f)(1)(A) On or before October 1, 2009, a county or municipality that owns one (1) or more animal rescues or animal shelters on the date that notification is mailed shall notify the ~~director~~ secretary in writing to qualify for funding under this section.

SECTION 249. Arkansas Code § 19-5-1136(f)(2)(A), concerning the Animal Rescue and Shelter Trust Fund, is amended to read as follows:

(2)(A) On or before October 15, 2009, the ~~director~~ secretary shall provide the Treasurer of State with a list of each county and municipality that has registered as owning an animal rescue shelter.

SECTION 250. Arkansas Code § 19-6-459(1), concerning the Commercial Driver License Fund, is amended to read as follows:

(1) Section 19-6-301(148), to be used to establish and maintain the Arkansas Commercial Driver License Program and for other related purposes as required by the ~~Director~~ Secretary of the Department of Finance and Administration in carrying out the functions, powers, and duties of the Revenue Division of the Department of Finance and Administration, as set out in the Arkansas Uniform Commercial Driver License Act, § 27-23-101 et seq.; and

SECTION 251. Arkansas Code § 19-7-604(a)(2), concerning federal grants, aids, and reimbursement procedures, is amended to read as follows:

(2) Applications shall include, in a manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration, a summary of the proposed project.

SECTION 252. Arkansas Code § 19-7-604(b)(2), concerning federal grants, aids, and reimbursement procedures, is amended to read as follows:

(2) In order to eliminate overlap, inefficiency, or a violation of legislative intent, the ~~director~~ secretary may require a review of the proposal, soliciting comment from other agencies which might be affected, and may require the suspension of negotiations until the review is completed.

SECTION 253. Arkansas Code § 19-7-604(d)(1), concerning federal grants, aids, and reimbursement procedures, is amended to read as follows:

(1) When any state agency receives notification of an award of any federal funds, grants, aids, or reimbursements, including unsolicited funds, the department shall be notified on forms to be prescribed by the ~~director~~ secretary.

SECTION 254. Arkansas Code § 19-7-610 is amended to read as follows:

19-7-610. Advice of legislative departments.

It is recognized by the legislative and executive departments of government that some of the executive departments' authority or responsibility as provided in this subchapter should possibly have the legislative departments' concurrence before proceeding with such authority or responsibility. The legislative department, via the Legislative Joint Auditing Committee, the Legislative Council, joint interim committees, interim committees, or subcommittees of the foregoing may request the ~~Director~~ Secretary of the Department of Finance and Administration to seek the legislative department's advice before exercising certain authority or responsibility as authorized by this subchapter.

SECTION 255. Arkansas Code § 19-7-101(a), concerning reports to the Legislative Council, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall file quarterly reports with the Legislative Council itemizing and summarizing all contracts or agreements entered into by the Governor with the federal government, or any agencies or instrumentalities thereof, whereby the State of Arkansas is to participate in any program involving the expenditure of federal funds, whether or not state funds are obligated in connection therewith, with respect to new federal programs, or expansion of existing federal programs which were not in existence or which were not implemented by state participation, at the time of the adjournment of the regular session of the General Assembly and entered into prior to the convening of the next regular session of the General Assembly.

SECTION 256. Arkansas Code § 19-7-102(a), concerning legislative review of federal programs, is amended to read as follows:

(a) The Legislative Council shall review the quarterly reports filed by the ~~Director~~ Secretary of the Department of Finance and Administration as required in § 19-7-101 and shall submit its findings and recommendations to each succeeding regular session of the General Assembly for enabling legislation to implement, restrict, or prohibit the state's participation in any such new federal program or expanded federal program which was

implemented by contract or agreement entered into by the Governor subsequent to the adjournment of the preceding session of the General Assembly.

SECTION 257. Arkansas Code § 19-10-101 is amended to read as follows:

19-10-101. Investigatory powers.

The ~~Director~~ Secretary of the Department of Finance and Administration, as soon as the ~~director~~ secretary learns of facts from which he or she concludes that a claim, other than for personal injury or death of a state employee, may be filed under this chapter against the state or any of its agencies, departments, or institutions, whether or not the claim has already been filed, is authorized and directed to investigate and take evidence concerning the claim. The ~~director~~ secretary is, for this purpose, authorized to exercise all necessary investigatory powers conferred upon him or her by this chapter. All information acquired by the ~~director~~ secretary shall be made available to the Arkansas State Claims Commission prior to the hearing and determination thereof.

SECTION 258. Arkansas Code § 19-10-406 is amended to read as follows:

19-10-406. Report of findings.

Upon the allowance or disallowance of any claim, the Workers' Compensation Commission shall immediately transmit a copy of its findings to the ~~Director~~ Secretary of the Department of Finance and Administration and interested parties.

SECTION 259. Arkansas Code § 19-11-220(b)(2), concerning agency procurement officials, is amended to read as follows:

(2)(A) Approval by the Office of State Procurement of contracts administered by the official shall not be required, unless a determination has been made by the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services that administrative procedures and controls are not adequate.

(B)(i) Such a determination shall result in notification by the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services of the specific deficiencies and the reasons therefor.

(ii) After the notification, approval of contracts by the Office of State Procurement shall be required until the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services determines that the deficiencies have been corrected.

SECTION 260. Arkansas Code § 19-11-226(b)(3), concerning recommendations by the State Procurement Director, is amended to read as follows:

(3) The ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services may make recommendations to the State Procurement Director.

SECTION 261. Arkansas Code § 19-11-235(b)(2), concerning the promulgation responsibilities of bidders and offers by the State Procurement Director, is amended to read as follows:

(2) This section is not intended to prohibit the office from disclosing such information to the Governor, the Attorney General, or the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services when any of those officers deems it necessary.

SECTION 262. Arkansas Code § 19-11-271 is amended to read as follows:

19-11-271. Compliance reporting.

(a) Each report required under this subchapter shall be copied to the ~~Director~~ Secretary of the Department of Finance and Administration, who shall review each report for compliance with the fiscal responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-601 et seq.

(b) If the ~~director~~ secretary determines that a state agency, agency procurement official, or state official or employee may be in violation of the fiscal responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-601 et seq., the ~~director~~ secretary shall notify the chief executive officer of the relevant state agency.

SECTION 263. Arkansas Code § 19-11-705(b) and (c), concerning an

employee's conflict of interest, are amended to read as follows:

(b) Financial Interest in a Blind Trust. Where an employee or any member of the employee's immediate family holds a financial interest in a blind trust, the employee shall not be deemed to have a conflict of interest with regard to matters pertaining to that financial interest if disclosure of the existence of the blind trust has been made to the ~~Director~~ Secretary of the Department of Finance and Administration.

(c) Discovery of Conflict of Interest, Disqualification, and Waiver. Upon discovery of a possible conflict of interest, an employee shall promptly file a written statement of disqualification with the ~~director~~ secretary and shall withdraw from further participation in the transaction involved. The employee may, at the same time, apply to the ~~director~~ secretary in accordance with § 19-11-715(b) for an advisory opinion as to what further application, if any, the employee may have in the transaction, or for a waiver in accordance with § 19-11-715(c).

SECTION 264. Arkansas Code § 19-11-706 is amended to read as follows:

19-11-706. Employee disclosure requirements.

(a) Disclosure of Benefit Received from Contract. Any employee who has or obtains any benefit from any state contract with a business in which the employee has a financial interest shall report such benefit to the ~~Director~~ Secretary of the Department of Finance and Administration. However, this section shall not apply to a contract with a business where the employee's interest in the business has been placed in a disclosed blind trust.

(b) Failure to Disclose Benefit Received. Any employee who knows or should have known of such benefit and fails to report the benefit to the ~~director~~ secretary is in breach of the ethical standards of this section.

SECTION 265. The introductory language of Arkansas Code § 19-11-712(b), concerning the civil and administrative remedies against employees who breach ethical standards, is amended to read as follows:

(b) Supplemental Remedies. In addition to existing remedies for breach of the ethical standards of this subchapter, or regulations promulgated under this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration may impose any one (1) or more of the

following:

SECTION 266. The introductory language of Arkansas Code § 19-11-713(b), concerning the civil and administrative remedies against nonemployees who breach ethical standards, is amended to read as follows:

(b) Supplemental Remedies. In addition to the existing remedies for breach of the ethical standards of this subchapter, or regulations promulgated under this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration may impose any one (1) or more of the following:

SECTION 267. Arkansas Code § 19-11-715 is amended to read as follows:

19-11-715. Duties of ~~Director~~ Secretary of the Department of Finance and Administration.

(a) Regulations. The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate regulations to implement this subchapter and shall do so in accordance with this subchapter and the applicable provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(b) Advisory Opinions. On written request of employees or contractors and in consultation with the Attorney General, the ~~director~~ secretary may render written advisory opinions regarding the appropriateness of the course of conduct to be followed in proposed transactions. Such requests and advisory opinions may be duly published in the manner in which regulations of this state are published. Compliance with the requirements of a duly promulgated advisory opinion of the ~~director~~ secretary shall be deemed to constitute compliance with the ethical standards of this subchapter.

(c) Waiver. On written request of an employee, the ~~director~~ secretary may grant an employee a written waiver from the application of § 19-11-705, which refers to employee conflict of interest, and grant permission to proceed with the transaction to such extent and upon such terms and conditions as may be specified. Such waiver and permission may be granted when the interests of the state so require or when the ethical conflict is insubstantial or remote.

SECTION 268. Arkansas Code § 19-11-716(b)(1), concerning participation in business incubators, regulations, and guidelines, is amended to read as

follows:

(b)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and regulations pursuant to the procedure for adoption as provided under the Arkansas Administrative Procedure Act, § 25-15-201 et seq., and under § 10-3-309 to implement a program allowing admittance to business incubators by faculty or staff of state-supported institutions of higher education or admittance by companies in which faculty or staff may hold an ownership interest.

SECTION 269. Arkansas Code § 19-11-1014 is amended to read as follows:

19-11-1014. Compliance reporting.

(a) Each report required under this subchapter shall be copied to the ~~Director~~ Secretary of the Department of Finance and Administration, who shall review each report for compliance with the fiscal responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-601 et seq.

(b) If the ~~director~~ secretary determines that a state agency, agency procurement official, or state official or employee may be in violation of the fiscal responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-601 et seq., the ~~director~~ secretary shall notify the chief executive officer of the relevant state agency.

SECTION 270. Arkansas Code § 20-9-305(a)(1), concerning annual reports by nonprofit hospitals, is amended to read as follows:

(a)(1) Any nonprofit hospital association or corporation organized under the laws of this state that operates and maintains a hospital facility in this state primarily for providing hospital services for the employees of any corporation or company engaged in interstate commerce shall file annually with the ~~Director~~ Secretary of the Department of Finance and Administration a detailed report of income, fees, charges, and contributions from all sources received by it during the year, together with the expenses and disbursements of the corporation or association during the year.

SECTION 271. Arkansas Code § 20-17-502(c), concerning the Organ Donor Awareness Education Trust Fund, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration may accept any gifts, grants, bequests, devises, and donations made to the State of Arkansas for the purposes of organ donor awareness education. Moneys received for the purposes stated in this section shall be deposited into the fund.

SECTION 272. Arkansas Code § 20-17-502(e), concerning the Organ Donor Awareness Education Trust Fund, is amended to read as follows:

(e) The ~~director~~ secretary shall grant funds available and appropriated from the fund to the Arkansas Regional Organ Recovery Agency, Inc. or its successor agency to be used for educational or informational materials and other related costs associated with informing or educating the public about organ donations and organ donation awareness.

SECTION 273. Arkansas Code § 20-27-2105(c), concerning certification and product change regarding cigarettes, is amended to read as follows:

(c) The Director of Arkansas Tobacco Control shall make the certifications available to the Attorney General and the ~~Director~~ Secretary of the Department of Finance and Administration for purposes consistent with this subchapter.

SECTION 274. The introductory language of Arkansas Code § 20-27-2107(f)(1), concerning penalties for selling cigarettes other than by a retail sale, is amended to read as follows:

(f)(1) An authorized representative of the ~~Director~~ Secretary of the Department of Finance and Administration or the Director of Arkansas Tobacco Control may seize and take possession of cigarettes:

SECTION 275. Arkansas Code § 20-27-2108(b), concerning implementation the Arkansas Cigarette Fire Safety Standard Act, of is amended to read as follows:

(b)(1) The ~~Director~~ Secretary of the Department of Finance and Administration, the Director of Arkansas Tobacco Control, and their employees, in the regular course of conducting inspections of wholesalers and retailers, as authorized under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq., may inspect cigarettes to determine if the cigarettes

are marked as required by § 20-27-2106.

(2) If the ~~Director~~ Secretary of the Department of Finance and Administration discovers cigarettes that are not marked as required, the ~~Director~~ Secretary of the Department of Finance and Administration shall notify the Director of Arkansas Tobacco Control.

SECTION 276. Arkansas Code § 20-27-2109 is amended to read as follows:

20-27-2109. Inspection.

(a) To enforce the provisions of this subchapter, the Attorney General, the ~~Director~~ Secretary of the Department of Finance and Administration, the Director of Arkansas Tobacco Control, and their authorized representatives may examine the books, papers, invoices, and other records of a person in possession, control, or occupancy of premises where cigarettes are placed, stored, sold, or offered for sale, as well as the stock of cigarettes on the premises.

(b) Every person in possession, control, or occupancy of premises where cigarettes are placed, stored, sold, or offered for sale shall give the Attorney General, the ~~Director~~ Secretary of the Department of Finance and Administration, the Director of Arkansas Tobacco Control, and their authorized representatives the means, facilities, and opportunity for the examinations authorized by this section.

SECTION 277. Arkansas Code § 20-79-206(b), concerning the operation of rehabilitation facilities by the Arkansas Rehabilitation Services, is amended to read as follows:

(b) Gifts, grants, fees for services, income from the sale of products or items of manufacture or handwork, and donations may be deposited into one (1) or more banks and expended by the appropriate division of the Department of Human Services, in compliance with the rules and regulations of the ~~Director~~ Secretary of the Department of Finance and Administration, in the establishment and operation of rehabilitation facilities and such other program services as may be determined by the appropriate division of the Department of Human Services, which are consistent with the purposes of this subchapter.

SECTION 278. Arkansas Code § 21-1-404(a), concerning the rules,

regulations, and disclosure statements regarding the Director of the Department of Finance and Administration, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate and implement any necessary rules, regulations, or policies to ensure compliance with this subchapter subject to the prior review and approval of the Joint Budget Committee during legislative sessions and the Legislative Council between legislative sessions.

SECTION 279. Arkansas Code § 21-1-704(c)(2)(A)(ii), concerning nonbinding mediation, is amended to read as follows:

(ii) The mediator shall report within ten (10) business days of the nonbinding mediation his or her suggested resolution to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 280. Arkansas Code § 21-2-705(a)(3) and (4), concerning the creation of the Governmental Bonding Board, are amended to read as follows:

(3) The Commissioner of Primary and Secondary Education;

(4) The ~~Director~~ Secretary of the Department of Finance and Administration; and

SECTION 281. Arkansas Code § 21-2-705(b)(1), concerning the creation of the Governmental Bonding Board, is amended to read as follows:

(b)(1) The members of the board shall receive no compensation for their services, but members other than the Commissioner of Primary and Secondary Education, the ~~Director~~ Secretary of the Department of Finance and Administration, and the Insurance Commissioner may receive expense reimbursement in accordance with § 25-16-901 et seq.

SECTION 282. Arkansas Code § 21-2-710(a)(1)(A), concerning billing certification, payment, and deposits regarding the Governmental Bonding Board, is amended to read as follows:

(1)(A) Department of Finance and Administration. Upon receipt of this certification, the ~~Director~~ Secretary of the Department of Finance and Administration shall pay it from funds specifically appropriated for it by the General Assembly or from other funds available therefor.

SECTION 283. Arkansas Code § 21-3-802(d)(2), concerning the recruitment of retired employees, is amended to read as follows:

(2) Upon receiving certification of the cost by the Executive Director of the Arkansas Public Employees' Retirement System, the ~~Director~~ Secretary of the Department of Finance and Administration shall transfer the actuarial cost from the fund of the agency that employed the person under the program to the Arkansas Public Employees' Retirement System Fund.

SECTION 284. The introductory language of Arkansas Code § 21-4-214(g), concerning the catastrophic leave program, is amended to read as follows:

(g) The ~~Director~~ Secretary of the Department of Finance and Administration, or the ~~director's~~ secretary's designee, shall establish policies and procedures:

SECTION 285. Arkansas Code § 21-5-402(a)(1)(D) and (E), concerning the creation and members of the State and Public School Life and Health Insurance Board, are amended to read as follows:

(D) The Commissioner of Primary and Secondary Education or his or her designee;

(E) The ~~Director~~ Secretary of the Department of Finance and Administration or his or her designee;

SECTION 286. The introductory language of Arkansas Code § 21-5-511(f), concerning the automatic enrollment in deferred compensation plans, is amended to read as follows:

(f) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules to:

SECTION 287. Arkansas Code § 21-11-105(a)(2), concerning the Suggestion Award Board, is amended to read as follows:

(2) The membership of the board shall consist of the ~~Director~~ Secretary of the Department of Finance and Administration, the Personnel Director, who shall serve as chair, and the cochairs of the Legislative Council.

SECTION 288. Arkansas Code § 22-2-105 is amended to read as follows:

22-2-105. ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services — Duties.

(a) The ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services may hire sufficient staff as authorized by legislation to perform the duties of the Building Authority Division ~~of the Department of Finance and Administration~~. Personnel employed by the ~~director~~ secretary shall be compensated according to the Uniform Classification and Compensation Act, § 21-5-201 et seq., for similar duties and responsibilities.

(b) The ~~director~~ secretary shall be responsible for administering the rules, regulations, and policies adopted by the Department of ~~Finance and Administration~~ Transformation and Shared Services pursuant to the provisions of this chapter.

(c) The ~~director~~ secretary shall be the disbursing agent for the division and shall pay any and all accounts. The disbursing agent shall furnish and keep in effect a bond to the state with a corporate surety thereon which, together with any other bonds furnished by him or her, shall total in final sum not less than fifty thousand dollars ($50,000) and is conditioned that he or she will faithfully perform his or her duties and properly handle all funds received and disbursed by him or her and account for those funds. The bond so furnished shall be filed in the office of the Auditor of State. The premium on the bond shall be a proper charge against funds of the division.

SECTION 289. Arkansas Code § 22-2-110 is amended to read as follows:

22-2-110. Schedule of supervision generally.

The powers, authorities, and responsibilities of the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services relating to the acquisition of properties and to the supervision of all capital improvements, as defined in § 22-2-102, shall be in accordance with the schedules of supervision as provided in §§ 22-2-111 — 22-2-113.

SECTION 290. Arkansas Code § 22-2-112(b), concerning the schedule of supervision and type two designated funds regarding the construction or purchases of public buildings or capital improvements, is amended to read as

follows:

(b) The division shall review and approve architectural and engineering design plans and construction plans to ensure compliance with minimum design and construction standards and criteria promulgated by the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services pursuant to this chapter.

SECTION 291. Arkansas Code § 22-2-113(a)(3), concerning the schedule of supervision and type three designated funds and all other cases regarding the construction of public buildings or capital improvements, is amended to read as follows:

(3) Review and approve architectural and engineering plans and designs to ensure compliance with minimum design and construction standards and criteria promulgated by the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services pursuant to this chapter;

SECTION 292. Arkansas Code § 22-2-113(a)(7)(A), concerning the schedule of supervision and type three designated funds and all other cases regarding the construction of public buildings or capital improvements, is amended to read as follows:

(7)(A) Review and approve construction plans to ensure compliance with minimum construction standards and criteria promulgated by the ~~director~~ secretary as provided in this chapter.

SECTION 293. Arkansas Code § 22-2-113(a)(9) and (10), concerning the schedule of supervision and type three designated funds and all other cases regarding the construction of public buildings or capital improvements, are amended to read as follows:

(9) Assist and advise the state agency as to the operation, management, and maintenance of the capital improvement. However, the operation, management, and maintenance shall be in accordance with minimum standards as promulgated by the ~~director~~ secretary; and

(10) Otherwise take such action as may be necessary to carry out the policies, standards, criteria, and other rules and regulations as may be adopted or promulgated by the ~~director~~ secretary to implement the provisions

of this chapter.

SECTION 294. Arkansas Code § 22-2-114(a)(3), concerning leasing responsibilities of the Building Authority Division of the Department of Finance and Administration, is amended to read as follows:

(3) Any state agency or component part thereof needing new or additional space shall notify the division, and the division shall prepare a lease for the space based upon the standards and criteria as adopted by the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services. If space is available in a public building, the lease will be negotiated for placement in the public building;

SECTION 295. Arkansas Code § 22-2-114(a)(5)(A)(i), concerning leasing responsibilities of the Building Authority Division of the Department of Finance and Administration, is amended to read as follows:

(5)(A)(i) The ~~director~~ secretary shall adopt standards and criteria for the leasing and utilization of space and the allocation of space to state agencies.

SECTION 296. Arkansas Code § 22-2-114(a)(6), concerning leasing responsibilities of the Building Authority Division of the Department of Finance and Administration, is amended to read as follows:

(6) Leases as to office space, buildings, structures, parking lots, and grounds from private individuals, firms, and corporations by state agencies and component parts thereof shall be on a standard lease form approved by the ~~director~~ secretary. The standard lease form shall contain all terms and conditions deemed necessary based on the type and purpose of the leased property. The ~~director~~ secretary also shall adopt a standard lease form to be used by state agencies when subleasing from the division. Both standard lease forms shall be approved as to the legality of form and content by the Attorney General before becoming a requirement; and

SECTION 297. Arkansas Code § 22-2-115(a), concerning lease-purchase agreements, is amended to read as follows:

(a) For the express purpose of providing adequate office facilities, the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~

Transformation and Shared Services, acting as the primary lessor, may enter into lease-purchase agreements to obtain facilities for state agencies. Each lease-purchase agreement shall contain a provision whereby the agreement shall be cancelled at the close of each fiscal biennium, if necessary, if funds for the payment of the rent under the lease-purchase agreement will not be available.

SECTION 298. Arkansas Code § 22-2-115(b)(1), concerning lease-purchase agreements, is amended to read as follows:

(b)(1) The ~~director~~ secretary shall make the final determination regarding the location or construction of facilities with the advice and consent of the appropriate state agency.

SECTION 299. Arkansas Code § 22-2-120(b), concerning exemptions from statutes concerning the Capitol Zoning District, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services shall endeavor to cooperate with the Capitol Zoning District Commission so as to establish coordinated physical development in the State Capitol area and to promote the uniform and appropriate regulation and development of the State Capitol area.

SECTION 300. Arkansas Code § 22-3-405(b)(2), concerning the creation, members, and meetings of the Capitol Parking Control Committee, is amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services or his or her designee; and

SECTION 301. Arkansas Code § 22-3-405(c), concerning the creation, members, and meetings of the Capitol Parking Control Committee, is amended to read as follows:

(c) The Secretary of State shall be the chair of the committee, and the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services or his or her designee shall serve as secretary of the committee.

SECTION 302. Arkansas Code § 22-3-906 is amended to read as follows:

22-3-906. ~~Director~~ Secretary of the Department of Finance and Administration.

(a) The ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services shall be the custodian of all property held in the name of the Building Authority Division ~~of the Department of Finance and Administration~~, shall be its disbursing agent and executive officer, and shall administer the provisions of this subchapter and the rules, regulations, and orders established thereunder.

(b) The ~~director~~ secretary shall employ such assistants and other personnel as are, in his or her opinion, necessary to properly administer the provisions of this subchapter.

(c)(1) The ~~director~~ secretary shall furnish bond to the state, with a corporate surety thereon, in the penal sum of twenty-five thousand dollars ($25,000), conditioned that he or she will faithfully perform his or her duties and properly account for all funds received and disbursed by him or her.

(2) An additional disbursing agent's bond shall not be required of the ~~director~~ secretary, and the bond so furnished shall be filed in the office of the Secretary of State, and an executed counterpart thereof shall be filed with the Auditor of State.

(3) The premium on the bond shall be a proper charge against the funds under the control of the ~~director~~ secretary.

SECTION 303. Arkansas Code § 22-3-918(d), concerning a notice for bids for construction, bonds, and execution of contracts regarding the Building Authority Division of the Department of Finance and Administration, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services shall execute all contracts awarded by the division.

SECTION 304. Arkansas Code § 22-3-1011(c), concerning the establishment of bank accounts, deposits, and withdrawals by the Department of Parks and Tourism, is amended to read as follows:

(c)(1) All withdrawals of funds in the bank accounts shall be made by

use of voucher-checks, the form of which shall be prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

(2) All voucher-checks so drawn are subject to preaudit by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 305. Arkansas Code § 22-3-1208(d), concerning a certificate of indebtedness, terms and execution, is amended to read as follows:

(d) The certificates of indebtedness shall be executed on behalf of the division by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 306. Arkansas Code § 22-3-1404(8), concerning the powers of the Building Authority Division of the Department of Finance and Administration, is amended to read as follows:

(8) Take such other actions not inconsistent with law as may be necessary or desirable to carry out the powers, purposes, and authority as set forth in this section in accordance with the policies promulgated by the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services.

SECTION 307. Arkansas Code § 22-3-1405(4), concerning the duties of the Building Authority Division of the Department of Finance and Administration, is amended to read as follows:

(4) Take such other actions not inconsistent with law as may be necessary or desirable to carry out the powers, purposes, and authority set forth herein, in accordance with the policies promulgated by the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services as authorized by law.

SECTION 308. Arkansas Code § 22-3-1902(a), concerning rules regarding the Sustainable Design Program for State Agencies, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services shall promulgate rules for the implementation of the Sustainable Building Design Program for State Agencies.

SECTION 309. Arkansas Code § 22-4-106(a), concerning the procedures for establishing and acquiring property for state parks, is amended to read as follows:

(a) The Department of Parks, Heritage, and Tourism and the State Parks, Recreation, and Travel Commission are directed to consult with and seek the advice of the Governor, the ~~Director~~ Secretary of the Department of Finance and Administration, and the Legislative Council before establishing and acquiring properties for new state parks or before making acquisitions of real property for additions to or expansions of existing state parks which have not been specifically authorized or funded by the General Assembly.

SECTION 310. Arkansas Code § 22-5-804(a)(1)(A), concerning leases, permits, Natural Resources Committee, and the Arkansas State Game and Fish Commission, is amended to read as follows:

(A) The ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 311. Arkansas Code § 22-5-804(a)(1)(E), concerning leases, permits, Natural Resources Committee, and the Arkansas State Game and Fish Commission, is amended to read as follows:

(E) The ~~Executive~~ Director of the Arkansas Natural Resources Commission;

SECTION 312. Arkansas Code § 22-5-804(a)(1)(H) and (I), concerning leases, permits, Natural Resources Committee, and the Arkansas State Game and Fish Commission, are amended to read as follows:

(H) The ~~Director~~ Secretary of the Department of Parks, Heritage, and Tourism;

(I) The Director of the ~~Arkansas Department~~ Division of Environmental Quality; and

SECTION 313. Arkansas Code § 22-6-601(a)(1)(A), concerning the procedure for the sale of state lands, is amended to read as follows:

(a)(1)(A) The several state boards or commissions having supervision of the affairs of the charitable, penal, correctional, educational, and other

institutions of the State of Arkansas and all other state boards and commissions, except the State Highway Commission, the Arkansas State Game and Fish Commission, the Arkansas Natural Heritage Commission, the State Parks, Recreation, and Travel Commission, the ~~Department~~ Division of Higher Education, and institutions of higher education, and the executive heads of all state offices, departments, and agencies, all referred to separately as "state agency", may sell or purchase, for cash in hand and upon compliance with the provisions of this section, the lands, in whole or in part, belonging to or under the supervision or control of the respective state agency or belonging to the state and held for the use or benefit of the state agency.

SECTION 314. Arkansas Code § 22-6-601(a)(2)(D), concerning the procedure for the sale of state lands, is amended to read as follows:

(D) The exchange of state lands for other lands which are suitable for state purposes if the ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services has made a recommendation to the Governor that the exchange be made and if the Governor has approved the exchange.

SECTION 315. Arkansas Code § 22-6-601(b), concerning the procedure for the sale of state lands, is amended to read as follows:

(b)(1) State agencies may transfer lands in whole or in part to the Building Authority Division ~~of the Department of Finance and Administration~~ for the use of that agency or other state agencies.

(2) In the event that the ~~division~~ Building Authority Division shall sell the lands at a later date, the provisions of this section shall apply, and the proceeds of the sale, less any expenses and liquidated damages, shall be deposited into the State Treasury as a nonrevenue receipt to the credit of the fund from which the agency that transferred the land to the ~~division~~ Building Authority Division is operated.

SECTION 316. Arkansas Code § 22-6-601(c)(1), concerning the procedure for the sale of state lands, is amended to read as follows:

(c)(1) In the event that a state agency elects to sell certain of its lands or to purchase lands, the agency shall certify to the ~~division~~ Building

Authority Division its proposal for any sale or purchase.

SECTION 317. Arkansas Code § 22-6-601(c)(2)(A), concerning the procedure for the sale of state lands, is amended to read as follows:

(2)(A) The state agency proposing the sale or purchase of land shall obtain the services of a qualified appraiser to appraise the lands so proposed to be sold or purchased, with notice to the ~~Director~~ Secretary of the ~~Department of Finance and Administration~~ Transformation and Shared Services.

SECTION 318. Arkansas Code § 22-6-601(d), concerning the procedure for the sale of state lands, is amended to read as follows:

(d)(1) The ~~Director of the Department of Finance and Administration~~ Secretary of the Department of Transformation and Shared Services shall furnish to the Governor:

(A) The appraisal;

(B) The agency proposal to sell or purchase; and

(C) The ~~division's~~ Building Authority Division's recommendations.

(2) The Governor, if he or she approves the proposed sale or purchase, shall endorse his or her approval of the proposal and transmit a copy of the proposal to the ~~Director~~ Secretary of the Department of Finance and Administration and the Secretary of the Department of Transformation and Shared Services.

SECTION 319. Arkansas Code § 22-6-601(e)(1), concerning the procedure for the sale of state lands, is amended to read as follows:

(e)(1) The ~~division~~ Building Authority Division shall give notice of the terms of the sale by publication in one (1) newspaper regularly published in Little Rock, Arkansas, and having a general circulation in the State of Arkansas, by four (4) weekly insertions therein.

SECTION 320. Arkansas Code § 22-6-601(f), concerning the procedure for the sale of state lands, is amended to read as follows:

(f) The notice shall specify a time and place, which time shall be not less than thirty (30) days from and after the date of the first insertion of

the notice, for the receipt by the ~~division~~ Building Authority Division of sealed bids for the purchase of the lands.

SECTION 321. Arkansas Code § 22-6-601(g)(4), concerning the procedure for the sale of state lands, is amended to read as follows:

(4) The ~~division~~ Building Authority Division, at the time and place specified in the notice, or by announcement then and there, or at some other time or place, shall open the bids which have been received and proceed to accept the highest bid properly accompanied by a cashier's check for the lands in whole or in part as offered for such sale.

SECTION 322. Arkansas Code § 22-6-601(h)(2)(A)(i)(a), concerning the procedure for the sale of state lands, is amended to read as follows:

(2)(A)(i)(a) Upon approval by the Governor, lands may be sold to the highest responsible bidder for less than the amount of the appraisal if the bid process has been utilized and it has been determined and recommended by the agency director and the ~~Director of the Department of Finance and Administration~~ Secretary of the Department of Transformation and Shared Services that further solicitation of bids is unnecessary.

SECTION 323. Arkansas Code § 22-6-601(k)(2), concerning the procedure for the sale of state lands, is amended to read as follows:

(2) The ~~Director of the Department of Finance and Administration~~ Secretary of the Department of Transformation and Shared Services shall forward a recommendation to the Governor.

SECTION 324. Arkansas Code § 22-8-101 is amended to read as follows:

22-8-101. Registration of state-owned motor vehicles — Report.

(a)(1) In order that a complete inventory of all state-owned motor vehicles is maintained, every state agency, including the Arkansas Department of Transportation, the Arkansas State Game and Fish Commission, the Department of Arkansas State Police, the Arkansas National Guard, and all constitutional offices shall annually register each motor vehicle owned by the State of Arkansas with the ~~Director~~ Secretary of the Department of Finance and Administration in a manner prescribed by the ~~director~~ secretary.

(2) The registration shall include a description of each motor

vehicle, including the year, make, model, license number, vehicle identification number, and other information which the ~~director~~ secretary might require.

(3) Whenever any state agency sells or disposes of a motor vehicle, a complete record thereof shall be furnished to the ~~director~~ secretary as authorization for the removal of the vehicle from the official state inventory.

(4) Whenever any state agency acquires a new or additional motor vehicle, the information required by this subsection to be placed in the state inventory shall be furnished to the ~~director~~ secretary within ten (10) days after the acquisition of the vehicle by the agency.

(5) The ~~director~~ secretary shall keep the inventory of motor vehicles owned by the State of Arkansas and its agencies current at all times, categorized in accordance with the motor vehicles owned by each of the respective state agencies.

(b)(1) The ~~director~~ secretary shall make an annual report to the Legislative Council as to the number of motor vehicles owned by the State of Arkansas.

(2) The report shall include a comparison of the current inventory of motor vehicles with an inventory of the preceding year.

SECTION 325. Arkansas Code § 22-8-205(c) and (d), concerning the allocation of vehicles and priority listing, are amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration, through the Marketing and Redistribution Section, shall have the authority to reassign a vehicle from a state agency to another state agency based upon need, age, condition, utilization, and justification but not to decrease a state agency's actual number of vehicles owned.

(d) The ~~director~~ secretary shall review the schedule of prioritized ranking for acquiring vehicles, and he or she shall have the authority to make changes, as he or she deems necessary, to the priority listing. He or she shall then forward the priority listing to the Governor for his or her approval or modification.

SECTION 326. Arkansas Code § 22-8-206(a), concerning the purchase of automobiles by the Director of the Department of Finance and Administration,

is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall purchase vehicles for state agencies from moneys as appropriated and made available by the General Assembly.

SECTION 327. Arkansas Code § 22-8-207 is amended to read as follows:

22-8-207. Purchase from qualified vendors.

The ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to purchase new or used vehicles from qualified vendors in accordance with the Arkansas Procurement Law, § 19-11-201 et seq.

SECTION 328. Arkansas Code § 22-8-209 is amended to read as follows:

22-8-209. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration, through his or her disbursing officer, is authorized to promulgate such rules and regulations as deemed necessary to implement the provisions and intent of this subchapter.

SECTION 329. Arkansas Code § 22-9-201(c)(5), concerning the applicability of public works contracts, is amended to read as follows:

(5) The ~~Director~~ Secretary of the Department of Finance and Administration or a designee may make or authorize others to make emergency contracting procedures as defined in subdivision (c)(3) of this section and in accordance with the minimum standards and criteria of the division.

SECTION 330. Arkansas Code § 22-9-208(a)(3), concerning the renovation of historic sites, legislative intent, and construction, is amended to read as follows:

(3) The procedures provided in subdivision (a)(2) of this section should be applicable for specific projects only after review and approval by the Chief Fiscal Officer of the State, the Building Authority Division ~~of the Department of Finance and Administration~~, and the Legislative Council. Provided, however, projects undertaken by public institutions of higher education exempt from review and approval of the division shall not require review and approval by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 331. Arkansas Code § 23-13-307(a), concerning the revocation of a license, permit, or certificate, is amended to read as follows:

(a) In the event the Arkansas Department of Transportation finds that the defendant is guilty upon any complaint filed and proceeding had, and that the provisions of § 23-13-102 or the rules, regulations, or orders of the Arkansas Department of Transportation have been willfully and knowingly violated and that a motor vehicle was used in the violation, the Arkansas Department of Transportation shall forthwith deliver a certified copy of its findings and order to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 332. Arkansas Code § 23-13-603(a), concerning the implementation and administration of the duties regarding the Unified Carrier Registration Act of 2005, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration has oversight over the implementation and administration of the Unified Carrier Registration Act of 2005, Pub. L. No. 109-59, § 4301 et seq.

SECTION 333. The introductory language of Arkansas Code § 23-13-603(b), concerning the implementation and administration of the duties regarding the Unified Carrier Registration Act, is amended to read as follows:

(b) The ~~director~~ secretary is vested with the following powers and has the following duties:

SECTION 334. Arkansas Code § 23-13-604(a), concerning registration fees to be collected by the Director of the Department of Finance and Administration, is amended to read as follows:

(a) Any fees collected by the ~~Director~~ Secretary of the Department of Finance and Administration under this section shall be classified as special revenues and shall be deposited into the State Treasury.

SECTION 335. The introductory language of Arkansas Code § 23-13-604(c), concerning registration fees to be collected by the Director of the

Department of Finance and Administration, is amended to read as follows:

(c) The net amount of the fees collected by the ~~director~~ secretary under this section shall be:

SECTION 336. Arkansas Code § 23-17-413 is amended to read as follows:

23-17-413. Optional provision of database to vendors.

In order to assign the place of primary use for mobile telecommunications services pursuant to the Mobile Telecommunications Sourcing Act, Pub. L. No. 106-252, the ~~Director~~ Secretary of the Department of Finance and Administration may choose whether to furnish vendors with a database that matches addresses with taxing jurisdictions or to allow vendors to employ an enhanced zip code of at least nine (9) digits in lieu of providing a database.

SECTION 337. Arkansas Code § 23-110-105(a), concerning racing passes, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall set a maximum number of racing passes to be printed and issued annually, and it shall not be less than the number printed in 1990.

SECTION 338. Arkansas Code § 23-110-202 is amended to read as follows:

23-110-202. Officers.

(a) The Governor shall from time to time select from the membership of the Arkansas Racing Commission a chair and a vice chair.

(b)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall be ex officio ~~secretary~~ director of the commission unless the Governor shall designate another person from the Revenue Division of the Department of Finance and Administration to serve in that capacity, but the ~~Secretary~~ Director of the Arkansas Racing Commission shall not be a member of the commission nor shall he or she have a vote on matters coming before it.

(2) The ~~secretary~~ director shall be the commission's executive officer and shall administer the provisions of this chapter and the rules, regulations, and orders established under this chapter.

(3) By resolution duly adopted, the commission may delegate to the ~~secretary~~ director any of the powers or duties vested in or imposed upon

the commission by this chapter, and the delegated powers and duties may be exercised by the ~~secretary~~ director in the name of the commission.

(4) The ~~secretary~~ director shall be custodian of all property held in the name of the commission and shall be the ex officio disbursing agent of all funds available for its use.

(5) The ~~secretary~~ director shall furnish bond to the state, with a corporate surety thereon, in the penal sum of twenty-five thousand dollars ($25,000), conditioned that he or she will faithfully perform his or her duties of office and properly account for all funds received and disbursed by him or her as ~~secretary~~ director.

(6) Within such limitations as may be provided by appropriations therefor, the ~~secretary~~ director may employ such assistants and other personnel as are, in his or her opinion, necessary to properly administer the provisions of this chapter.

SECTION 339. Arkansas Code § 23-111-105(a), concerning racing passes, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall set a maximum number of racing passes to be printed and issued annually, and it shall not be fewer than the number printed in 1990.

SECTION 340. Arkansas Code § 23-111-509(c)(2)(C)(i), concerning the disposition of wagering money, is amended to read as follows:

(C)(i) The commission shall seek the assistance of the Department of Finance and Administration to audit and verify receipts and expenditures of the franchise holder in determining compliance with this section. The franchise holder must deliver to the department any documents requested to check and verify compliance with this section within thirty (30) days of receiving a written request for the documents. If the department does not receive the requested documents within the time provided, the ~~Director~~ Secretary of the Department of Finance and Administration shall notify the commission, which shall issue an order to show cause why such documents have not been provided.

SECTION 341. Arkansas Code § 23-113-103(4), concerning the definition of "director" under the Local Option Horse Racing and Greyhound Racing

Electronic Games of Skill Act, is repealed.

~~(4) "Director" means the Director of the Department of Finance and Administration;~~

SECTION 342. Arkansas Code § 23-113-501(a)(1), concerning privilege fees to be paid to the Director of the Department of Finance and Administration, is amended to read as follows:

(1) An amount equal to eighteen percent (18%) of the net wagering revenues from electronic games of skill shall be paid by the franchise holder to the ~~Director~~ Secretary of the Department of Finance and Administration for disposition under § 23-113-604;

SECTION 343. Arkansas Code § 23-113-604(a), concerning the disposition of privilege fees and license fees, etc., is amended to read as follows:

(a) All privilege fees received by the ~~Director~~ Secretary of the Department of Finance and Administration under this chapter for the benefit of the state shall be deposited into the State Treasury as general revenues.

SECTION 344. Arkansas Code § 23-114-102(7), concerning the definition of "director" under the Charitable Bingo and Raffles Enabling Act, is repealed.

~~(7) "Director" means the Director of the Department of Finance and Administration;~~

SECTION 345. Arkansas Code § 23-114-201 is amended to read as follows:

23-114-201. Control and supervision of games of bingo and raffles.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall administer this chapter under the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(b) The ~~director~~ secretary has authority over all games of bingo and raffles conducted in this state so that games of bingo and raffles are fairly conducted and the proceeds derived from games of bingo and raffles are used only for an authorized purpose.

SECTION 346. Arkansas Code § 23-114-202(a), concerning the approval of bingo faces and raffle tickets, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration by rule shall provide for the form of bingo faces and raffle tickets used in the State of Arkansas.

SECTION 347. Arkansas Code § 23-114-203 is amended to read as follows:

23-114-203. Rulemaking authority.

The ~~Director~~ Secretary of the Department of Finance and Administration may adopt rules to aid in the enforcement and administration of this chapter.

SECTION 348. Arkansas Code § 23-114-303(c)(2), concerning a license application and authorized organizations, is amended to read as follows:

(2)(A) In order to determine a responsible person's suitability to organize, conduct, and administer raffles and bingo sessions, the ~~Director~~ Secretary of the Department of Finance and Administration may require that the responsible person be fingerprinted and the fingerprints forwarded for a criminal background check through the ~~Department~~ Division of Arkansas State Police.

(B) After the completion of the criminal background check through the ~~Department~~ Division of Arkansas State Police, the fingerprints shall be forwarded by the ~~Department~~ Division of Arkansas State Police to the Federal Bureau of Investigation for a national criminal history record check; and

SECTION 349. The introductory language of Arkansas Code § 23-114-303(c)(3), concerning a license application and authorized organizations, is amended to read as follows:

(3) The responsible person shall sign a release that allows the ~~Department~~ Division of Arkansas State Police to release:

SECTION 350. Arkansas Code § 23-114-304(c)(2), concerning distributors' and manufacturers' license applications, is amended to read as follows:

(2)(A) In order to determine the person's or persons' suitability to be involved in the sale of bingo equipment, the ~~Director~~ Secretary of the Department of Finance and Administration may require that the person or persons be fingerprinted and the fingerprints forwarded for a

criminal background check through the ~~Department~~ Division of Arkansas State Police.

(B) After the completion of the criminal background check through the ~~Department~~ Division of Arkansas State Police, the fingerprints shall be forwarded by the ~~Department~~ Division of Arkansas State Police to the Federal Bureau of Investigation for a national criminal history record check; and

SECTION 351. The introductory language of Arkansas Code § 23-114-304(c)(3), concerning distributors' and manufacturers' license applications, is amended to read as follows:

(3) The person or persons responsible for an applicant's sales of bingo equipment shall sign a release that allows the ~~Department~~ Division of Arkansas State Police to release the following:

SECTION 352. Arkansas Code § 23-114-405(a)(1), concerning raffle and bingo records, is amended to read as follows:

(a)(1) A licensed authorized organization shall provide to the ~~Director~~ Secretary of the Department of Finance and Administration at the time of application for license the address of its primary business office.

SECTION 353. Arkansas Code § 23-114-602(b) and (c), concerning the payment and reporting of taxes, are amended to read as follows:

(b) The report shall be filed under oath on forms prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

(c) The ~~director~~ secretary shall adopt any rules necessary for the proper reporting and payment of the tax.

SECTION 354. Arkansas Code § 23-114-603(a)(2), concerning information required on excise tax reports, is amended to read as follows:

(2) Any other information that the ~~Director~~ Secretary of the Department of Finance and Administration determines is necessary to properly administer the excise tax levied by this subchapter.

SECTION 355. Arkansas Code § 23-114-704(a), concerning the filing of injunctions by the Department of Finance and Administration, is amended to

read as follows:

(a) If the Department of Finance and Administration has reason to believe that this chapter has been violated, the ~~Director~~ Secretary of the Department of Finance and Administration may petition a court for injunctive relief to restrain the violation.

SECTION 356. Arkansas Code § 23-115-103(11), concerning the definition of "lobbying" under the Arkansas Scholarship Lottery Act, is amended to read as follows:

(11) "Lobbying" means communicating directly or soliciting others to communicate with the Director of the Office of the Arkansas Lottery, the ~~Director~~ Secretary of the Department of Finance and Administration, any employee of the office, or a member of the Legislative Council with the purpose of influencing the actions of the office or the Legislative Council;

SECTION 357. Arkansas Code § 23-115-204(d)(1), concerning the Lottery Retailer Advisory Board, is amended to read as follows:

(1) A member of the immediate family of the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 358. Arkansas Code § 23-115-206(b)(3), concerning internal controls and annual audits, is amended to read as follows:

(3)(A) If the office, the General Assembly, the Legislative Council, or the Legislative Joint Auditing Committee requests additional audits or performance reviews of the fiscal affairs or operations of the office to be conducted by a private certified public accountant or other consultant, the ~~Director~~ Secretary of the Department of Finance and Administration shall select and contract with appropriate certified public accountants or consultants to provide the services.

(B) The ~~Director~~ Secretary of the Department of Finance and Administration shall contract for the services which shall be paid directly to the contractor by the office.

(C) A copy of any report or management correspondence prepared by the certified public accountants or consultants shall be forwarded to Arkansas Legislative Audit, the ~~Director~~ Secretary of the

Department of Finance and Administration, and the Legislative Council.

SECTION 359. Arkansas Code § 23-115-212(a), concerning the duties and responsibilities of an internal auditor, is amended to read as follows:

(a) The internal auditor employed by the Office of the Arkansas Lottery shall report directly to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 360. The introductory language of Arkansas Code § 23-115-212(b), concerning the duties and responsibilities of an internal auditor, is amended to read as follows:

(b) The ~~director~~ secretary shall determine the duties and responsibilities of the internal auditor that:

SECTION 361. Arkansas Code § 23-115-212(b)(2)(A), concerning the duties and responsibilities of an internal auditor, is amended to read as follows:

(A) Preparing a formal written three-year audit plan and presenting it to the ~~director~~ secretary for the ~~director's~~ secretary's approval;

SECTION 362. Arkansas Code § 23-115-212(b)(2)(C), concerning the duties and responsibilities of an internal auditor, is amended to read as follows:

(C) Advising the ~~director~~ secretary of inconsistencies within or improvements needed to the internal controls, operating procedures, or accounting procedures of the office or the lotteries.

SECTION 363. Arkansas Code § 23-115-212(c)(2)(A), concerning the duties and responsibilities of an internal auditor, is amended to read as follows:

(A) Advise the Legislative Council concerning current issues and problems reported to the ~~director~~ secretary under subsection (b) of this section; and

SECTION 364. Arkansas Code § 23-115-501(e)(1)(A) and (B), concerning

vendors, requirements when submitting a bid, proposals, offers, and major procurement contracts, are amended to read as follows:

(A) The Director of the Office of the Arkansas Lottery, an employee of the Office of the Arkansas Lottery, the ~~Director~~ Secretary of the Department of Finance and Administration, the Deputy Director of the Department of Finance and Administration, or a member of the Legislative Council; or

(B) A member of the immediate family of the Director of the Office of the Arkansas Lottery, an employee of the office, the ~~Director~~ Secretary of the Department of Finance and Administration, the Deputy Director of the Department of Finance and Administration, or a member of the Legislative Council.

SECTION 365. Arkansas Code § 23-115-501(f), concerning vendors, requirements when submitting a bid, proposals, offers, and major procurement contracts, is amended to read as follows:

(f)(1) A public official, the ~~Director~~ Secretary of the Department of Finance and Administration, and the Deputy Director of the Department of Finance and Administration shall not knowingly own a financial interest in a vendor.

(2)(A) If a public official, the ~~Director~~ Secretary of the Department of Finance and Administration, or the Deputy ~~Director~~ Secretary of the Department of Finance and Administration becomes aware that he or she owns a financial interest in a vendor, the public official, the ~~Director~~ Secretary of the Department of Finance and Administration, or the Deputy ~~Director~~ Secretary of the Department of Finance and Administration shall divest the financial interest as soon as possible.

(B) A public official, the ~~Director~~ Secretary of the Department of Finance and Administration, or the Deputy ~~Director~~ Secretary of the Department of Finance and Administration shall not divest the financial interest to a member of his or her immediate family.

SECTION 366. Arkansas Code § 23-115-601(e)(1), concerning retailers, is amended to read as follows:

(e)(1) A person seeking to be a retailer shall apply to the Identification Bureau of the ~~Department~~ Division of Arkansas State Police for

a state and federal criminal background check, to be conducted by the Identification Bureau of the ~~Department~~ Division of Arkansas State Police and the Federal Bureau of Investigation.

SECTION 367. Arkansas Code § 23-115-601(e)(5), concerning retailers, is amended to read as follows:

(5) Upon completion of the state and federal criminal background check, the Identification Bureau of the ~~Department~~ Division of Arkansas State Police shall forward to the office all releasable information obtained concerning the applicant.

SECTION 368. Arkansas Code § 23-115-601(j)(1)(A) and (B), concerning retailers, are amended to read as follows:

(A) The Director of the Office of the Arkansas Lottery, an employee of the Office of the Arkansas Lottery, the ~~Director~~ Secretary of the Department of Finance and Administration, or the Deputy Director of the Department of Finance and Administration; or

(B) A member of the immediate family of the Director of the Office of the Arkansas Lottery, an employee of the Office of the Arkansas Lottery, the ~~Director~~ Secretary of the Department of Finance and Administration, or the Deputy Director of the Department of Finance and Administration.

SECTION 369. Arkansas Code § 23-115-610(c), concerning business closure procedures, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration may request the assistance of the ~~Department~~ Division of Arkansas State Police or any state or local law enforcement official to post the notice or to secure the business as authorized in this section.

SECTION 370. Arkansas Code § 23-115-801(b)(1)(B)(i)(b)(1), concerning lottery proceeds, is amended to read as follows:

(1) Transfers under subdivision (c)(2) of this section the funds requested by the ~~Department~~ Division of Higher Education; and

SECTION 371. Arkansas Code § 23-115-801(b)(1)(B)(iii), concerning lottery proceeds, is amended to read as follows:

(iii) Annually, the office shall transfer to the ~~Department~~ Division of Higher Education the funds from the previous academic year, if any, that were transferred by the office into the trust account for the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., under subdivision (b)(1)(B)(i) of this section for distribution of Arkansas Workforce Challenge Scholarships.

SECTION 372. Arkansas Code § 23-115-801(c), concerning lottery proceeds, is amended to read as follows:

(c)(1) The Director of the ~~Department~~ Division of Higher Education shall certify to the office the amount of net proceeds from the lottery needed to fund the scholarships awarded to recipients under § 6-85-201 et seq. for each semester of an academic year.

(2)(A) The office shall transfer the funds requested by the Director of the ~~Department~~ Division of Higher Education under subdivision (c)(1) of this section into one (1) or more trust accounts at one (1) or more financial institutions meeting the requirements of subdivision (b)(2) of this section maintained by the ~~Department~~ Division of Higher Education.

(B) The Director of the ~~Department~~ Division of Higher Education shall disburse trust account funds only in the name of the recipient:

(i) To an approved institution of higher education; or

(ii) If a recipient transfers to another approved institution of higher education, to the approved institution of higher education where the recipient transferred.

(3) By August 1 of each year, the Director of the ~~Department~~ Division of Higher Education shall provide to the ~~Director~~ Secretary of the Department of Finance and Administration and to the Legislative Council for the academic year just ended an accounting of all trust accounts maintained by the ~~Department~~ Division of Higher Education, including without limitation:

(A) Total deposits to all trust accounts;

(B) Total disbursements from the trust accounts; and

(C) The balance remaining in the trust accounts.

SECTION 373. Arkansas Code § 23-115-801(d)(1)(B), concerning lottery proceeds, is amended to read as follows:

(B) Because the ~~Department~~ Division of Higher Education has the expertise and experienced staff needed to efficiently and appropriately administer the scholarships, the office shall use the services of the ~~Department~~ Division of Higher Education to administer scholarships funded with net proceeds from the lottery.

SECTION 374. Arkansas Code § 23-115-801(d)(2)(A), concerning lottery proceeds, is amended to read as follows:

(2)(A) Annually by April 1, the ~~Department~~ Division of Higher Education shall provide to the office and to the Legislative Council the ~~Department~~ Division of Higher Education's budget for the administrative expenditures allowed under this subsection.

SECTION 375. The introductory language of Arkansas Code § 23-115-801(d)(2)(B), concerning lottery proceeds, is amended to read as follows:

(B) Annually by October 31, the ~~Department~~ Division of Higher Education shall provide an invoice to the office for reimbursement of the administrative expenditures allowed under this subsection, including without limitation:

SECTION 376. Arkansas Code § 23-115-801(d)(2)(C), concerning lottery proceeds, is amended to read as follows:

(C) Only direct expenditures of the ~~department~~ division to administer scholarship funding with net proceeds from the lottery may be invoiced to the office under subdivision (d)(2)(B) of this section.

SECTION 377. Arkansas Code § 23-115-801(d)(3)(C), concerning lottery proceeds, is amended to read as follows:

(C) The office shall reimburse the ~~Department~~ Division of Higher Education for the costs of administering the scholarship awards funded with net proceeds from the lottery after the Legislative Council's review under this subsection.

SECTION 378. Arkansas Code § 23-116-104(b)(1), concerning tax on paid fantasy sports games, is amended to read as follows:

(1) Reported and remitted to the Department of Finance and Administration on a quarterly basis through the Arkansas Taxpayer Access Point or its successor on forms prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration; and

SECTION 379. Arkansas Code § 23-116-104(c), concerning tax on paid fantasy sports games, is amended to read as follows:

(c) The ~~director~~ secretary shall promulgate rules to administer the tax levied under this section.

SECTION 380. Arkansas Code § 24-4-201(a)(1), concerning the creation and system accounts of the Arkansas Public Employees' Retirement System Fund, is amended to read as follows:

(a)(1) There is established on the books of the Treasurer of State, the Auditor of State, and the ~~Director~~ Secretary of the Department of Finance and Administration a fund to be known as the "Arkansas Public Employees' Retirement System Fund".

SECTION 381. Arkansas Code § 24-4-207(a)(3), concerning bonds, payments on vouchers and warrants, and adjustment of erroneous payments, is amended to read as follows:

(3) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized and directed to designate such additional personnel within his or her office and to provide for such services as are necessary for the proper operation of the system.

SECTION 382. Arkansas Code § 24-4-207(c)(4)(C), concerning bonds, payments on vouchers and warrants, and adjustment of erroneous payments, is amended to read as follows:

(C) The ~~Director~~ Secretary of the Department of Finance and Administration shall promptly hear all appeals of annuity determinations or redeterminations and shall conduct such hearings in accordance with procedures set forth by the board.

SECTION 383. Arkansas Code § 24-5-104(b)(1)(C), concerning the Board of Trustees of the Arkansas State Highway Employees' Retirement System, is amended to read as follows:

(C) The ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 384. Arkansas Code § 24-6-209(a), concerning an employer's contribution, is amended to read as follows:

(a) The ~~Department~~ Division of Arkansas State Police, as employer, shall make contributions to the State Police Retirement System of twenty-two percent (22%) of active member payroll.

SECTION 385. Arkansas Code § 24-6-209(b)(1), concerning an employer's contribution, is amended to read as follows:

(b)(1) At the request of the Executive Secretary of the State Police Retirement System, the ~~Director~~ Secretary of the Department of Finance and Administration shall make annual transfers on each June 30 to the system from the remainder of insurance premium taxes enumerated in § 19-6-301(27) before those taxes are transferred to general revenues enumerated in § 19-6-201(19) the amounts of money necessary to amortize the unfunded liabilities over a period not to exceed thirty (30) years.

SECTION 386. Arkansas Code § 24-6-218(a)(1), concerning survivors' benefits upon the death of an officer killed in the line of duty while not a member of the system, is amended to read as follows:

(a)(1) In the event any uniformed employee of the ~~Department~~ Division of Arkansas State Police is killed while in the performance of his or her duties, yet the surviving spouse and surviving children of the uniformed employee of the ~~department~~ division are deprived of receiving benefits as prescribed in § 24-6-217 because the uniformed employee was not a member of the system at the time of his or her death, or had not completed any probationary period of service required by regulations of the Arkansas State Police Commission, or had not obtained sufficient service for benefits, the surviving spouse may make application to the Board of Trustees of the State Police Retirement System.

SECTION 387. Arkansas Code § 24-6-218(d), concerning survivors' benefits upon the death of an officer killed in the line of duty while not a member of the system, is amended to read as follows:

(d) Upon certification of these facts by the board, the ~~Director~~ Secretary of the Department of Finance and Administration shall direct the Treasurer of State to transfer from the ~~Department~~ Division of Arkansas State Police Fund, annually, to the State Police Retirement Fund an amount equal to the funds expended from the State Police Retirement Fund for the payment of survivors' benefits as authorized in this section in order to reimburse the fund therefor.

SECTION 388. Arkansas Code § 24-11-102(c), concerning an increase in benefits under the municipal firemen's relief and pension funds, is amended to read as follows:

(c) If it is determined by the review board that a local pension plan is not complying with the provisions of law governing benefit increases, the executive director shall certify that noncompliance to the ~~Director~~ Secretary of the Department of Finance and Administration who shall withhold all moneys otherwise due the plan from the state until compliance is achieved.

SECTION 389. Arkansas Code § 24-11-202(a), concerning noncompliance with the Arkansas Fire and Police Pension Review Board, is amended to read as follows:

(a) If it is determined that a plan is not complying with the provisions of this subchapter, the Executive Director of the Arkansas Fire and Police Pension Review Board shall certify the noncompliance to the ~~Director~~ Secretary of the Department of Finance and Administration, who shall withhold all moneys otherwise due the plan from the state until compliance is achieved.

SECTION 390. Arkansas Code § 24-11-203(b)(1)(E), concerning the creation of the Arkansas Fire and Police Pension Review Board, is amended to read as follows:

(E) The ~~Director~~ Secretary of the Department of Finance and Administration or the ~~director's~~ secretary's designee.

SECTION 391. Arkansas Code § 24-11-215(c), concerning the allocation of insurance premium tax and special provisions, is amended to read as follows:

(c) After transfers are made to cover funds distributed under subsection (b) of this section and the portion of those premium taxes set aside for transfer to the State Police Retirement Fund under § 24-6-209(b), the ~~Director~~ Secretary of the Department of Finance and Administration is directed to make annual transfers from the police portion of the revenues to the Policemen's Pension Supplement Program Fund on or before July 25, 1999, and each year thereafter as certified by the Arkansas Fire and Police Pension Review Board on July 1 each year as the amount needed to pay the expenses of and to make payments to the eligible retired police officers and survivors under the Arkansas Policemen's Pension Supplement Program for the coming year of the program.

SECTION 392. Arkansas Code § 25-1-104 is amended to read as follows:

25-1-104. Access of Department of Finance and Administration to agency records.

The Revenue Division of the Department of Finance and Administration, the ~~Department~~ Division of Workforce Services, the University of Arkansas at Little Rock, the University of Arkansas at Fayetteville, the Arkansas Economic Development Commission, and any other state agency, board, commission, department, institution, college, university, or authority shall make data, information, statistics, or other records of information available to the Department of Finance and Administration. Provided, however, that such information and records shall not identify persons, people, conglomerates, corporations, monopolies, or others that would from any published data or data within the possession of the office of the ~~Director~~ Secretary of the Department of Finance and Administration reveal the identity or any information or data of that particular identity that would be in conflict with federal laws.

SECTION 393. Arkansas Code § 25-8-101 is amended to read as follows:

25-8-101. Creation — ~~Director~~ Secretary — Organization — Personnel.

(a) There is created a Department of Finance and Administration.

(b) The executive head of the Department of Finance and Administration shall be the ~~Director~~ Secretary of the Department of Finance and Administration. The ~~director~~ secretary shall be appointed by the Governor and shall serve at the pleasure of the Governor.

(c)(1) The Department of Finance and Administration shall consist of the divisions which existed as of July 1, 1971, within the State Administration Department and the Department of Revenues and any other divisions which may be created by law and placed under the Department of Finance and Administration, subject to the transfer of a division or department of the Department of Finance and Administration as a state entity under the Transformation and Efficiencies Act of 2019.

(2) There is created a Racing Division and an Alcoholic Beverage Control Division within the Department of Finance and Administration.

(d) The ~~Director~~ Secretary of the Department of Finance and Administration, with the advice and consent of the Governor, shall appoint the heads of the respective divisions. The ~~director~~ secretary may appoint an Administrative Assistant for Revenue to serve as the ~~director's~~ secretary's agent. All other personnel of the Department of Finance and Administration shall be employed by and serve at the pleasure of the ~~Director~~ Secretary of the Department of Finance and Administration, provided that nothing in this section shall be so construed as to reduce any right which an employee of the Department of Finance and Administration shall have under any civil service or merit system.

(e) Each division of the Department of Finance and Administration shall be under the direction, control, and supervision of the ~~director~~ secretary ~~of the department~~. The ~~director~~ secretary may delegate his or her functions, powers, and duties to the various divisions of the Department of Finance and Administration as he or she shall deem desirable and necessary for the effective and efficient operation of the department.

(f) For the purposes of the tax, driver's license, and motor vehicle registration and licensing laws, the term "~~director~~ secretary" shall mean the ~~Director~~ Secretary of the Department of Finance and Administration, the Administrative Assistant for Revenue, or his or her authorized agent. The Administrative Assistant for Revenue shall act as the ~~director's~~ secretary's agent and take any and all actions necessary to administer the laws.

SECTION 394. Arkansas Code § 25-8-102 is amended to read as follows:

25-8-102. Authority of ~~director~~ secretary generally.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration, with the approval of the Governor, may adopt reasonable rules, regulations, and procedures, not inconsistent with the law, which he or she deems desirable for the effective administration of the Department of Finance and Administration and any of its divisions.

(b) The ~~director~~ secretary shall have authority to install any recordkeeping and other procedures in his or her office and in other offices and departments of the state which he or she shall deem necessary or advisable to carry out his or her functions and duties. However, nothing in this section shall be construed to grant the ~~director~~ secretary any authority to establish recordkeeping or other procedures, or rules and regulations with respect to the elected constitutional officers of the state, the General Assembly and its committees, or other agencies who are exempt from all or a part of the procedures set forth in the Arkansas Procurement Law, § 19-11-201 et seq., and the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq.

(c) The ~~director~~ secretary may from time to time establish within the department any sections or other administrative units which he or she may deem desirable for the effective operation of the department and any division thereof, provided that the duties and functions of the sections or administrative units are within the purpose authorized by law.

(d) The ~~director~~ secretary may appoint a designee to appear on behalf of the ~~director~~ secretary at meetings of any board or commission of which the ~~director~~ secretary is a member in his or her capacity as ~~Director~~ Secretary of the Department of Finance and Administration or Chief Fiscal Officer of the State. The designee may vote on behalf of the ~~director~~ secretary.

SECTION 395. Arkansas Code § 25-8-103 is amended to read as follows:

25-8-103. Office of Personnel Management — State Personnel Administrator.

(a) There is created the Office of Personnel Management ~~of the Division of Management Services of the Department of Finance and Administration.~~

(b)(1) The Director of the Office of Personnel Management ~~of the Division of Management Services of the Department of Finance and Administration~~ shall be known as the State Personnel Administrator, and he or she shall be employed by the ~~Director of the Department of Finance and Administration~~ Secretary of the Department of Transformation and Shared Services with the advice and consent of the Governor.

(2) The Office of Personnel Management ~~of the Division of Management Services of the Department of Finance and Administration~~ shall be under the overall direction, control, and supervision of the ~~Director of the Department of Finance and Administration~~ secretary.

SECTION 396. Arkansas Code § 25-8-104 is amended to read as follows:

25-8-104. Director of Division of Budgets and Accounting.

The Director of the Division of Budgets and Accounting shall be the Deputy Director of the Department of Finance and Administration. He or she shall have all functions, powers, and duties granted under § 19-1-203 and all other laws pertaining to his or her office and any other functions, powers, and duties which are assigned and delegated to him or her by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 397. Arkansas Code § 25-8-105(b), concerning federal aid programs, is amended to read as follows:

(b) All applications for federal grants submitted by state agencies shall be processed through the department. However, the ~~Director~~ Secretary of the Department of Finance and Administration shall have the discretion to authorize state agencies to file copies of grant applications with the department as a substitute for the processing requirement.

SECTION 398. Arkansas Code § 25-8-106(b)(1), concerning the marketing and redistribution of state personal property, is amended to read as follows:

(b)(1) There is created within the Office of State Procurement ~~of the Department of Finance and Administration~~ a Marketing and Redistribution Section for the purpose of promoting and ensuring effective utilization of surplus state property.

(2)(A) All state agencies, boards, commissions, departments, and colleges and universities are required and county, municipal, or other tax-

supported institutions are authorized to utilize the services of the Marketing and Redistribution Section, unless specifically exempted in writing by the Director of the Office of State Procurement ~~of the Department of Finance and Administration~~.

(B)(i) Nothing in this section shall be construed to make it mandatory that county, municipal, or other local government units utilize the services of the Marketing and Redistribution Section.

(ii) Nothing in this section shall be construed to make it mandatory that any agency, department, division, office, board, commission, or institution of this state, including state-supported institutions of higher education, utilize the services of the Marketing and Redistribution Section in the sale of surplus computer equipment and electronics to state agency employees for a price not less than ten percent (10%) above depreciated value.

(3) The ~~Department of Finance and Administration~~ Department of Transformation and Shared Services shall maintain adequate and accurate records of the costs for operating the Marketing and Redistribution Section and is authorized to establish fair and reasonable charges for the services of the section. The charges for services shall be deposited in the State Treasury as nonrevenue receipts, there to be credited to the Property Sales Holding Fund for the operation, maintenance, and improvement of the Marketing and Redistribution Section.

SECTION 399. The introductory language of Arkansas Code § 25-8-106(e), concerning the marketing and redistribution of state personal property, is amended to read as follows:

(e) Proceeds from the sale, transfer, or rental of property by the Director of the Office of State Procurement ~~of the Department of Finance and Administration~~ shall be accounted for as follows:

SECTION 400. Arkansas Code § 25-8-106(f), concerning the marketing and redistribution of state personal property, is amended to read as follows:

(f) The ~~Director~~ Secretary of the Department of ~~Finance and Administration~~ Transformation and Shared Services is authorized to promulgate reasonable rules and regulations, not inconsistent with law, for compliance with the provisions of this section, the Arkansas Procurement Law, § 19-11-

201 et seq., the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., and the sale of surplus commodities to not-for-profit organizations under § 22-1-101.

SECTION 401. Arkansas Code § 25-8-107(c), concerning the Office of Child Support Enforcement, is amended to read as follows:

(c) The Department of Human Services and the ~~Department~~ Division of Information Systems shall grant access to and provide information determined by the Office of Child Support Enforcement to be necessary to successfully accomplish its mission.

SECTION 402. Arkansas Code § 25-8-108 is amended to read as follows:

25-8-108. Contract labor.

The ~~Director~~ Secretary of the Department of Finance and Administration may authorize use of contract labor in the Revenue Division of the Department of Finance and Administration from January until July of a given year without regard to any limitation of duration or hours.

SECTION 403. Arkansas Code § 25-8-109 is amended to read as follows:

25-8-109. Loans to marketing and redistribution.

In the event the moneys available in the Property Sales Holding Fund are not adequate during any month of each year of the fiscal biennium to meet the payroll commitments of the Marketing and Redistribution Section of the Office of State Procurement ~~of the Department of Finance and Administration~~ for the regular salaries and personal services matching appropriation, the Chief Fiscal Officer of the State is hereby authorized to make loans, from time to time as needed, from the Budget Stabilization Trust Fund to the Property Sales Holding Fund to provide the moneys required to meet the payroll and personal services matching appropriation requirements for any such month. Provided that, if at the end of each fiscal year the Property Sales Holding Fund did not receive sufficient income to repay the entire amount of any such moneys borrowed from the Budget Stabilization Trust Fund for the purposes as authorized herein, the Chief Fiscal Officer of the State is hereby authorized to transfer from the State Central Services Fund such amount as is necessary to reimburse the Budget Stabilization Trust Fund in behalf of loans made to the Property Sales Holding Fund to reimburse the

Budget Stabilization Trust Fund for the amount of any such loan remaining unpaid at the end of each fiscal year.

SECTION 404. The introductory language of Arkansas Code § 25-8-110(6)(A), concerning additional duties of the Department of Finance and Administration, is amended to read as follows:

25-8-110. ~~Additional duties~~ Duties of the Department of Transformation and Shared Services and the Department of Finance and Administration.

(a) The Department of ~~Finance and Administration~~ Transformation and Shared Services shall:

(1) Develop retention schedules for control, preservation, protection, and disposition of the electronic records of state agencies under § 25-18-601 et seq.;

(2) Direct the development of policies and procedures that state agencies shall follow in developing information technology plans and technology-related budgets and technology project justification;

(3) Review procurements to ensure conformity with information policies and standards and state-level plans and implementation strategies;

(4) Advise state agencies on information technology contracts and agreements;

(5) Develop and promulgate rules and guidelines governing the retention and management of public records commonly found in most state agencies under § 25-18-601 et seq.; and

~~(6)(A)~~(b)(1) With assistance from the ~~Department~~ Division of Workforce Services, the Department of Finance and Administration shall establish and maintain a web page to:

~~(i)~~(A) Provide a menu of links to employer-related state web applications for required reporting, tax payments, and other data submissions;

~~(ii)~~(B) Allow an employer to select a link based upon a desired type of function or application and be redirected to the appropriate agency web application; and

~~(iii)~~(C) Provide information about tax submissions, employment reports, and child support submissions on the respective agency sites, including without limitation due dates, payment options, and agency contact information.

~~(B)~~(2) The initial scope of the web page shall include links to:

~~(i)~~(A) Online taxpayer services administered by the Department of Finance and Administration through the Arkansas Taxpayer Access Point web page;

~~(ii)~~(B) Unemployment and new hire submissions administered by the Department of Workforce Services; and

~~(iii)~~(C) Information concerning employer reporting and payment functions provided by the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration.

~~(C)~~(3) The web page shall be designed with sufficient flexibility to allow additional links to other state agencies to be added as appropriate.

SECTION 405. Arkansas Code § 25-28-101 is amended to read as follows:

25-28-101. Creation — Director — Organization — Personnel.

(a) There is created the Assessment Coordination ~~Department~~ Division.

(b)(1) The executive head of the ~~department~~ division shall be the Director of the Assessment Coordination ~~Department~~ Division.

(2) The director shall be appointed by the Governor, subject to confirmation by the Senate, and shall serve at the pleasure of the Governor.

(c) The ~~department~~ division shall consist of the divisions which may be necessary to fulfill its purposes and which may be created by law and placed under the ~~department~~ division.

(d)(1) The director, in consultation with the Secretary of the Department of Finance and Administration, shall appoint the heads of the respective divisions.

(2) All personnel of the ~~department~~ division shall be employed by the Department of Finance and Administration and shall serve at the pleasure of the ~~director~~ secretary.

(3) However, nothing in this section shall be so construed as to reduce any right which an employee of the ~~department~~ division shall have under any civil service or merit system.

(e)(1) Each division of the ~~department~~ Assessment Coordination Division shall be under the direction, control, and supervision of the director.

(2) The director may delegate his or her functions, powers, and duties to the various divisions of the Assessment Coordination Division as he or she shall deem desirable and necessary for the effective and efficient operation of the ~~department~~ division.

SECTION 406. Arkansas Code § 25-28-102 is amended to read as follows:

25-28-102. Transfer.

(a) The Assessment Coordination Division of the Arkansas Public Service Commission is transferred by a type 2 transfer as provided in § 25-2-105 to the Assessment Coordination ~~Department~~ Division.

(b) For purposes of this subchapter, the Assessment Coordination ~~Department~~ Division shall be considered a principal department established by Acts 1971, No. 38.

SECTION 407. Arkansas Code § 25-28-103(c)-(e), concerning the authority of the Arkansas Public Service Commission, are amended to read as follows:

(c) Any and all other statutory authority, powers, duties, functions, records, property, and funds administered or provided by other support divisions within the commission or by the commission for the Assessment Coordination Division shall be transferred by a type 2 transfer as provided in § 25-2-105 to the Assessment Coordination ~~Department~~ Division.

(d) Any and all other statutory authority, powers, duties, and functions of the commission regarding assessment and equalization of properties and the administration of the tax laws of this state not specifically retained by the commission or the Tax Division of the Arkansas Public Service Commission in this chapter shall be transferred by a type 2 transfer as provided in § 25-2-105 to the Assessment Coordination ~~Department~~ Division.

(e) Any and all other prescribed powers, duties, and functions of the commission regarding assessment and equalization of properties and the administration of the tax laws of this state not specifically retained by the commission or the Tax Division of the Arkansas Public Service Commission in this chapter, including rulemaking and regulation; promulgation of rules, rates, regulation and standards; and the rendering of findings, orders, and adjudications are transferred by a type 2 transfer as provided in § 25-2-105

to the Director of the Assessment Coordination ~~Department~~ Division.

SECTION 408. Arkansas Code § 25-28-104 is amended to read as follows:

25-28-104. Administrative Procedure Act.

The Assessment Coordination ~~Department~~ Division shall be subject to the Administrative Procedure Act, § 25-15-201 et seq.

SECTION 409. Arkansas Code § 25-28-107 is amended to read as follows:

25-28-107. Requirements of Director of the Assessment Coordination ~~Department~~ Division.

From and after July 1, 2000, the Director of the Assessment Coordination ~~Department~~ Division shall meet the qualifications required for certification or licensure as a Level 4 Appraiser in Arkansas, provided that the formal course work was or is satisfactorily completed in another state. At the time of appointing the director, the Governor shall include in the appointment document a statement that the appointee meets the qualifications prescribed by law.

SECTION 410. Arkansas Code § 25-28-108 is amended to read as follows:

25-28-108. Specifications for computer-assisted mass appraisal software.

(a) By July 1, 2005, the Assessment Coordination ~~Department~~ Division shall adopt and implement by rules final specifications for computer-assisted mass appraisal software.

(b)(1) The rules may provide a procedure by which the ~~department~~ division may directly compensate computer-assisted mass appraisal software providers who are in compliance with requirements set forth in the final specifications for computer-assisted mass appraisal software.

(2) The ~~department~~ division shall require computer-assisted mass appraisal software providers to comply with requirements set forth in the final specifications for computer-assisted mass appraisal software.

SECTION 411. Arkansas Code § 25-16-205(b), concerning the transition of funds, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue limitations and guidelines on the expenditure of

transition funds and make those limitations and guidelines a part of any appropriation.

SECTION 412. Arkansas Code § 25-16-511(c)(1) and (2), concerning recordkeeping requirements, is amended to read as follows:

(c)(1) The Auditor of State is authorized and directed to keep a register in his or her office of all checks which have been drawn upon state agency bank funds and approved for payment by the ~~Director~~ Secretary of the Department of Finance and Administration.

(2) The ~~director~~ secretary is directed to transmit to the Auditor of State all documents and information necessary to prepare this register.

SECTION 413. Arkansas Code § 25-18-214(b), concerning clerks and personal liability, is amended to read as follows:

(b) The volume shall not be loaned or removed except that the clerk, upon approval of the ~~Director~~ Secretary of the Department of Finance and Administration, may remove or otherwise dispose of bound volumes if the official reports are available in electronic or other readily accessible medium in each county in the State of Arkansas for the general use of the courts, county officials, and attorneys.

SECTION 414. Arkansas Code § 25-18-224(a)(2), concerning the distribution of quasijudicial opinions and orders, is amended to read as follows:

(2) Such quasijudicial board, commission, or agency may make a charge for providing such opinions and orders, but the charge shall be limited to the actual cost of reproduction and shall be approved by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 415. Arkansas Code § 25-18-402 is amended to read as follows:

25-18-402. Exemptions.

This subchapter does not prohibit the ~~Director~~ Secretary of the Department of Finance and Administration and his or her authorized agents from entering into agreements with taxpayers pursuant to § 26-18-705 which shall not be subject to public disclosure if the subject matter of the

agreement is protected from public disclosure by the Freedom of Information Act of 1967, § 25-19-101 et seq., or § 26-18-303, or other state law.

SECTION 416. Arkansas Code § 25-19-105(b)(3), concerning the examination and copying of public records, is amended to read as follows:

(3) The site files and records maintained by the Arkansas Historic Preservation Program of the ~~Department~~ Division of Arkansas Heritage and the Arkansas Archeological Survey;

SECTION 417. Arkansas Code § 25-27-103(a)(1), concerning the creation of the Information Network of Arkansas, is amended to read as follows:

(1) The ~~Executive~~ Director of the Arkansas Economic Development Commission or his or her designee;

SECTION 418. Arkansas Code § 25-27-103(a)(3), concerning the creation of the Information Network of Arkansas, is amended to read as follows:

(3) The ~~Director~~ Secretary of the Department of Finance and Administration, or the ~~director's~~ secretary's designee;

SECTION 419. Arkansas Code § 25-27-103(a)(4), concerning the creation of the Information Network of Arkansas, is amended to read as follows:

(4) Two (2) members, or their designees, who are chief executive officers of agencies of the executive branch other than the Department of Finance and Administration and the ~~Department~~ Division of Information Systems, shall be appointed by the Governor;

SECTION 420. Arkansas Code § 25-27-103(a)(8), concerning the creation of the Information Network of Arkansas, is amended to read as follows:

(8) The Director of the ~~Department~~ Division of Information Systems, or the director's designee.

SECTION 421. Arkansas Code § 25-30-205 is amended to read as follows:

25-30-205. Office facilities.

The Building Authority Division ~~of the Department of Finance and Administration~~ shall ensure that all offices of Arkansas Rehabilitation Services of the ~~Department~~ Division of Career Education are exemplary models

of accessibility and conform to the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., accessibility guidelines.

SECTION 422. Arkansas Code § 25-33-101(a)(1) and (2), concerning the creation of the State Technology Council, is amended to read as follows:

(1) The Director of the ~~Department~~ Division of Information Systems or his or her designee who shall act as chair of the council;

(2) The ~~Director~~ Secretary of the Department of Finance and Administration or his or her designee;

SECTION 423. Arkansas Code § 26-5-102(a), concerning an election to report tax on the basis of volume percentage, is amended to read as follows:

(a) Every taxpayer required to file an income tax return pursuant to provisions of the Income Tax Act of 1929, § 26-51-101 et seq., whose only activity within this state consists of sales and does not include owning or renting real estate or tangible personal property in this state and whose dollar volume of gross sales made during the last year within the State of Arkansas or its subdivisions, as the case may be, is not in excess of one hundred thousand dollars ($100,000) may elect to report any tax due the State of Arkansas on the basis of a percentage of this volume, and the ~~Director~~ Secretary of the Department of Finance and Administration is authorized to adopt rates which are calculated to produce a tax thereon which reasonably approximates the tax otherwise due under the laws of this state from these taxpayers.

SECTION 424. Arkansas Code § 26-5-103 is amended to read as follows:

26-5-103. State representative.

The ~~Director~~ Secretary of the Department of Finance and Administration of the State of Arkansas shall represent this state on the Multistate Tax Commission. The ~~director~~ secretary may, with the approval of the Governor, designate an alternate to serve on the commission in his or her place if there is on file with the commission written notification of the designation and the identity of the alternate.

SECTION 425. Arkansas Code § 26-5-106 is amended to read as follows:

26-5-106. Legal counsel.

The chief attorney of the Revenue Division of the Department of Finance and Administration is designated as counsel to represent this state at meetings of the Multistate Tax Commission. However, the ~~Director~~ Secretary of the Department of Finance and Administration may request the Attorney General of this state to attend meetings of the commission or to designate one (1) of his or her assistant attorneys general to attend commission meetings.

SECTION 426. Arkansas Code § 26-5-107 is amended to read as follows:

26-5-107. Interstate audit procedures.

The provisions of Article VIII of the Multistate Tax Compact, § 26-5-101, pertaining to interstate audits, shall not be applicable to this state unless the ~~Director~~ Secretary of the Department of Finance and Administration shall, with the approval of the Governor, determine that compliance with the interstate audits procedures would be in the better interest of this state and shall notify the commission of this fact in writing.

SECTION 427. Arkansas Code § 26-5-108 is amended to read as follows:

26-5-108. Authorized forms.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to adopt and use forms promulgated by the Multistate Tax Commission pursuant to Article VII of the Multistate Tax Compact, § 26-5-101.

SECTION 428. Arkansas Code § 26-17-201 is amended to read as follows:

26-17-201. Authority to employ.

The ~~Director~~ Secretary of the Department of Finance and Administration shall employ such clerical and legal assistants as he or she may deem necessary for the proper function of the Revenue Division of the Department of Finance and Administration.

SECTION 429. Arkansas Code § 26-17-202(a), concerning attorneys employed by the Department of Finance and Administration, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall employ one (1) or more attorneys for the Revenue Division of the Department of Finance and Administration if he or she deems it necessary and if a saving of money can be had by employing one (1) or more

attorneys for the division.

SECTION 430. The introductory language of Arkansas Code § 26-17-203, concerning field auditors, is amended to read as follows:

It shall be the duty of the ~~Director~~ Secretary of the Department of Finance and Administration in selecting field auditors to be employed by the Revenue Division of the Department of Finance and Administration to require that the applicants meet the following qualifications:

SECTION 431. Arkansas Code § 26-17-204 is amended to read as follows:

26-17-204. Bond.

All deputy commissioners and other employees of the Revenue Division of the Department of Finance and Administration collecting or handling funds shall be placed under bond, premium on which shall be paid by the state upon vouchers issued by the ~~Director~~ Secretary of the Department of Finance and Administration payable out of funds appropriated for that purpose.

SECTION 432. Arkansas Code § 26-17-301 is amended to read as follows:

26-17-301. Performance required.

All of the employees of the Revenue Division of the Department of Finance and Administration shall perform such duties and respond to such directions as the ~~Director~~ Secretary of the Department of Finance and Administration from time to time may enjoin.

SECTION 433. Arkansas Code § 26-17-302 is amended to read as follows:

26-17-302. Motor vehicle license fees.

The ~~Director~~ Secretary of the Department of Finance and Administration shall collect the motor vehicle license fees prescribed by law, and he or she is empowered to make and enforce the necessary rules and regulations to ensure those collections.

SECTION 434. Arkansas Code § 26-17-303 is amended to read as follows:

26-17-303. Petroleum products.

Inspection of petroleum oils and products required to be made by law shall devolve on the ~~Director~~ Secretary of the Department of Finance and Administration who shall collect the fees therefor provided by law.

SECTION 435. Arkansas Code § 26-17-304 is amended to read as follows:

26-17-304. Suits and other proceedings.

(a)(1)(A) The ~~Director~~ Secretary of the Department of Finance and Administration may:

(i) Institute and prosecute in his or her name as such all suits and other proceedings necessary for the collection of any taxes or fees collectible by him or her and which have become delinquent; and

(ii) Defend all suits and other proceedings concerning taxes, fees, or licenses administered by the ~~director~~ secretary.

(B) All suits and proceedings instituted by the ~~director~~ secretary or defended by the ~~director~~ secretary that concern taxes, fees, or licenses administered by the Revenue Division of the Department of Finance and Administration may be maintained or defended by an attorney authorized to represent the interests of the division pursuant to § 26-17-202.

(2) No deposits of advance cost shall be required of the ~~director~~ secretary in any suit or proceedings, nor shall he or she be required to give bond for cost, indemnity, or stay as a condition to the institution of any suit or proceedings or to the issuance, service, or execution of any process in any suit or proceedings or ancillary to any suit or proceedings or to the appeal from any adverse action.

(b)(1) The ~~director~~ secretary shall not be required to advance or pay any court costs to any court clerk for the institution or prosecution of any suit filed in his or her official capacity.

(2) No bond shall be required of the ~~director~~ secretary in obtaining restraining orders, injunctions, or any other cases in which a bond is required to be made by a litigant, including supersedeas bond upon appeal.

SECTION 436. Arkansas Code § 26-17-402 is amended to read as follows:

26-17-402. Authority to enter agreements.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized and empowered, on behalf of the State of Arkansas, to enter into reciprocal pacts and agreements with other states and with the government of the United States for the exchange of information and copies of public and private records, documents, books, and all other matters relative to taxes in which any state may be interested if the state or United States

government is a party to such an agreement or pact.

SECTION 437. Arkansas Code § 26-17-403 is amended to read as follows:

26-17-403. Powers and duties — Definition.

The ~~Director~~ Secretary of the Department of Finance and Administration and his or her agents are authorized and empowered to perform the duties necessary to comply with any pact or agreement with any other state or with the government of the United States as provided:

(1) Upon request of any state or government of the United States that is a party to a reciprocal pact or agreement with the State of Arkansas, the ~~director~~ secretary and his or her agents are empowered to furnish such information from public or private records as may be requested by a state;

(2) The ~~director~~ secretary and his or her agents in the performance of these duties are empowered to require any person, firm, or corporation to make records available to the director for examination and copying. These records shall be available to the ~~director~~ secretary or his or her agents at all reasonable times;

(3) The ~~director~~ secretary and his or her agents are empowered to question any person with reference to any matter involving Arkansas taxes or the taxes of any state or government of the United States with which the State of Arkansas may be a party to a pact or agreement for exchange of tax information if the state or government of the United States shall request assistance of the State of Arkansas in obtaining information. The ~~director~~ secretary and his or her agents are empowered to take depositions or written sworn statements in the performance of these duties. All persons, firms, or corporations shall, upon demand of the ~~director~~ secretary or his or her agents, supply full and accurate information. That information shall not be used against the person, firm, or corporation supplying the information in any grand jury investigation, indictment, or trial of any person, firm, or corporation involving violation of tax laws, it being the intent of this provision to comply fully with constitutional rights guaranteed to defendants which permit defendants to refrain from giving information or testimony against themselves;

(4) The ~~director~~ secretary and his or her agents shall not be empowered to make arrests of persons in Arkansas charged with violating tax laws of other states, unless those persons shall have been charged in the

courts of other states with such offenses and notices thereof, together with a certified copy of the charges, shall have been transmitted to the ~~director~~ secretary. Any person so arrested shall be permitted to maintain all rights relative to extradition of prisoners;

(5)(A) As used in this subdivision (5), "affected person" means a person who may be authorized by the ~~director~~ secretary to access or view federal tax information as a requirement of the person's job duties and who is also:

(i) A current employee of the Department of Finance and Administration;

(ii) An applicant for employment with the Department of Finance and Administration;

(iii) A current employee of a contractor of the Department of Finance and Administration; or

(iv) An applicant for employment with a contractor of the Department of Finance and Administration.

(B) The ~~director~~ secretary shall establish a criminal background investigation policy for all affected persons that shall include at least the following provisions:

(i) An affected person shall authorize the ~~director~~ secretary or his or her designee to obtain a state and national criminal background check at the expense of the Department of Finance and Administration;

(ii) A criminal background check shall be conducted by the Identification Bureau of the ~~Department~~ Division of Arkansas State Police and the Federal Bureau of Investigation and shall include the taking of fingerprints;

(iii) A criminal background check shall satisfy the background investigation standards established by the Internal Revenue Service with regard to access to federal tax information;

(iv) A criminal background check performed on an affected person before his or her employment by the ~~director~~ secretary or a contractor of the Department of Finance and Administration shall be conducted before an offer of employment is extended by the ~~director~~ secretary or the contractor of the Department of Finance and Administration;

(v) A criminal background check performed on an

affected person who is already employed by the ~~director~~ secretary or a contractor of the Department of Finance and Administration shall be conducted at least one (1) time every ten (10) years;

(vi) An affected person shall authorize the release of the criminal background check results to the ~~director~~ secretary or his or her designee, and the Identification Bureau of the ~~Department~~ Division of Arkansas State Police shall forward to the ~~director~~ secretary or his or her designee all information obtained as a result of the criminal background check;

(vii) Information received from a criminal background check shall be used only for the purpose of making decisions regarding the employment or retention of an affected person in a position in which access to federal tax information may or will be authorized;

(viii) Information received by the ~~director~~ secretary or his or her designee from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police under this section shall not be released to any party other than the affected person or his or her authorized representative; and

(ix)(a) An affected person who is employed by the Department of Finance and Administration or by a contractor of the Department of Finance and Administration shall notify the ~~director~~ secretary or his or her designee of an arrest for a misdemeanor or felony offense.

(b) Any information received under subdivision (5)(B)(ix)(a) of this section shall be used only for the purpose of the ~~director~~ secretary making a decision regarding retention of an affected person following the arrest.

(c) Failure to provide notice of a subsequent arrest under subdivision (5)(B)(ix)(a) of this section may be grounds for immediate termination of the affected person's employment or other action as the ~~director~~ secretary or his or her designee deems appropriate.

SECTION 438. Arkansas Code § 26-17-501 is amended to read as follows:

26-17-501. Penalty.

(a) If the ~~Director~~ Secretary of the Department of Finance and Administration, or any of his or her deputies or assistants shall collect or receive any tax, revenue, or funds by virtue of his or her official duties or

position and shall neglect or fail to turn them over to the Treasurer of State within ten (10) days after the tax, revenue, or funds shall have come into his or her hands or possession, the offender shall be deemed guilty of a felony and be punished by confinement in the state penitentiary for a period of not less than one (1) year and not more than five (5) years.

(b) The ~~director~~ secretary shall be liable upon his or her official bond for all funds not turned into the Treasurer of State within ten (10) days after they may come into the hands of the ~~director~~ secretary or any of his or her deputies or assistants.

SECTION 439. Arkansas Code § 26-17-502 is amended to read as follows:

26-17-502. Duty to remit revenues.

The ~~Director~~ Secretary of the Department of Finance and Administration shall turn over to the Treasurer of State all revenues that may come into his or her possession or into the possession of any of his or her deputies, promptly on the day the funds reach his or her office unless received after the office of the Treasurer of State shall have closed for the day, in which event the funds shall be turned over to the Treasurer of State on the first day the Treasurer of State's office is open after the funds are received at the office of the ~~director~~ secretary.

SECTION 440. Arkansas Code § 26-17-503 is amended to read as follows:

26-17-503. Daily remittance.

All collectors and field inspectors shall daily report and remit to the ~~Director~~ Secretary of the Department of Finance and Administration all collections made by them.

SECTION 441. Arkansas Code § 26-17-504 is amended to read as follows:

26-17-504. Deposits and collections.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall make daily deposits into the State Treasury of all moneys and checks collected by him or her.

(b) The Treasurer of State shall promptly return to the ~~director~~ secretary all checks which for any reason were not paid, and it shall be the duty of the ~~director~~ secretary to collect all such checks.

SECTION 442. Arkansas Code § 26-18-104(1), concerning the definition of the "assessment" under the Arkansas Tax Procedure Act, is amended to read as follows:

(1) "Assessment" means the determination and imposition of the amount of any state tax due and owing, whether made on a return filed by a taxpayer or by the ~~Director~~ Secretary of the Department of Finance and Administration on audit or otherwise;

SECTION 443. Arkansas Code § 26-18-104(4), concerning the definition of the "director" under the Arkansas Tax Procedure Act, is amended to read as follows:

(4) "Director" means the ~~Director~~ Secretary of the Department of Finance and Administration, State of Arkansas, or the Administrative Assistant for Revenue, or his or her authorized agent;

SECTION 444. Arkansas Code § 26-18-211 is amended to read as follows:

26-18-211. Failure to correct noncompliance after notification.

If a taxpayer has been previously advised that he or she has failed to comply with the provisions of the Arkansas Code or the rules and regulations as promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration by his or her failure to include all of the information required to be shown on the return or the inclusion of incorrect information and he or she continues to disregard those provisions, there shall be assessed a penalty of fifty dollars ($50.00) per return, unless the failure is due to reasonable cause and not due to willful neglect.

SECTION 445. Arkansas Code § 26-18-212 is amended to read as follows:

26-18-212. Failure to file a return after notification.

If a taxpayer has previously been advised that the taxpayer has not complied with the provisions of §§ 26-51-804(a), 26-51-908(g)(2), 26-52-501(a), 26-53-125(a)(1), or 26-55-229(b), because the taxpayer has not filed a return or notified the ~~Director~~ Secretary of the Department of Finance and Administration that the taxpayer is no longer required to file a return, even though no tax is due, and the taxpayer continues to disregard those provisions, there shall be assessed a penalty of fifty dollars ($50.00) per return, unless the failure is due to reasonable cause and not due to willful

neglect.

SECTION 446. Arkansas Code § 26-18-301 is amended to read as follows:

26-18-301. Duties of ~~director~~ secretary.

(a) The ~~director~~ Secretary of the Department of Finance and Administration shall:

(1) Administer and enforce the provisions of every state tax law and when necessary shall promulgate and enforce the rules and regulations;

(2) Audit and properly determine and compute the state tax payable by any taxpayer subject to taxation under any state tax law;

(3) Assess and collect any state tax; and

(4) Administer and enforce all state tax laws.

(b) The ~~director~~ secretary shall make available at cost to the general public all rules and regulations promulgated by the ~~director~~ secretary.

(c) The ~~director~~ secretary shall provide forms, schedules, and returns for all state tax laws.

(d) The ~~director~~ secretary may accept electronic or digital signatures as binding, valid signatures on all reports, forms, or schedules required to be filed by state law.

SECTION 447. Arkansas Code § 26-18-302 is amended to read as follows:

26-18-302. Preservation of records and copies.

(a)(1) The ~~director~~ Secretary of the Department of Finance and Administration shall keep and permanently preserve the original of all official rules, regulations, decisions, and orders and the effective date thereof.

(2)(A) A copy of a rule, regulation, decision, or order made by the ~~director~~ secretary in the administration of any state tax law may be authenticated under his or her official seal.

(B) An authenticated copy is admissible in any court in this state under § 16-46-101.

(C) The ~~director~~ secretary may charge a reasonable fee, not to exceed five dollars ($5.00), to cover the cost of authentication.

(D) Under no circumstances shall the ~~director~~ secretary furnish copies of records which may by law be prohibited from being made public.

(b)(1) The ~~director~~ secretary may microfilm any returns, reports, records, or documents received or issued by him or her in the administration of any state tax law.

(2) The microfilm records shall be properly indexed for easy retrieval, and one (1) copy shall be placed in a fireproof vault.

(3) These records are admissible as evidence in any court in this state under § 16-46-101 and shall have the same weight and force as the original thereof.

(c) If the ~~director~~ secretary determines that a method for the reproduction of records is more practicable than the use of microfilm, he or she may use that method.

SECTION 448. Arkansas Code § 26-18-303(a), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration is the official custodian of all records and files required by any state tax law to be filed with the ~~Director~~ Secretary of the Department of Finance and Administration and is required to take all steps necessary to maintain their confidentiality.

(2)(A)(i) Except as otherwise provided by this chapter, the records and files of the ~~Director~~ Secretary of the Department of Finance and Administration concerning the administration of any state tax law are confidential and privileged.

(ii) These records and files and any information obtained from these records or files or from any examination or inspection of the premises or property of any taxpayer shall not be divulged or disclosed by the ~~Director~~ Secretary of the Department of Finance and Administration or any other person who may have obtained these records and files.

(B) It is the specific intent of this chapter that all tax returns, audit reports, and information pertaining to any tax returns, whether filed by individuals, corporations, partnerships, or fiduciaries, shall not be subject to the provisions of the Freedom of Information Act of 1967, § 25-19-101 et seq.

SECTION 449. Arkansas Code § 26-18-303(b)(1)-(10), concerning confidential records, privilege, and exceptions, is amended to read as

follows:

(1) Publication of statistics by the ~~Director~~ Secretary of the Department of Finance and Administration classified to prevent the identification of a particular taxpayer;

(2) Use of the information in records filed under any state tax law by the ~~Director~~ Secretary of the Department of Finance and Administration when conducting any audit or investigation of any taxpayer in regard to any state tax;

(3)(A) Disclosure of information to the Attorney General of this state, any prosecuting attorney, or any other individual who is empowered by law to prosecute criminal and civil violations of any state tax law when the ~~Director~~ Secretary of the Department of Finance and Administration initiates the investigation.

(B) If the prosecution is initiated by the Attorney General or a prosecuting attorney, the ~~Director~~ Secretary of the Department of Finance and Administration shall not disclose any information unless required by subpoena issued by a circuit court.

(C) Information may be introduced as evidence by the Attorney General, a prosecuting attorney, or other individual so empowered when the individual is prosecuting any civil or criminal violation of state tax law;

(4) Disclosure compelled by any Arkansas circuit court, the Supreme Court, the Court of Appeals, or by any federal court of information involved in any case or controversy before that court;

(5) Disclosure by the taxpayer or the taxpayer's authorized agent or by the ~~Director~~ Secretary of the Department of Finance and Administration, at the taxpayer's request, of any information which the ~~Director~~ Secretary of the Department of Finance and Administration has concerning that taxpayer;

(6) Disclosure by the ~~Director~~ Secretary of the Department of Finance and Administration, at the ~~Director~~ Secretary of the Department of Finance and Administration's discretion, of information from the records of any state tax law to comparable officials of any other state or the United States who are charged with the administration of a similar tax;

(7) Disclosure of motor vehicle titling and registration information, all licenses and permits issued to owners and operators of coin-

operated amusement machines pursuant to §§ 26-57-402, 26-57-408 — 26-57-421, and 26-77-303, and tax records, files, and other information relating to sales of aviation fuel at airports and other aviation fuel outlets;

(8) Disclosure of information other than income tax information at an administrative hearing held regarding the issuance, cancellation, revocation, or suspension of licenses or permits issued by the ~~Director~~ Secretary of the Department of Finance and Administration or any other state agency or department;

(9)(A) Disclosure to the Student Loan Authority Division of the Arkansas Development Finance Authority, the ~~Department~~ Division of Higher Education, the Student Loan Guarantee Foundation of Arkansas, or any Arkansas public institution of higher education of the last known address or whereabouts or the last known employer of any person from whom these agencies are charged with collecting a student loan or other student indebtedness.

(B) In providing such information, the ~~Director~~ Secretary of the Department of Finance and Administration shall not allow the Student Loan Authority Division of the Arkansas Development Finance Authority, the Student Loan Guarantee Foundation of Arkansas, the ~~Department~~ Division of Higher Education, or any Arkansas public institution of higher education to examine the tax return;

(10)(A) In order to ensure proper payment to vendors by all agencies of state government or by county governments or city governments, information about the receipt or nonreceipt of sales tax permits by vendors must be made available by the ~~Director~~ Secretary of the Department of Finance and Administration upon request by these agencies of state government or by county governments or city governments.

(B) Therefore, notwithstanding any provision of this chapter or any other law to the contrary, in instances when state agencies, boards, commissions, and other branches of state government or county governments or city governments identify to the ~~Director~~ Secretary of the Department of Finance and Administration the identity of vendors receiving payments and ask the ~~Director~~ Secretary of the Department of Finance and Administration whether these vendors have been issued sales tax permits, the ~~Director~~ Secretary of the Department of Finance and Administration shall answer these inquiries;

SECTION 450. Arkansas Code § 26-18-303(16)(B) and (C), concerning confidential records, privilege, and exceptions, are amended to read as follows:

(B) This information may be released only following completion of an audit or investigation by the ~~Director~~ Secretary of the Department of Finance and Administration and following a determination by the ~~Director~~ Secretary of the Department of Finance and Administration that there is a strong possibility the taxpayer has failed to properly assess the taxpayer's personal property in the county.

(C) In providing this information, the ~~Director~~ Secretary of the Department of Finance and Administration shall not allow the county assessors to examine any tax returns or audit records;

SECTION 451. Arkansas Code § 26-18-303(b)(21), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(21)(A) To perform audit and compliance duties, disclosure to the ~~Department~~ Division of Workforce Services of withholding tax information reported by companies doing business in Arkansas, including without limitation taxpayer names, taxpayer addresses, tax identification numbers, and tax withholding information.

(B) Information received by the ~~Department~~ Division of Workforce Services under this section shall remain confidential and is not subject to disclosure except in accordance with this section;

SECTION 452. Arkansas Code § 26-18-303(c), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(c) The provisions of this section shall be strictly interpreted and shall not permit any other disclosure of tax information concerning a taxpayer, whether the taxpayer is an individual, a corporation, a partnership, or a fiduciary, that is contained in the records and files of the ~~Director~~ Secretary of the Department of Finance and Administration relating to income tax or any other state tax administered under this chapter.

SECTION 453. Arkansas Code § 26-18-303(e) and (f), concerning confidential records, privilege, and exceptions, is amended to read as

follows:

(e) Any person who knowingly obtains or attempts to obtain any of the confidential and privileged records and files of the ~~Director~~ Secretary of the Department of Finance and Administration who is not so permitted by law is guilty of a Class A misdemeanor.

(f) The ~~Director~~ Secretary of the Department of Finance and Administration shall report all violations of this section to the appropriate prosecuting attorney in this state.

SECTION 454. Arkansas Code § 26-18-303(g)(1), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(g)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate such regulations as are necessary to establish a reasonable procedure for making requests for and release of information under subdivision (b)(11) of this section, for allowing a taxpayer reasonable notice in advance of the release of the requested information, for a period of time up to seven (7) days from the date a request for information is made to provide notice and make necessary determinations, and to provide the methods by which the ~~Director~~ Secretary of the Department of Finance and Administration shall determine if the information requested is subject to disclosure under Arkansas law.

SECTION 455. Arkansas Code § 26-18-303(h)(1), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(h)(1) Upon the request of a county government or a city government, the ~~Director~~ Secretary of the Department of Finance and Administration shall provide a list of vendors within the requesting county or city who hold permits issued pursuant to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

SECTION 456. The introductory language of Arkansas Code § 26-18-303(i)(1), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(i)(1) The ~~Director~~ Secretary of the Department of Finance and Administration may disclose information from a return filed by a person, partnership, corporation, trust, or estate to any of the parties who signed

the return:

SECTION 457. Arkansas Code § 26-18-303(i)(2) and (3), concerning confidential records, privilege, and exceptions, are amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration may also disclose all information concerning the collection activity related to a tax return to any party who signed the return.

(3) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate such regulations as are necessary to establish a reasonable procedure for making requests for and for the release of information under this section.

SECTION 458. Arkansas Code § 26-18-303(j)(1)(C), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(C) The sharing of documents and other information between the ~~Director~~ Secretary of the Department of Finance and Administration, the Attorney General, and the Director of Arkansas Tobacco Control will put the state in a better position to prevent tobacco diversion and prevent cigarettes from being sold to youth and an already addicted adult population.

SECTION 459. Arkansas Code § 26-18-303(j)(2), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration may disclose documents and other information submitted by stamp deputies appointed under § 26-57-236 or those persons licensed or permitted under the terms of the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq., to the Attorney General or the Director of Arkansas Tobacco Control upon the request of the Attorney General or the Director of Arkansas Tobacco Control.

SECTION 460. Arkansas Code § 26-18-303(j)(4)(A), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(4)(A) The Attorney General and the Director of Arkansas Tobacco

Control may use the documents and other information provided under this subsection by the ~~Director~~ Secretary of the Department of Finance and Administration in proceedings before any court.

SECTION 461. Arkansas Code § 26-18-303(j)(4)(B)(i), concerning confidential records, privilege, and exceptions, is amended to read as follows:

(B)(i) However, the documents and other information shall not be presented in court except with the approval of the court in which the action is pending and after adequate notice to the person who initially furnished the documents or other information to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 462. Arkansas Code § 26-18-312(a), concerning signatures on electronic forms, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall develop procedures for the acceptance of signatures on state tax returns or reports in digital or other electronic form.

SECTION 463. Arkansas Code § 26-18-509 is amended to read as follows:

26-18-509. Liability for payment of taxes — Falsification of sales transaction records.

A person who violates § 5-37-507 is liable to the state for a civil penalty equal to the total amount of the tax evaded, not collected, or not accounted for and paid over to the ~~Director~~ Secretary of the Department of Finance and Administration that results from the violation.

SECTION 464. Arkansas Code § 26-18-701(a)(1), concerning the issuance of certificates of indebtedness and execution, is amended to read as follows:

(a)(1)(A) If a taxpayer does not timely and properly pursue his or her remedies seeking relief from a decision of the ~~Director~~ Secretary of the Department of Finance and Administration and a final assessment is made against the taxpayer, or if the taxpayer fails to pay the deficiency assessed upon notice and demand, then the ~~director~~ secretary shall, as soon as practicable thereafter, issue to the circuit clerk of any county of the state a certificate of indebtedness certifying that the person named in the

certificate of indebtedness is indebted to the state for the amount of the tax established by the ~~director~~ secretary as due.

(B)(i) If a taxpayer has a delinquent tax liability to the State of Arkansas of less than one thousand dollars ($1,000), the ~~director~~ secretary may enter into an agreement with the taxpayer to allow the taxpayer to pay the delinquency in installments.

(ii) The ~~director~~ secretary may choose not to issue a certificate of indebtedness during the period of the installment agreement if he or she determines that it is in the best interest of the state.

(C)(i) If a taxpayer has a total delinquent individual income tax liability to the State of Arkansas of less than two thousand dollars ($2,000), the ~~director~~ secretary may enter into an agreement with the taxpayer to allow the taxpayer to pay the delinquency in installments if:

(a) The installment agreement is for a period of twelve (12) months or less; and

(b) The installments are to be paid electronically.

(ii) The ~~director~~ secretary may choose not to issue a certificate of indebtedness during the period of the installment agreement if he or she determines that the issuance of a certificate of indebtedness is not in the best interest of the state.

SECTION 465. Arkansas Code § 26-18-701(a)(3)(C)(iii), concerning the issuance of certificates of indebtedness and execution, is amended to read as follows:

(iii) The ~~director~~ secretary shall not be required to file a release on a lien which has expired, and the provisions of § 26-18-808 dealing with failure to release liens are not applicable to this section.

SECTION 466. Arkansas Code § 26-18-701(b), concerning the issuance of certificates of indebtedness and execution, is amended to read as follows:

(b)(1) After entry of the certificate of indebtedness, the circuit clerk shall issue a writ of execution directed to the ~~director~~ secretary, authorizing the ~~director~~ secretary to levy upon and against all real and personal property of the taxpayer.

(2) The ~~director~~ secretary shall have all remedies and may take

all proceedings for the collection of the tax which may be taken for the recovery of a judgment at law.

(3) The writ of execution shall be issued, served, and executed in the same manner as provided for in the issuance and service of executions rendered by the circuit courts of this state, except the ~~director~~ secretary shall act in the place of the county sheriffs.

(4) The ~~director~~ secretary shall have this authority for all liens either presently filed or filed after the passage of this act.

SECTION 467. Arkansas Code § 26-18-701(c)(1), concerning the issuance of certificates of indebtedness and execution, is amended to read as follows:

(c)(1) Nothing in this chapter shall preclude the ~~director~~ secretary from resorting to any other means provided by law for collecting delinquent taxes.

SECTION 468. Arkansas Code § 26-18-701(c)(4), concerning the issuance of certificates of indebtedness and execution, is amended to read as follows:

(4) In the name of the state, the ~~director~~ secretary may sue to the same effect and extent as for the enforcement of a right of action for debt.

SECTION 469. Arkansas Code § 26-18-701(d)(1)(A), concerning the issuance of certificates of indebtedness and execution, is amended to read as follows:

(d)(1)(A) In addition to the remedies provided in subsections (b) and (c) of this section, the ~~director~~ secretary may direct the circuit clerk to issue a writ of execution directed to the county sheriff of any county authorizing the county sheriff to levy upon and against all real and personal property of the taxpayer.

SECTION 470. Arkansas Code § 26-18-701(d)(2)(B) and (C), concerning the issuance of certificates of indebtedness and execution, is amended to read as follows:

(B) These fees shall be collected from the taxpayer by either the ~~director~~ secretary or the county sheriff in addition to the tax, penalties, and interest included in the certificate of indebtedness.

(C) If the county sheriff is unable after diligent effort to collect the tax, interest, penalties, and costs, the ~~director~~ secretary may pay such fees as are properly shown to be due to the circuit clerk and county sheriff.

SECTION 471. Arkansas Code § 26-18-701(e), concerning the issuance of certificates of indebtedness and execution, is amended to read as follows:

(e) The ~~director~~ secretary may contract with persons inside or outside the state to help the ~~director~~ secretary collect delinquencies of resident or nonresident taxpayers.

SECTION 472. Arkansas Code § 26-18-705 is amended to read as follows:

26-18-705. Settlement or compromise of liability controversies.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration may enter into an agreement to compound, settle, or compromise any controversy relating to a state tax or any admitted or established tax liability as to any tax collectible under any state law when:

(1) The controversy is over the amount of tax due; or

(2) The inability to pay results from the insolvency of the taxpayer.

(b) The ~~director~~ secretary may waive or remit the interest or penalty, or any portion of the interest or penalty, ordinarily accruing because of a taxpayer's failure to pay a state tax within the statutory period allowed for its payment:

(1) If the taxpayer's failure to pay the tax is satisfactorily explained to the ~~director~~ secretary;

(2) If the failure results from a mistake by the taxpayer of either the law or the facts subjecting him or her to such tax; or

(3) If the inability to pay the interest or penalty results from the insolvency or bankruptcy of the taxpayer.

(c)(1) In settling or compromising any controversy relating to the liability of a person for any state tax for any taxable period, the ~~director~~ secretary may enter into a written closing agreement concerning the liability.

(2) When the closing agreement is signed by the ~~director~~ secretary, it shall be final and conclusive, and except upon a showing of

fraud or misrepresentation of a material fact, no additional assessment or collection shall be made by the ~~director~~ secretary, and the taxpayer shall not institute any judicial proceeding to recover such liabilities as agreed to in the closing agreement.

(d) The ~~director~~ secretary shall promulgate rules and regulations establishing guidelines for determining whether a proposed offer in compromise is adequate and is acceptable to resolve a tax dispute.

SECTION 473. Arkansas Code § 26-18-901 is amended to read as follows:

26-18-901. Office of Problems Resolution and Tax Information.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall request the General Assembly to appropriate funds and create positions for an Office of Problems Resolution and Tax Information, which shall resolve taxpayer problems directly and provide information to taxpayers concerning tax law. This office shall report directly to the ~~Administrative Assistant of Revenues~~ secretary or his or her designee.

(b) The ~~director~~ secretary shall have the authority to establish the duties of the office. The office shall give highest priority to reviewing taxpayer problems and taking prompt and appropriate action to resolve problems and respond to taxpayers.

SECTION 474. Arkansas Code § 26-18-902(a), concerning the creation of the Tax Advisory Council, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall establish a Tax Advisory Council consisting of representatives of the Arkansas Bar Association, the Arkansas Society of Certified Public Accountants, the Arkansas Society of Public Accountants, the Office of Problems Resolution and Tax Information, other taxpayer-oriented groups, and other representatives of the Revenue Division of the Department of Finance and Administration.

SECTION 475. Arkansas Code § 26-18-903 is amended to read as follows:

26-18-903. Employee evaluation criteria.

The ~~Director~~ Secretary of the Department of Finance and Administration shall develop employee evaluation criteria requiring compliance with the Taxpayer Bill of Rights, § 26-18-801 et seq., and quality taxpayer

assistance, which shall be included in the annual evaluation of each employee whose job responsibilities include taxpayer contact.

SECTION 476. The introductory language of Arkansas Code § 26-18-904(a), concerning collection activity, erroneous action, and a claim for damages, is amended to read as follows:

(a) A claim may be filed with the Department of Finance and Administration for any actual damages sustained as a result of any erroneous action taken in a collection activity. Each claimant applying for reimbursement shall file a claim in such form as may be prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration. In order for the claim to be granted, the claimant must establish that:

SECTION 477. The introductory language of Arkansas Code § 26-18-1001(a), concerning business closure authority and notice, is amended to read as follows:

(a) In addition to all other remedies provided by law for the collection of unpaid taxes, the ~~Director~~ Secretary of the Department of Finance and Administration may close the business of a noncompliant taxpayer as defined by § 26-18-104, subject to the administrative and judicial appeal procedures in this subchapter, if the noncompliant taxpayer for three (3) times within any consecutive twenty-four-month period fails to either:

SECTION 478. Arkansas Code § 26-18-1001(b)(1), concerning business closure authority and notice, is amended to read as follows:

(b)(1) The ~~director~~ secretary shall give notice to the noncompliant taxpayer that the third delinquency in reporting or remitting tax in any consecutive twenty-four-month period will result in the closure of the business.

SECTION 479. Arkansas Code § 26-18-1001(c)(1), concerning business closure authority and notice, is amended to read as follows:

(c)(1) If the noncompliant taxpayer has a third delinquency in reporting or remitting tax in any consecutive twenty-four-month period after the issuance of the notice provided in subsection (b) of this section, the ~~director~~ secretary shall notify the noncompliant taxpayer by certified mail

or by hand delivery that the business will be closed within five (5) business days from the date of the notice unless the noncompliant taxpayer makes arrangements with the ~~director~~ secretary to satisfy the tax delinquency.

SECTION 480. Arkansas Code § 26-18-1001(d)(2), concerning business closure authority and notice, is amended to read as follows:

(2) Entering into a payment agreement approved by the ~~director~~ secretary to satisfy the tax delinquency.

SECTION 481. Arkansas Code § 26-18-1001(e), concerning business closure authority and notice, is amended to read as follows:

(e) After written notice delivered to a lottery retailer by the United States Postal Service or by hand delivery, the ~~director~~ secretary may pursue a remedy under this subchapter against a lottery retailer as a noncompliant taxpayer upon receiving a referral from the Office of the Arkansas Lottery under § 23-115-605.

SECTION 482. Arkansas Code § 26-18-1002(a), concerning administrative hearings, is amended to read as follows:

(a) A noncompliant taxpayer may request an administrative hearing concerning the decision of the ~~Director~~ Secretary of the Department of Finance and Administration to close the noncompliant taxpayer's business by following the procedures in this section.

SECTION 483. Arkansas Code § 26-18-1002(c)(2), concerning administrative hearings, is amended to read as follows:

(2) The ~~director~~ secretary has the discretion to determine whether an administrative hearing at which testimony is to be presented will be conducted in person or by telephone.

SECTION 484. Arkansas Code § 26-18-1002(d), concerning administrative hearings, is amended to read as follows:

(d) The administrative hearing will be conducted by a hearing officer appointed by the ~~director~~ secretary under § 26-18-405.

SECTION 485. Arkansas Code § 26-18-1002(f), concerning administrative

hearings, is amended to read as follows:

(f)(1) The hearing may be held in any city in which the Revenue Division of the Department of Finance and Administration maintains a field audit district office or in such other city as the ~~director~~ secretary may designate.

(2) The administrative hearing will be held within fourteen (14) calendar days of receipt by the ~~director~~ secretary of the request for hearing.

SECTION 486. Arkansas Code § 26-18-1002(h)(2), concerning administrative hearings, is amended to read as follows:

(2) That the noncompliant taxpayer has entered into a written payment agreement, approved by the ~~director~~ secretary, to satisfy the tax delinquency.

SECTION 487. Arkansas Code § 26-18-1002(j), concerning administrative hearings, is amended to read as follows:

(j) A decision of the hearing officer to sustain the ~~director's~~ secretary's decision to close the business of the noncompliant taxpayer is effective twenty (20) days after the date of the decision and, except as provided under § 26-18-1003, acts as an injunction prohibiting further operation of the business.

SECTION 488. Arkansas Code § 26-18-1003(a)(1), concerning the definition of "administrative decision" under the laws regarding judicial relief, is amended to read as follows:

(1) "Administrative decision" means a decision issued under § 26-18-1002 to affirm the decision of the ~~Director~~ Secretary of the Department of Finance and Administration to close the business of a noncompliant taxpayer;

SECTION 489. Arkansas Code § 26-18-1003(a)(3), concerning the definition of "business closure order" under the laws regarding judicial relief, is amended to read as follows:

(3) "Business closure order" means a notice of closure issued by the ~~director~~ secretary under § 26-18-1001.

SECTION 490. Arkansas Code § 26-18-1003(c)(1)(B), concerning judicial relief, is amended to read as follows:

(B) An order of a circuit court to stay the effect of an administrative decision may be revoked if the ~~director~~ secretary provides proof that the taxpayer has failed to timely file returns for or make full payment of the taxes identified in § 26-18-1001(a) after the date suit is filed under this section.

SECTION 491. Arkansas Code § 26-18-1003(c)(2), concerning judicial relief, is amended to read as follows:

(2) If a noncompliant taxpayer fails to obtain an order staying the effect of the administrative decision or if an order staying the effect of the administrative decision is later revoked, the ~~director~~ secretary shall follow the procedures in §§ 26-18-1004 and 26-18-1005 to enforce the closure of the business pending the outcome of the suit filed under this section.

SECTION 492. Arkansas Code § 26-18-1003(d), concerning judicial relief, is amended to read as follows:

(d) The noncompliant taxpayer or the ~~director~~ secretary may file an appeal of the circuit court decision to the appropriate appellate court as provided by law.

SECTION 493. The introductory language of Arkansas Code § 26-18-1004(a), concerning the procedures for business closure, is amended to read as follows:

(a) If a noncompliant taxpayer fails to timely seek administrative or judicial review of a business closure decision or if the business closure decision is affirmed after administrative or judicial review, the ~~Director~~ Secretary of the Department of Finance and Administration shall affix a written notice to all entrances of the business that:

SECTION 494. Arkansas Code § 26-18-1004(b), concerning the procedures for business closure, is amended to read as follows:

(b)(1) The ~~director~~ secretary may also lock or otherwise secure the business so that it may not be operated.

(2) However, if the business is located in the noncompliant taxpayer's home, the ~~director~~ secretary shall not lock or otherwise secure the business but may post the notice under subsection (a) of this section.

SECTION 495. Arkansas Code § 26-18-1004(c) and (d), concerning the procedures for business closure, is amended to read as follows:

(c) The ~~director~~ secretary may request the assistance of the ~~Department~~ Division of Arkansas State Police or any state or local law enforcement official to post the notice or to secure the business as authorized in this section.

(d) Any taxpayer information disclosed by the ~~director~~ secretary under the procedures outlined in this section shall not be subject to the confidentiality provisions of § 26-18-303.

SECTION 496. Arkansas Code § 26-18-1005(a), concerning the suspension of a business license, is amended to read as follows:

(a) After the decision to close the noncompliant taxpayer's business becomes final, the ~~Director~~ Secretary of the Department of Finance and Administration shall contact the appropriate administrative body responsible for granting licenses to operate the business and report the closure of the business.

SECTION 497. Arkansas Code § 26-18-1006 is amended to read as follows:

26-18-1006. Authority to promulgate rules.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules necessary for the enforcement of this subchapter.

SECTION 498. Arkansas Code § 26-19-103 is amended to read as follows:

26-19-103. Authority of ~~director~~ Secretary of the Department of Finance and Administration.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to require, and to contract for services necessary to implement, payment of taxes as specified in this subchapter by electronic funds transfer. Provided, however, that this subchapter shall not be construed to require the ~~director~~ secretary to contract for such services or implement a system for payment of any taxes by electronic funds transfer if

the ~~director~~ secretary determines that it is fiscally unsound or administratively burdensome to do so.

SECTION 499. The introductory language of Arkansas Code § 26-19-105(a)(1), concerning tax payments by a taxpayer, is amended to read as follows:

(a)(1) If the ~~Director~~ Secretary of the Department of Finance and Administration determines that a taxpayer's monthly liability for the following taxes for any calendar year equals or exceeds twenty thousand dollars ($20,000), the taxpayer shall pay any tax due by electronic funds transfer:

SECTION 500. The introductory language of Arkansas Code § 26-19-105(a)(2), concerning tax payments by a taxpayer, is amended to read as follows:

(2) If the ~~director~~ secretary determines that a taxpayer's monthly liability for the following taxes for any calendar year equals or exceeds twenty thousand dollars ($20,000), the taxpayer shall pay the taxes due by electronic funds transfer:

SECTION 501. Arkansas Code § 26-19-105(c)(2)(C), concerning tax payments by a taxpayer, is amended to read as follows:

(C) The annual withholding return shall be made on such a form and shall include such information as the ~~director~~ secretary prescribes.

SECTION 502. Arkansas Code § 26-19-106(a), concerning tax payments by corporations, is amended to read as follows:

(a) If the ~~Director~~ Secretary of the Department of Finance and Administration determines that a corporation's estimated quarterly state income tax liability under § 26-51-911 et seq. equals or exceeds twenty thousand dollars ($20,000), the corporation shall pay the quarterly income taxes due by electronic funds transfer.

SECTION 503. Arkansas Code § 26-19-106(c)(1), concerning tax payments by corporations, is amended to read as follows:

(c)(1) The transfer shall be made no later than the day before the due

date for payment of the taxes so that payment of the taxes is received by the ~~director~~ secretary on or before the due date for payment of the taxes as required by the laws of this state.

SECTION 504. Arkansas Code § 26-19-107(c)(1)(B), concerning penalties in regards to electronic funds, is amended to read as follows:

(B) The taxpayer accurately provides the ~~Director~~ Secretary of the Department of Finance and Administration with sufficient information from which the payment may be applied to the correct account, including, but not limited to, the taxpayer's name, account number, tax type, tax period, and the amount of the payment; and

SECTION 505. Arkansas Code § 26-19-107(c)(2)(B), concerning penalties in regards to electronic funds, is amended to read as follows:

(B) The transfer contains an electronic addenda which allows the ~~director~~ secretary to identify the taxpayer, tax account number, tax payment amount, tax type, and tax period in accordance with instructions provided by the ~~director~~ secretary;

SECTION 506. Arkansas Code § 26-19-107(c)(3)(B), concerning penalties in regards to electronic funds, is amended to read as follows:

(B) The ~~director~~ secretary will notify the taxpayer in writing of the failure to meet the conditions with respect to a particular reporting period.

SECTION 507. Arkansas Code § 26-19-108 is amended to read as follows:

26-19-108. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to adopt rules and regulations which he or she deems necessary to implement and enforce the provisions of this subchapter.

SECTION 508. Arkansas Code § 26-20-102(4), concerning the definition of "director" under the Uniform Sales and Use Tax Administration Act, is amended to read as follows:

(4) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 509. Arkansas Code § 26-20-104 is amended to read as follows:

26-20-104. Authority to enter agreement.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized and directed to enter into the Streamlined Sales and Use Tax Agreement with one (1) or more states to simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for all sellers and for all types of commerce.

(b) In furtherance of the agreement, the ~~director~~ secretary is authorized to act jointly with other states that are members of the agreement to establish standards for certification of a certified service provider and certified automated system and establish performance standards for multistate sellers.

(c) The ~~director~~ secretary is further authorized to take other actions reasonably required to implement the provisions set forth in this chapter.

(d) Other actions authorized by this section include, but are not limited to, the adoption of rules and regulations and the joint procurement, with other member states, of goods and services in furtherance of the cooperative agreement.

(e) The ~~director~~ secretary or his or her designee is authorized to represent this state before the other states that are signatories to the agreement.

SECTION 510. The introductory language of Arkansas Code § 26-20-106, concerning the requirements for the Director of the Department of Finance and Administration to enter into an agreement, is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration shall not enter into the agreement unless it requires each state to abide by the following requirements:

SECTION 511. Arkansas Code § 26-21-107(b)(1), concerning the administration of use-based exemptions, is amended to read as follows:

(b)(1) A seller that follows the exemption requirements as prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration shall be relieved from any tax otherwise applicable if it is determined that the purchaser improperly claimed an exemption.

SECTION 512. The introductory language of Arkansas Code § 26-21-108(a), concerning returns and remittance of funds, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules to provide:

SECTION 513. Arkansas Code § 26-21-110(a), concerning amnesty for unpaid sales or use tax upon registration, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide amnesty for uncollected or unpaid sales or use tax to a seller that registers to pay or to collect and remit applicable sales or use tax on sales made to purchasers in the state in accordance with the terms of the agreement, provided that the seller was not registered to collect sales and use tax in the State of Arkansas in the twelve-month period preceding the effective date of the state's participation in the agreement.

SECTION 514. The introductory language of Arkansas Code § 26-21-110(g), concerning amnesty for unpaid sales or use tax upon registration, is amended to read as follows:

(g) The ~~director~~ secretary shall also provide amnesty to a seller for uncollected or unpaid sales or use tax if:

SECTION 515. The introductory language of Arkansas Code § 26-21-111(a), concerning the certification and payment of service providers and automated systems, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration may:

SECTION 516. Arkansas Code § 26-21-113 is amended to read as follows:

26-21-113. Promulgation of rules.

The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and develop forms to implement the provisions of this chapter.

SECTION 517. Arkansas Code § 26-21-114(4), concerning the governing

board under the Streamlined Sales Tax Administrative Act, is amended to read as follows:

(4) The ~~Director~~ Secretary of the Department of Finance and Administration or his or her designee.

SECTION 518. Arkansas Code § 26-25-107 is amended to read as follows:

26-25-107. Ordinance.

(a)(1) Every city or county that adopts an ordinance levying a local sales and use tax which is collected by the ~~Director~~ Secretary of the Department of Finance and Administration shall submit the ordinance to the ~~director~~ secretary at least forty-five (45) days prior to the election on the levy.

(2) The ~~director~~ secretary shall review the ordinance to determine if the proposed levy complies with all statutory requirements and limitations, including a separate levy of the sales and use tax, and an authorized sales or use tax rate.

(b)(1) The ~~director~~ secretary shall approve or reject the ordinance and provide written notice to the city or county within fifteen (15) days of receipt of the ordinance.

(2)(A) If the ordinance is rejected, the ~~director~~ secretary shall note the defects.

(B) If the ordinance is rejected and the city or county fails to correct the noted defects, any tax levied by the defective ordinance shall not be collected by the ~~director~~ secretary.

(c) Whenever a special election is called for the purpose of submitting an initiated measure which levies a city or county sales and use tax to be collected by the ~~director~~ secretary, the county board of election commissioners shall submit the initiated measure to the ~~director~~ secretary and the provisions of subsections (a) and (b) of this section shall apply.

(d) No ordinance or initiated measure shall be deemed invalid because of the failure to submit the ordinance or measure to the ~~director~~ secretary or to use a sample form, and such failure shall not constitute a cause of action to invalidate an ordinance or initiated measure.

SECTION 519. Arkansas Code § 26-26-502 is amended to read as follows:

26-26-502. Deputy county assessors.

The county assessor in each county, with the approval of the ~~Director~~ Secretary of the Department of Finance and Administration, is authorized to deputize one (1) or more full-time or part-time clerks or other employees in the county revenue office and to authorize these deputies to assess personal property or to list personal property for assessment for ad valorem taxes.

SECTION 520. Arkansas Code § 26-26-706(a), concerning a list of motor vehicle licenses, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall institute a system in which the county assessor and the county collector shall notify the ~~director~~ secretary that a vehicle owner has assessed a vehicle and has paid all personal property taxes that were due by the preceding October 15. Upon receipt of the notification, the ~~director~~ secretary shall renew the vehicle license.

SECTION 521. Arkansas Code § 26-26-1604(a)(2), concerning delinquency in a filing statement, is amended to read as follows:

(2) The Tax Division of the Arkansas Public Service Commission shall advise the company in writing of the delinquency, and, thereafter, should the company fail to file the statement before May 1, the division shall immediately report the delinquency to the appropriate commission, and should delinquency exist on May 31 of the assessment year, the commission shall certify the delinquency to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 522. Arkansas Code § 26-26-1604(b), concerning delinquency in a filing statement, is amended to read as follows:

(b)(1) By proper action in the name of the state, the ~~director~~ secretary may recover from any delinquent company a penalty not to exceed one hundred dollars ($100) for each day's delinquency, beginning as of March 1 of the assessment year.

(2) In the alternative, the ~~director~~ secretary may petition the commission for revocation of the certificate or permit of authority issued to the delinquent company to operate in the State of Arkansas.

SECTION 523. Arkansas Code § 26-26-1610(b)(2)(A), concerning the

notice of assessment and review of funds, is amended to read as follows:

(2)(A) All hearings on the petition shall be had before the appropriate commission or its agent on or before November 1 after assessment notice has been given. However, hearings on petitions for review of assessments of bus lines, motor carriers, airlines, water transportation companies, and private car companies, which assessments are certified to the ~~Director~~ Secretary of the Department of Finance and Administration for collection of tax, shall be to the appropriate commission or its agent, on or before December 31 of the assessing year.

SECTION 524. Arkansas Code § 26-26-614 is amended to read as follows:

26-26-1614. Levy and collection of taxes.

(a)(1) Having ascertained and fixed the taxable value of the tangible and intangible property used or held for use in the operation of each intercounty bus line, intercounty motor freight, airline, or water transportation company, as required by law, the Tax Division of the Arkansas Public Service Commission shall levy and extend against each valuation the average rate of ad valorem levy prevailing throughout this state for the assessment year, and then ten (10) days before the due date, the division shall certify the tax to the ~~Director~~ Secretary of the Department of Finance and Administration for collection.

(2) The ~~director~~ secretary shall immediately forward by first-class mail a notice showing the assessed valuation, applicable rate of levy, the amount of tax charged, and the due date of the tax charged to each company against which a tax has been extended and so certified.

(b)(1) If the taxes are not paid on or before the date on which ad valorem taxes or any part of ad valorem taxes on personal property become delinquent, the ~~director~~ secretary shall add a penalty of ten percent (10%) and mail a statement of the tax and penalty to each person, company, or corporation so delinquent.

(2)(A) If the tax and penalty are not paid on or before the date on which a county collector may collect taxes by distraint, in lieu of the ten percent (10%) penalty, the ~~director~~ secretary shall add to the tax a penalty of twenty-five percent (25%).

(B) The statement of tax and ten percent (10%) penalty from the ~~director~~ secretary shall warn that if the tax and penalty are not

paid within the time stated, in lieu of the ten percent (10%) penalty, a penalty of twenty-five percent (25%) will be added.

(c)(1) For the purpose of collecting the taxes and penalties, in addition to the powers vested in the ~~director~~ secretary for the collection of taxes, the ~~director~~ secretary shall have all the powers vested in county collectors for the purpose of collecting delinquent personal property taxes.

(2) The ~~director~~ secretary may petition the Arkansas Public Service Commission for revocation of the certificate or permit of authority issued to the delinquent company to operate in the State of Arkansas.

SECTION 525. Arkansas Code § 26-26-1706 is amended to read as follows:

26-26-1706. Levy of tax, collection, and penalty for delinquency.

(a) The Tax Division of the Arkansas Public Service Commission, having ascertained and fixed the assessed valuation of the cars of each private car company as provided in § 26-26-1705, shall levy and extend against each valuation the average rate of ad valorem levy prevailing throughout the state for the respective assessment year, this rate to be determined as provided by § 26-26-1615, whereupon, the division, ten (10) days before due date, shall certify the tax so extended to the ~~Director~~ Secretary of the Department of Finance and Administration for collection.

(b) The ~~director~~ secretary shall immediately forward by first-class mail to each private car company against which a tax has been extended and so certified a notice showing the assessed valuation, the applicable rate of levy, the amount of tax charged, and the due date thereof.

(c)(1) If the taxes are not paid on or before the date on which taxes, ad valorem, or any part thereof, on personal property become delinquent, the ~~director~~ secretary shall add a penalty of ten percent (10%) and mail to each company so delinquent a statement of the tax and penalty.

(2)(A) If the tax and penalty are not paid on or before the date on which county collectors are authorized to collect taxes by distraint, the ~~director~~ secretary shall, in lieu of the ten percent (10%) penalty, add to the tax a penalty of twenty-five percent (25%) and certify the tax and penalty to the Attorney General for collection.

(B) The ~~director's~~ secretary's statement of tax and ten percent (10%) penalty shall warn that if the tax and penalty are not paid within the time therein stated, in lieu of the ten percent (10%) penalty, a

penalty of twenty-five percent (25%) will be added, and the tax and penalty shall be certified to the Attorney General for collection.

(d) For the purpose of collecting these taxes and penalties, the ~~director~~ secretary or the Attorney General, in addition to the powers in them vested for the collection of taxes, shall have all the powers vested in county collectors for the purpose of collecting delinquent personal property taxes.

SECTION 526. Arkansas Code § 26-34-109(d), concerning common carriers and not carrying goods on which taxes are not paid, is amended to read as follows:

(d) All taxes due under this section may be recovered by a civil action brought at the instance of the Attorney General in the name of the ~~Director~~ Secretary of the Department of Finance and Administration of the State of Arkansas.

SECTION 527. Arkansas Code § 26-36-306 is amended to read as follows:

26-36-306. Minimum sum collectible.

A claimant agency shall not be allowed to effect final setoff and collect debts through use of the remedy established under this subchapter unless the debt is at least twenty dollars ($20.00). However, the Revenue Division of the Department of Finance and Administration may set off any lesser sum, regardless of this provision, which the ~~Director~~ Secretary of the Department of Finance and Administration shall establish as economically justifiable.

SECTION 528. Arkansas Code § 26-36-309(b)(2), concerning the notification of a debtor, is amended to read as follows:

(2) The notification form shall be approved by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 529. Arkansas Code § 26-36-315(b)(1), concerning joint refunds, is amended to read as follows:

(b)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall notify each taxpayer due a joint refund of the amount and the date of a proposed setoff for a debt certified by a claimant agency

to the Revenue Division of the Department of Finance and Administration.

SECTION 530. Arkansas Code § 26-36-315(c)(2), concerning joint refunds, is amended to read as follows:

(2) The nondebtor taxpayer may request the ~~director~~ secretary to consider his or her request for relief upon written documents furnished by the nondebtor taxpayer or upon the written document and the evidence produced by the nondebtor taxpayer at a hearing conducted under the Arkansas Tax Procedure Act, § 26-18-101 et seq.

SECTION 531. Arkansas Code § 26-36-315(d), concerning joint refunds, is amended to read as follows:

(d) A nondebtor taxpayer who requests the ~~director~~ secretary to render his or her decision based on written documents is not entitled by law to any other administrative hearing before the ~~director's~~ secretary's rendering of his or her decision.

SECTION 532. Arkansas Code § 26-36-320, is amended to read as follows:

26-36-320. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to prescribe forms and make all rules which he or she deems necessary in order to effectuate the intent of this subchapter.

SECTION 533. Arkansas Code § 26-36-321(a), concerning a setoff for debt to the Internal Revenue Service, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration may enter into an agreement with the Internal Revenue Service to setoff state income tax refunds to satisfy a past-due and legally enforceable debt to the Internal Revenue Service.

SECTION 534. Arkansas Code § 26-50-102(a)(1) and (2), concerning the requirement of a wholesaler to furnish a list of retailers, are amended to read as follows:

(a)(1) It shall be the duty of all persons, firms, and corporations, and all business establishments of every kind engaged in the wholesale business of selling merchandise in this state to furnish, upon the request in

writing of the ~~Director~~ Secretary of the Department of Finance and Administration of this state, the names of any retailers or other persons to whom sales have been made, together with the amount of the sales for any given period, to be used by the ~~director~~ secretary or his or her agents for the purposes of collecting the gross receipts, use, or other tax as may be due this state, but for no other purpose.

(2) The information provided for shall be furnished to the ~~director~~ secretary within thirty (30) days.

SECTION 535. Arkansas Code § 26-50-102(b), concerning the requirement of a wholesaler to furnish a list of retailers, is amended to read as follows:

(b) Any wholesale concern selling merchandise in this state failing and refusing to give the information in writing, as requested by the ~~director~~ secretary, is declared to be liable for any and all tax and penalty found to be due by the retailer for such period of time as is determined by the ~~director~~ secretary in event the tax is not collectible from the retailer.

SECTION 536. Arkansas Code § 26-51-102(2), concerning the definition of "director" under the laws governing income taxes, is repealed.

~~(2) "Director" means the Director of the Department of Finance and Administration;~~

SECTION 537. Arkansas Code § 26-51-104 is amended to read as follows:

26-51-104. Administration.

The ~~Director~~ Secretary of the Department of Finance and Administration shall administer and enforce the tax imposed by the Income Tax Act of 1929.

SECTION 538. Arkansas Code § 26-51-105 is amended to read as follows:

26-51-105. Income tax director, officers, agents, and employees.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration, with the approval of the Governor, may appoint and remove a person to be known as the Income Tax Director who, under the ~~Director~~ Secretary of the Department of Finance and Administration's supervision, shall have the direction and control of the assessment and collection of the taxes imposed by the Income Tax Act of 1929.

(b) The Income Tax Director, with the approval of the Governor, may appoint such other officers, agents, deputies, clerks, and employees as he or she may deem necessary, such appointees to have the duties and powers which the ~~Director~~ Secretary of the Department of Finance and Administration may from time to time prescribe.

(c) The salaries of all such officers, agents, and employees shall be fixed by the ~~Director~~ Secretary of the Department of Finance and Administration not to exceed the amounts appropriated by the General Assembly; and the ~~Director~~ Secretary of the Department of Finance and Administration and such officers, agents, and employees shall be allowed reasonable and necessary traveling and other expenses incurred in the performance of their duties not to exceed the amounts appropriated by the General Assembly.

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may require such of the officers, agents, and employees as he or she may designate to give bond for the faithful performance of their duties and in such sum and with such sureties as he or she may determine, and all premiums on these bonds shall be paid by the ~~Director~~ Secretary of the Department of Finance and Administration out of moneys appropriated for the purposes of the Income Tax Act of 1929.

SECTION 539. Arkansas Code § 26-51-106 is amended to read as follows:

26-51-106. Publication of statistics.

The ~~Director~~ Secretary of the Department of Finance and Administration shall prepare and publish annually statistics reasonably available, with respect to the operation of the Income Tax Act of 1929, including amounts collected, classifications of taxpayers, income, exemptions, and such other facts as are deemed pertinent and valuable.

SECTION 540. Arkansas Code § 26-51-201(d)(1), concerning taxes for individuals, trusts, and estates, is amended to read as follows:

(d)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall prescribe annually a table which shall apply in lieu of the table contained in subsection (a) of this section with respect to each succeeding taxable year. The ~~director~~ secretary shall increase the minimum and maximum dollar amounts for each rate bracket, rounding to the nearest one

hundred dollars ($100), for which a tax is imposed under the table by the cost-of-living adjustment for each calendar year and by not changing the rate applicable to any rate bracket as adjusted.

SECTION 541. Arkansas Code § 26-51-201(d)(3), concerning taxes for individuals, trusts, and estates, is amended to read as follows:

(3) The new tables, as adjusted annually, shall be used by the ~~director~~ secretary in preparing the income tax withholding tables pursuant to § 26-51-907.

SECTION 542. The introductory language of Arkansas Code § 26-51-201(e), concerning taxes for individuals, trusts, and estates, is amended to read as follows:

(e) If the ~~director~~ secretary determines that federal law authorizes the state to collect sales and use tax from sellers that do not have a physical presence in the state, then after the first twelve (12) months of collecting sales and use tax from sellers that do not have a physical presence in the state, the ~~director~~ secretary shall:

SECTION 543. Arkansas Code § 26-51-202(e)(3)(B), concerning taxes for nonresidents, is amended to read as follows:

(B) Likewise, the provisions of subdivision (e)(1) of this section shall not apply to corporate partners of an investment partnership except as provided by regulations adopted by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 544. Arkansas Code § 26-51-206(c), concerning exceptions to commercial ventures by churches, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate reasonable rules and regulations to carry out the provisions of this section.

SECTION 545. Arkansas Code § 26-51-401(b), concerning the tax year and accounting methods, is amended to read as follows:

(b) A taxpayer must provide to the ~~Director~~ Secretary of the Department of Finance and Administration a copy of any certification or

approval from the federal Internal Revenue Service authorizing the taxpayer to change his or her accounting method.

SECTION 546. Arkansas Code § 26-51-402(b), concerning the tax year and a basis for determining liability, is amended to read as follows:

(b) A taxpayer must provide to the ~~Director~~ Secretary of the Department of Finance and Administration a copy of any certification or approval from the federal Internal Revenue Service authorizing the taxpayer to change his or her income year.

SECTION 547. Arkansas Code § 26-51-403(c)(2), concerning income in regards to taxes, is amended to read as follows:

(2) If no such method of accounting has been employed or if the method employed does not clearly reflect the income, the computation shall be made upon such basis and in such manner as in the opinion of the ~~Director~~ Secretary of the Department of Finance and Administration does clearly reflect the income.

SECTION 548. Arkansas Code § 26-51-404(b)(7)(B), concerning gross income, is amended to read as follows:

(B) When books of account do not clearly and accurately reflect the income earned from sources without the state, the Arkansas income shall be determined by processes or formulas of general apportionment prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration and approved by the Governor;

SECTION 549. Arkansas Code § 26-51-409(c)(1), concerning the adoption of Federal Subchapter S, is amended to read as follows:

(c)(1) However, all nonresident shareholders of S corporations receiving a prorated share of income, loss, deduction, or credit pursuant to the provisions of this section must file a properly executed state income tax return with the ~~director~~ secretary and remit the applicable state income tax due.

SECTION 550. Arkansas Code § 26-51-410 is amended to read as follows:

26-51-410. Inventory.

Whenever, in the opinion of the ~~Director~~ Secretary of the Department of Finance and Administration, the use of inventories is necessary in order to clearly determine the income of any taxpayer, inventories shall be taken by the taxpayer, upon such basis as the ~~director~~ secretary may prescribe, conforming as nearly as may be possible to the best accounting practice in the trade or business and most clearly reflecting the income.

SECTION 551. Arkansas Code § 26-51-411(a)(2)(B), concerning gains, losses, and sales of property, is amended to read as follows:

(B) If the facts necessary to determine such basis are unknown to the donee, the ~~Director~~ Secretary of the Department of Finance and Administration shall use the assessed valuation of the property;

SECTION 552. Arkansas Code § 26-51-418(c), concerning deductions for disabled children, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration may adopt appropriate rules and regulations to carry out the purpose and intent of this section and to prevent abuse of the deduction provided for in this section.

SECTION 553. Arkansas Code § 26-51-423(a)(3), concerning deductions and expenses, is amended to read as follows:

(3) Travel Expenses. In determining travel expenses deductible as a business expense in computing net income as provided under subdivision (a)(1) of this section, the deduction for vehicle miles shall be determined by the ~~Director~~ Secretary of the Department of Finance and Administration under his or her regulatory authority in § 26-18-301; and

SECTION 554. The introductory language of Arkansas Code § 26-51-423(g)(1)(C), concerning deductions and expenses, is amended to read as follows:

(C) The taxpayer and the ~~director~~ secretary enter into a written agreement prior to the due date of the taxpayer's Arkansas income tax return:

SECTION 555. The introductory language of Arkansas Code § 26-51-

447(b), concerning deductions for tuition at post-secondary educational institutions, is amended to read as follows:

(b) On or before November 30, 1998, of each year thereafter, the ~~Director~~ Secretary of the Department of Finance and Administration shall determine the weighted average tuition of post-secondary institutions of each of the following classifications:

SECTION 556. Arkansas Code § 26-51-457(c), concerning a claim of right, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules to administer this section.

SECTION 557. Arkansas Code § 26-51-458(d), concerning tax deductions for volunteer firefighters, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules to implement this section.

SECTION 558. Arkansas Code § 26-51-459(d), concerning a teacher's classroom investment deductions, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules to implement this section, including without limitation a form for a taxpayer to use in claiming the deduction provided for under this section.

SECTION 559. Arkansas Code § 26-51-501(a)(2)(A)(ii), concerning personal tax credits, is amended to read as follows:

(ii) Subdivision (a)(2)(A)(i) of this section shall apply if the ~~Director~~ Secretary of the Department of Finance and Administration continues to provide a tax return on which a husband and wife can elect to file jointly or separately on the same return.

SECTION 560. Arkansas Code § 26-51-501(e)(1)(A), concerning personal tax credits, is amended to read as follows:

(e)(1)(A) Not later than July 15 of each calendar year, the ~~Director~~ Secretary of the Department of Finance and Administration shall increase the adjusted individual credit and adjusted joint credit by the cost-of-living

adjustment for that current calendar year, rounding each amount to the nearest dollar.

SECTION 561. Arkansas Code § 26-51-501(e)(4), concerning personal tax credits, is amended to read as follows:

(4) The ~~director~~ secretary shall not increase the adjusted credit for any calendar year unless the conditions of subsection (f) of this section are met.

SECTION 562. Arkansas Code § 26-51-504(b), concerning income from sources outside of Arkansas, is amended to read as follows:

(b) Before a resident of Arkansas may claim the credit allowed under this section, he or she shall file with his or her income tax return any such additional information as the Director of the State Income Tax Division or the ~~Director~~ Secretary of the Department of Finance and Administration may by regulation require showing in detail the amount of gross and net income derived from property owned or business transacted without this state, together with the amount of tax actually owed on the income to another state or territory.

SECTION 563. Arkansas Code § 26-51-511(d)(3)(A), concerning coal mining, producing, and extracting, is amended to read as follows:

(3)(A) The coal mining enterprise and the eligible transferee shall jointly file a copy of the written credit transfer agreement with the ~~Director~~ Secretary of the Department of Finance and Administration within thirty (30) days of the credit transfer.

SECTION 564. Arkansas Code § 26-51-513(d), concerning the Arkansas historic rehabilitation income tax credit, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules to implement this section.

SECTION 565. Arkansas Code § 26-51-712 is amended to read as follows:

26-51-712. Average value of property.

The average value of property shall be determined by averaging the values at the beginning and ending of the tax period, but the ~~Director~~

Secretary of the Department of Finance and Administration may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

SECTION 566. The introductory language of Arkansas Code § 26-51-718, concerning the procedure when allocation does not fairly represent taxpayer's business activity, is amended to read as follows:

If the allocation and apportionment provisions of this Act do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the ~~Director~~ Secretary of the Department of Finance and Administration may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

SECTION 567. The introductory language of Arkansas Code § 26-51-801(a), concerning tax returns by individuals, is amended to read as follows:

(a) Every person owning property or doing business in the State of Arkansas shall file a return with the ~~Director~~ Secretary of the Department of Finance and Administration showing his or her gross income and the deductions or credits allowed by §§ 26-51-301, 26-51-302 [repealed], and 26-51-436 if he or she has a gross income of:

SECTION 568. Arkansas Code § 26-51-801(e), concerning tax returns by individuals, is amended to read as follows:

(e) If a person is not required to file a return, the person must complete and submit to his or her employer a statement to that effect on forms approved by the ~~director~~ secretary in order to be exempt from the state withholding tax.

SECTION 569. The introductory language of Arkansas Code § 26-51-802(c)(3), concerning partnership tax returns, is amended to read as follows:

(3) If the apportionment of income by a partnership having income from both within and without Arkansas does not fairly represent the extent of the partnership's business activity in this state, the partnership may petition for or the ~~Director~~ Secretary of the Department of Finance and Administration may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

SECTION 570. Arkansas Code § 26-51-805(d)(1), concerning consolidated corporate returns, is amended to read as follows:

(d)(1) The election to file an Arkansas consolidated corporate income tax return for any income year shall require the filing of consolidated corporate income tax returns for all subsequent income years so long as the individual corporations remain members of the affiliated group unless the ~~Director~~ Secretary of the Department of Finance and Administration consents to the filing of separate returns by any members of the affiliated group.

SECTION 571. Arkansas Code § 26-51-805(e), concerning consolidated corporate returns, is amended to read as follows:

(e) In any case of two (2) or more corporations, whether or not affiliated, owned, or controlled directly or indirectly by the same interests, the ~~director~~ secretary may distribute, apportion, or allocate gross income, deductions, credits, or allowances between or among such corporations if he or she determines that the distribution, apportionment, or allocation is necessary in order to prevent evasion of taxes or clearly to reflect the income to any such corporation. This subsection is based upon the concept of 26 U.S.C. § 482 as of January 1, 1989, as that section applies to corporations.

SECTION 572. Arkansas Code § 26-51-806(a)(1), concerning the time, place, and forms for filing tax returns, is amended to read as follows:

(a)(1) Returns shall be in the form the ~~Director~~ Secretary of the Department of Finance and Administration prescribes and shall be filed with the ~~director's~~ secretary's office at Little Rock.

SECTION 573. Arkansas Code § 26-51-806(b), concerning the time, place, and forms for filing tax returns, is amended to read as follows:

(b)(1) The ~~director~~ secretary shall cause to be prepared blank forms for the returns and shall cause them to be furnished upon application, but failure to receive or secure the forms shall not relieve any taxpayer from the obligation of making any return required by the Income Tax Act of 1929, § 26-51-101 et seq.

(2) As far as possible and practicable for filing returns for

income tax, the ~~director~~ secretary shall use the same form of blanks as is used by the United States down to the net income part of the form.

SECTION 574. Arkansas Code § 26-51-807(b)(1), concerning the filing of returns and extensions of time, is amended to read as follows:

(b)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall assess the taxpayer interest at the rate of ten percent (10%) per annum on the amount of tax finally determined to be due.

SECTION 575. Arkansas Code § 26-51-807(c) and (d), concerning the filing of returns and extensions of time, are amended to read as follows:

(c) The ~~director~~ secretary may grant a taxpayer's written request to extend the time for filing a corporation income tax return for a period of time not to exceed sixty (60) days in addition to the extensions provided in subsection (a) of this section that correspond to the extensions for filing a federal return.

(d) The ~~director~~ secretary may promulgate regulations granting automatic extensions of time to file income tax returns and information returns without the taxpayer being required to submit a written application, a copy of the federal request for extension, or a copy of the document granting the federal extension if the ~~director~~ secretary determines that such requirements are unnecessary for the administration of the income tax laws.

SECTION 576. Arkansas Code § 26-51-808(a) and (b), concerning the failure to file return or to include income and return or supplemental return, are amended to read as follows:

(a) If the ~~Director~~ Secretary of the Department of Finance and Administration shall be of the opinion that any taxpayer has failed to file a return or failed to include in a return filed, either intentionally or through error, items of taxable income, the ~~director~~ secretary may require from the taxpayer a return or a supplementary return, under oath, in such form as he or she shall prescribe, of all the items of income which the taxpayer received during the year for which the return is made, whether or not taxable under the provisions of the Income Tax Act of 1929.

(b) If from a supplementary return or otherwise, the ~~Director~~ Secretary of the Department of Finance and Administration finds that any

items of income taxable under the Income Tax Act of 1929 have been omitted from the original return, he or she may require the items so omitted to be disclosed to him or her, under oath of the taxpayer, and to be added to the original return.

SECTION 577. Arkansas Code § 26-51-809 is amended to read as follows:

26-51-809. Receipts for taxes.

The ~~Director~~ Secretary of the Department of Finance and Administration shall give to any person making any payment a full written or printed receipt stating the amount paid and the particular account for which the payment was made and show for which installment it is paid.

SECTION 578. Arkansas Code § 26-51-810(a), concerning forms provided to tax practitioners, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration may impose a postage fee sufficient to defray the cost of postage for mailing out tax forms to tax practitioners.

SECTION 579. Arkansas Code § 26-51-811(a), concerning information at the source as to recipients of income, is amended to read as follows:

(a)(1) Every individual, partnership, limited liability company, corporation, joint-stock company or association, or insurance company, being a resident or having a place of business in this state; members of a partnership or employees in whatever capacity acting, including lessees or mortgagees, of real or personal property; members or managers of limited liability companies or employees in whatever capacity acting; fiduciaries; employers and all officers and employees of this state, or of any political subdivision of this state, having the control, receipt, custody, disposal, or payment of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income amounting to two thousand five hundred dollars ($2,500) or over, paid or payable during any year to any taxpayer shall make complete returns under oath to the ~~Director~~ Secretary of the Department of Finance and Administration, under such regulations and in such form and manner and to such extent as may be prescribed by the ~~director~~ secretary with the approval of the Governor.

(2) Unless the income is so reported, the ~~director~~ secretary may disallow such payments as deductions or credits in computing the tax of the payer.

SECTION 580. Arkansas Code § 26-51-812(a) and (b), concerning the withholding of taxes at the source, are amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration, whenever he or she deems it necessary to ensure compliance with the provisions of the Income Tax Act of 1929, may, under rules and regulations prescribed by him or her, require any individual, partnership, limited liability company, corporation, joint-stock company, or association, including lessees or mortgagors and employees of the state or of any political subdivision of the state having control, receipt, custody, disposal, or payment of interest, other than interest coupons payable to bearer, rent, salaries, wages, premiums, compensation, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income paid or payable to any taxpayer, to deduct and withhold the tax due from the taxpayer and make return thereof and pay the tax to the ~~director~~ secretary.

(b)(1) Upon the giving of notice by the ~~director~~ secretary to the fiduciary of an estate or trust that the taxes due under the Income Tax Act of 1929 from the grantor or beneficiary of an estate or trust on income of the estate or trust, which is taxable to the grantor or beneficiary under the provisions of § 26-51-201, have not been paid, the fiduciary shall withhold the amount of the taxes from any payments or distribution due or to become due from the estate or trust to the grantor or beneficiary and transmit the amount so withheld to the ~~director~~ secretary.

(2) The notice required in this section is to be served on the fiduciary or other person named above by registered mail, the letter to be directed to the last known address of the fiduciary or other person so named above, as the address appears in the records of the ~~director~~ secretary.

(3) Any person failing or refusing to deduct and withhold the tax due from any taxpayer as required by the ~~director~~ secretary pursuant to this section shall be personally liable for such tax, and the ~~director~~ secretary may proceed against him or her as provided for in § 27 [repealed] of the Income Tax Act of 1929.

SECTION 581. Arkansas Code § 26-51-813(b) and (c), concerning reports, returns, confidentiality, and exceptions in regards to tax returns, are amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration may furnish a copy of any taxpayer's return to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income if the taxpayer is required by the laws of the United States or of the state to make a return in the United States or that state and if the laws of the United States or of the state provide substantially for the same secrecy in respect to the information revealed by the taxpayer's return as is provided by Arkansas laws.

(c) The ~~director~~ secretary and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission, or official of the United States or of any other state in respect to the income of any person as is required by the Income Tax Act of 1929 in respect to information concerning the affairs of the taxpayer under the Income Tax Act of 1929.

SECTION 582. Arkansas Code § 26-51-813(e)(1), concerning reports, returns, confidentiality, and exceptions in regards to tax returns, is amended to read as follows:

(e)(1) Nothing in this section shall be construed to prohibit the Department of Finance and Administration from disclosing from any return or other record maintained by the ~~director~~ secretary to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration the last known address or whereabouts or the last known employer of any deserting parent from whom the office is charged with collecting child support.

SECTION 583. Arkansas Code § 26-51-813(f)(1), concerning reports, returns, confidentiality, and exceptions in regards to tax returns, is amended to read as follows:

(f)(1) Nothing in this section shall be construed to prohibit the Department of Finance and Administration from disclosing from any return or

other record maintained by the ~~director~~ secretary to the Student Loan Guarantee Foundation of Arkansas, the last known address or whereabouts or the last known employer of any person from whom the Student Loan Guarantee Foundation of Arkansas is charged with collecting a student loan indebtedness.

SECTION 584. Arkansas Code § 26-51-813(g), concerning reports, returns, confidentiality, and exceptions in regards to tax returns, is amended to read as follows:

(g)(1) Nothing in this section shall be construed to prohibit the Department of Finance and Administration from disclosing from any return or other record maintained by the ~~director~~ secretary to the ~~Department~~ Division of Higher Education or any Arkansas public institution of higher education the last known address or whereabouts or the last known employer of any person from whom these institutions are charged with collecting student indebtedness.

(2) In providing this information, the Department of Finance and Administration shall not allow the ~~Department~~ Division of Higher Education or the Arkansas public institutions of higher education to examine the tax return.

SECTION 585. Arkansas Code § 26-51-814 is amended to read as follows:

26-51-814. Reports and returns — Preservation and destruction.

All reports and returns required by the Income Tax Act of 1929 shall be preserved for three (3) years and thereafter until the ~~Director~~ Secretary of the Department of Finance and Administration orders them destroyed.

SECTION 586. Arkansas Code § 26-51-816(a), concerning a signature on a prepared income tax form, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration may require the originator, transmitter, or paid preparer of an electronically filed Arkansas income tax return to retain the signature document, form AR8453, as well as all other forms and schedules which support the return.

SECTION 587. Arkansas Code § 26-51-816(c) and (d), concerning a

signature on a prepared income tax form, are amended to read as follows:

(c) The signature document and all supporting documents for an electronically filed Arkansas return must be made available for inspection by the ~~director~~ secretary upon the ~~director's~~ secretary's request.

(d) The ~~director~~ secretary may promulgate rules and regulations for the proper enforcement of this section.

SECTION 588. Arkansas Code § 26-51-902(3), concerning the definition of "director" under the Arkansas Income Tax Withholding Act, is repealed.

~~(3) "Director" means the Director of the Department of Finance and Administration of the State of Arkansas;~~

SECTION 589. Arkansas Code § 26-51-904 is amended to read as follows:

26-51-904. Rules and regulations — Forms.

The ~~Director~~ Secretary of the Department of Finance and Administration shall make and prescribe such rules, regulations, and forms as he or she shall deem necessary to carry out the purposes of this subchapter.

SECTION 590. Arkansas Code § 26-51-905 is amended to read as follows:

26-51-905. Withholding of tax.

(a)(1) Every employer making payments of wages to employees shall deduct and withhold from the employees' wages an amount determined from withholding tables promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration and furnished to the employer.

(2) The full amount deducted and withheld from any employee's wages during the income year shall be credited against the tax liability of the employee under the Income Tax Act of 1929, § 26-51-101 et seq., for that year.

(b)(1) Notwithstanding the provisions of subsection (a) of this section, every employer who withholds less than one thousand dollars ($1,000) for a full year's withholding shall report and remit annually on a date specified by the ~~director~~ secretary any amounts so withheld by the employer.

(2) An employer shall be advised by the ~~director~~ secretary of the employer's classification and shall report as classified until such time as the employer advises the ~~director~~ secretary in writing that the employer no longer has employees or the employer is closing the business.

(3) However, it shall be the duty of the employer to report to the ~~director~~ secretary at the end of each income year all wages paid to any such employees on the same forms provided in this subchapter for making employer annual withholding statements in order that the ~~director~~ secretary may determine the tax liability, if any, of those employees during that income year.

SECTION 591. Arkansas Code § 26-51-906 is amended to read as follows:

26-51-906. Withholding state income taxes of federal employees by federal agencies.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized and directed to enter into an agreement with the United States Secretary of the Treasury ~~of the United States~~ with respect to withholding of income tax as provided by this subchapter and pursuant to ~~an~~ Pub. Law No. 587 of 1952 and to Executive Order No. 10407 of November 7, 1952.

SECTION 592. Arkansas Code § 26-51-907 is amended to read as follows:

26-51-907. Withholding tables.

The ~~Director~~ Secretary of the Department of Finance and Administration shall prepare and furnish to employers state income tax withholding tables based on the current income tax laws of the state, taking into consideration the various deductions and personal tax credits allowed therein. The tables shall be designed to provide for a yearly aggregate withholding that will approximate the state income tax liability of the average taxpayer with the various personal tax credits.

SECTION 593. Arkansas Code § 26-51-908 is amended to read as follows:

26-51-908. Employer's return and payment of taxes withheld.

(a)(1) Every employer required to deduct and withhold from wages under this subchapter shall file a withholding return on an annual basis as prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration and annually pay over to the ~~director~~ secretary the full amount required to be deducted and withheld from the wages of the employees if the amount is less than one thousand dollars ($1,000) per year.

(2) Every employer required to deduct and withhold from wages under this subchapter shall file a withholding return on a monthly basis as

prescribed by the ~~director~~ secretary and pay over on a monthly basis to the ~~director~~ secretary the full amount required to be deducted and withheld from the wages of the employees if the amount is one thousand dollars ($1,000) or more per year.

(3) However, the ~~director~~ secretary may provide by regulation that every such employer shall on or before the fifteenth day of each month pay over to the ~~director~~ secretary or a depository designated by the ~~director~~ secretary the amount required to be deducted and withheld by the employer for the preceding month if the amount is one hundred dollars ($100) or more.

(b)(1) Notwithstanding any other provision of this section, all transient employers shall make return and pay over to the ~~director~~ secretary, on a monthly basis, the full amounts required to be deducted and withheld from the wages by the transient employer for the calendar month.

(2) The returns and payments to the ~~director~~ secretary by transient employers shall be made on or before the last day of the month following the month for which the amounts were deducted and withheld from the wages of the transient employer's employees.

(c)(1) Notwithstanding any other provision of this section, all employers engaged in any business which is seasonal shall make return and pay over to the ~~director~~ secretary on a monthly basis the amounts required to be deducted and withheld from the wages by the employer for the calendar month.

(2) Returns and payments to the ~~director~~ secretary by employers engaged in seasonal business shall be made on or before the last day of the month following the month for which those amounts were deducted and withheld from the wages of the employer's employees.

(d) When the ~~director~~ secretary has justifiable reason to believe that the collection of funds required to be withheld by any employer as provided in this subchapter is in jeopardy, the ~~director~~ secretary may require the employer to file a return and pay the amounts required to be withheld at any time.

(e) Every employer who fails to withhold or pay to the ~~director~~ secretary any sums required by this subchapter to be withheld and paid shall be personally and individually liable for the sums except as provided in § 26-51-916.

(f) Any sum withheld in accordance with the provisions of this subchapter shall be deemed to be held in trust for the State of Arkansas and

shall be recorded by the employer in a ledger account so as to clearly indicate the amount of tax withheld and that the amount is the property of the State of Arkansas.

(g)(1) When an employer has become liable to an annual return of withholding, the employer must continue to file an annual report, even though no tax has been withheld, until such time as the employer notifies the ~~director~~ secretary, in writing, that the employer no longer has employees or that the employer is no longer liable for an annual return.

(2) When an employer has become liable to a monthly return of withholding, the employer must continue to file a monthly report, even though no tax has been withheld until such time as the employer notifies the ~~director~~ secretary, in writing, that the employer no longer has employees or that the employer is no longer liable for monthly returns.

(h)(1) For any withholding tax reporting period, a company or any other business enterprise which provides the service of reporting and remitting withholding tax on the wages paid to Arkansas employees by other employers shall remit all such withholding taxes to the ~~director~~ secretary by electronic funds transfer, as more particularly described in § 26-19-105.

(2) However, a company or business which provides tax reporting and remitting services shall not be required to remit withholding taxes by electronic funds transfer if the company or business provides those services for fewer than one hundred (100) Arkansas employers.

(3) As used in this subsection, "Arkansas employer" means any employer required by Arkansas law to withhold, report, and remit Arkansas income tax on the wages, salary, or other compensation paid to its employees within this state.

SECTION 594. Arkansas Code § 26-51-909(b)(1) and (2), concerning annual withholding statements, are amended to read as follows:

(b)(1) The annual statement of withholding shall be in the form prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

(2)(A) The statement from the employer shall be filed with the ~~director~~ secretary on or before January 31 following the close of the income year.

(B) For tax years beginning on or after January 1, 2006,

an employer who has two hundred fifty (250) or more employees during the employer's income year shall file the statement either:

(i) Electronically;

(ii) On magnetic media; or

(iii) In any other machine-readable form approved by the ~~director~~ secretary.

SECTION 595. Arkansas Code § 26-51-909(c)(5), concerning annual withholding statements, is amended to read as follows:

(5) Such other information as the ~~director~~ secretary shall require by rule or regulation.

SECTION 596. Arkansas Code § 26-51-910 is amended to read as follows:

26-51-910. Refunds to employer for overpayment.

Any employer who makes an overpayment of the tax required to be remitted to the ~~Director~~ Secretary of the Department of Finance and Administration by § 26-51-908 may file application with the ~~director~~ secretary, on a form prescribed by the ~~director~~ secretary, to have the amount of such overpayment refunded to him or her or to have the amount credited against the payment which he or she is required to make for a subsequent quarterly period. However, the refund or credit shall be allowed only to the extent that the amount of the overpayment was not withheld under § 26-51-905 by the employer.

SECTION 597. Arkansas Code § 26-51-911(a) and (b), concerning the declaration of estimated tax, are amended to read as follows:

(a) Every taxpayer subject to the tax levied by the Income Tax Act of 1929, § 26-51-101 et seq., shall make and file with the ~~Director~~ Secretary of the Department of Finance and Administration a declaration of the estimated tax for the income year if the taxpayer can reasonably expect the estimated tax to be more than one thousand dollars ($1,000).

(b) The declaration of estimated tax shall be made on such forms and shall include such information as the ~~director~~ secretary shall prescribe.

SECTION 598. Arkansas Code § 26-51-911(c)(1), concerning the declaration of estimated tax, is amended to read as follows:

(c)(1) The declaration shall be filed with the ~~director~~ secretary on or before the fifteenth day of the fourth month of the income year of the taxpayer.

SECTION 599. Arkansas Code § 26-51-911(f), concerning the declaration of estimated tax, is amended to read as follows:

(f) A taxpayer may file amendments to a declaration at such times, under such rules and regulations, and in such form as the ~~director~~ secretary shall prescribe.

SECTION 600. The introductory language of Arkansas Code § 26-51-913(a), concerning payments of estimated tax, is amended to read as follows:

(a) The estimated tax as shown on the declaration filed with the ~~Director~~ Secretary of the Department of Finance and Administration shall be paid as follows:

SECTION 601. Arkansas Code § 26-51-915 is amended to read as follows:

26-51-915. Deposits of payments — Refunds.

(a) All payments received by the ~~Director~~ Secretary of the Department of Finance and Administration from employers for taxes withheld from employees and all payments received by the ~~director~~ secretary from taxpayers as herein provided shall be deposited into the State Treasury as general revenues to the credit of the State Apportionment Fund.

(b) Based upon information provided by the ~~director~~ secretary, the Chief Fiscal Officer of the State shall determine the amount estimated to be necessary to meet any refunds of state income taxes under the provisions of this subchapter, and, upon certification of the Chief Fiscal Officer of the State, the Treasurer of State shall transfer from any general revenues in the General Revenue Allotment Reserve Fund the amount so certified to the Individual Income Tax Withholding Fund, from which the ~~director~~ secretary is authorized to make refunds as provided for by law and by this subchapter.

(c) All refund warrants drawn against the Individual Income Tax Withholding Fund which are not presented for payment within one (1) year of issuance shall be void.

(d) Neither the ~~director~~ secretary nor any member or employee of the Revenue Division of the Department of Finance and Administration shall be

held personally liable for making any refund by reason of a fraudulent withholding certificate being used as a basis for the refund.

SECTION 602. Arkansas Code § 26-51-917 is amended to read as follows:

26-51-917. Employer's withholding account number.

Every employer, as defined in this subchapter, shall make application to the Revenue Division of the Department of Finance and Administration for and be assigned an employer's withholding account number. The account number assigned to an employer shall be used by the employer on all returns, reports, and inquiries addressed to the ~~Director~~ Secretary of the Department of Finance and Administration or the division.

SECTION 603. Arkansas Code § 26-51-919(b)(1)(A)(ii), concerning pass-through entities, is amended to read as follows:

(ii) The pass-through entity is liable to the ~~Director~~ Secretary of the Department of Finance and Administration for the payment of the tax required to be withheld and is not liable to the member for the amount withheld and paid to the ~~director~~ secretary.

SECTION 604. Arkansas Code § 26-51-919(b)(1)(B)(ii), concerning pass-through entities, is amended to read as follows:

(ii) The ~~director~~ secretary shall apply the tax withheld and paid by a pass-through entity on distributions to a lower-tier pass-through entity to the withholding required of that lower-tier pass-through entity.

SECTION 605. Arkansas Code § 26-51-919(b)(2), concerning pass-through entities, is amended to read as follows:

(2)(A) On or before the due date for the pass-through entity's composite income tax return described in subsection (d) of this section, a pass-through entity shall file an annual return with the ~~director~~ secretary showing the total amount of income distributed or credited to its nonresident members and the amount of tax withheld and shall remit the amount of tax withheld.

(B) The annual return shall be in an electronic format prescribed by the ~~director~~ secretary.

SECTION 606. Arkansas Code § 26-51-919(c)(2), concerning pass-through entities, is amended to read as follows:

(2) The ~~director~~ secretary has determined that the nonresident member's income is not subject to withholding;

SECTION 607. Arkansas Code § 26-51-919(c)(4)(B), concerning pass-through entities, is amended to read as follows:

(B) Has agreed to file an annual information return reporting the name, address, and taxpayer identification number of each member with an annual Arkansas income greater than five hundred dollars ($500) along with any other information requested by the ~~director~~ secretary;

SECTION 608. Arkansas Code § 26-51-919(c)(5)(A), concerning pass-through entities, is amended to read as follows:

(5)(A) The pass-through entity has filed with the ~~director~~ secretary on forms prescribed by the ~~director~~ secretary the nonresident member's signed agreement to timely file an Arkansas corporation, nonresident individual, or trust income tax return, to pay any tax due on the return, and to be subject to the jurisdiction of the Department of Finance and Administration in the courts of this state for the purpose of determining and collecting any Arkansas income tax together with interest and penalties owed by the nonresident member.

SECTION 609. Arkansas Code § 26-51-919(d)(4), concerning pass-through entities, is amended to read as follows:

(4) On or before the fifteenth day of the fourth month following the end of the pass-through entity's tax year, a pass-through entity shall file an annual composite return with the ~~director~~ secretary showing the total amount of income distributed or credited to its nonresident members and the amount of tax withheld and shall remit the tax due on the composite income tax return.

SECTION 610. Arkansas Code § 26-51-919(e), concerning pass-through entities, is amended to read as follows:

(e) The ~~director~~ secretary may promulgate rules necessary to

administer this section.

SECTION 611. Arkansas Code § 26-51-1104(c), concerning the documentation required by a taxpayer, is amended to read as follows:

(c) Copies of each of the above documents shall be filed by the taxpayer with his or her return as an attachment to the form prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 612. Arkansas Code § 26-51-1105 is amended to read as follows:

26-51-1105. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration, the Director of the ~~Department~~ Division of Higher Education, the Director of the ~~Department~~ Division of Career Education, the Director of the ~~Department~~ Division of Workforce Education, and the ~~Executive~~ Director of the Arkansas Economic Development Commission shall promulgate such reasonable rules as they shall deem necessary and appropriate to carry out the purposes of this subchapter.

SECTION 613. Arkansas Code § 26-51-1306 is amended to read as follows:

26-51-1306. Withholding return and payment for racing winnings.

Every franchise holder required to deduct and withhold income tax from racing winnings under this subchapter shall file, within sixty (60) days after the termination of its racing season, a withholding return as prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration and pay over to the ~~director~~ secretary the full amount required to be deducted and withheld from the racing winnings by the franchise holder for the income year.

SECTION 614. Arkansas Code § 26-51-1307(b)(1), concerning the annual statement of withholdings for racing winnings, is amended to read as follows:

(b)(1) The annual statement shall be in the form prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration and shall be filed with the ~~director~~ secretary.

SECTION 615. Arkansas Code § 26-51-1307(c)(5), concerning the annual statement of withholdings for racing winnings, is amended to read as follows:

(5) Such other information as the ~~director~~ secretary shall require by rule or regulation.

SECTION 616. Arkansas Code § 26-51-1308(a), concerning the duties of franchise holders and payees, is amended to read as follows:

(a) Every holder of a franchise to conduct dog racing, horse racing, or electronic games of skill who fails to withhold or pay to the ~~Director~~ Secretary of the Department of Finance and Administration any sums required by this subchapter to be withheld and paid shall be personally and individually liable therefor. Any sum or sums withheld in accordance with the provisions of this subchapter shall be deemed to be held in trust for the State of Arkansas and shall be recorded by the franchise holder in a ledger account so as to clearly indicate the amount of tax withheld and that the amount is the property of the State of Arkansas.

SECTION 617. Arkansas Code § 26-51-1309(b)(2), concerning the taxing of game winnings, withholdings, and remittance, is amended to read as follows:

(2) Remit the tax to the ~~Director~~ Secretary of the Department of Finance and Administration as provided in § 26-51-1310 and as prescribed by rules promulgated by the ~~director~~ secretary.

SECTION 618. Arkansas Code § 26-51-1310(a), concerning withholdings, reporting, payment, and electronic games of skill, is amended to read as follows:

(a) The holder of a franchise to conduct electronic games of skill in this state shall register to withhold the gaming winnings tax under § 26-51-1309 from winnings from electronic games of skill in the manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 619. The introductory language of Arkansas Code § 26-51-1401(d), concerning the apportionment allocation of net income, is amended to read as follows:

(d) If the allocation and apportionment provisions of this subchapter do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for, or the ~~Director~~ Secretary of the

Department of Finance and Administration may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

SECTION 620. Arkansas Code § 26-51-1402(8)(J)(iii), concerning the apportionment and allocation of net income of financial institutions, is amended to read as follows:

(iii) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to exclude any person from the application of this subdivision (8)(J) upon such person's proving, by clear and convincing evidence, that the income-producing activity of such person is not in substantial competition with those persons described in subdivisions (8)(B)-(G) and (I) of this section;

SECTION 621. Arkansas Code § 26-51-1403(m)(4), concerning the receipts factor, is amended to read as follows:

(4) If the taxpayer elects or is required by the ~~Director~~ Secretary of the Department of Finance and Administration to use the method set forth in subdivision (m)(3) of this section, it shall use this method on all subsequent returns unless the taxpayer receives prior permission from the ~~director~~ secretary to use, or the ~~director~~ secretary requires, a different method.

SECTION 622. Arkansas Code § 26-51-1404(d)(2), concerning the property factor, is amended to read as follows:

(2) If averaging on this basis does not properly reflect average value, the ~~Director~~ Secretary of the Department of Finance and Administration may require averaging on a more frequent basis.

SECTION 623. Arkansas Code § 26-51-1404(d)(4), concerning the property factor, is amended to read as follows:

(4) When averaging on a more frequent basis is required by the ~~Director~~ Secretary of the Department of Finance and Administration or is elected by the taxpayer, the same method of valuation must be used consistently by the taxpayer with respect to property within and without this state and on all subsequent returns unless the taxpayer receives prior permission from the ~~director~~ secretary or the ~~director~~ secretary requires a

different method of determining average value.

SECTION 624. Arkansas Code § 26-51-1404(e)(2), concerning the property factor, is amended to read as follows:

(2)(A) Where the use of the general method described in this subsection results in inaccurate valuations of rented property, any other method which properly reflects the value may be adopted by the ~~director~~ secretary or by the taxpayer when approved in writing by the ~~director~~ secretary.

(B) Once approved, such other method of valuation must be used on all subsequent returns unless the taxpayer receives prior approval from the ~~director~~ secretary or unless the ~~director~~ secretary requires a different method of valuation.

SECTION 625. Arkansas Code § 26-51-1404(g)(2)(B), concerning the property factor, is amended to read as follows:

(B) The presumption of proper assignment of a loan provided in subdivisions (g)(1)(B) and (g)(2)(A) of this section may be rebutted upon a showing by the ~~director~~ secretary, supported by a preponderance of the evidence, that the preponderance of substantive contacts regarding such loan did not occur at the regular place of business to which it was assigned on the taxpayer's records.

SECTION 626. Arkansas Code § 26-51-1701(2), concerning the definition of "director" under the low income housing tax credit, is repealed.

~~(2) "Director" means the Director of the Department of Finance and Administration;~~

SECTION 627. Arkansas Code § 26-51-1702(d) and (e), concerning the allowance and calculation of tax credit, are amended to read as follows:

(d) All or any portion of the Arkansas low income housing tax credits may be allocated to parties who are eligible under the provisions of subsection (a) of this section. An owner of a qualified project shall certify to the ~~Director~~ Secretary of the Department of Finance and Administration the amount of the Arkansas low income housing tax credit allocated to each taxpayer.

(e) In the event that recapture of Arkansas low income housing tax credits is required pursuant to § 26-51-1703(b) of this subchapter, any statement submitted to the ~~director~~ secretary as provided in this section shall include the proportion of the Arkansas low income housing tax credit required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of Arkansas low income housing tax credit previously allocated to such taxpayer.

SECTION 628. Arkansas Code § 26-51-1704(b) and (c), concerning the sale, assignment, and transfer of tax credit, are amended to read as follows:

(b) An owner or transferee desiring to make a transfer, sale, or assignment as described in subsection (a) of this section shall submit to the ~~Director~~ Secretary of the Department of Finance and Administration a statement which describes the amount of Arkansas low income housing tax credit for which transfer, sale, or assignment of Arkansas low income housing tax credit is eligible. The owner shall provide to the ~~director~~ secretary such information as is specified by the Department of Finance and Administration in regulations so that the Arkansas low income housing tax credit may be properly allocated.

(c) In the event that recapture of Arkansas low income housing tax credit is required pursuant to § 26-51-1703(b) of this subchapter, the statements submitted to the ~~director~~ secretary as provided in this section shall include the proportion of the Arkansas low income housing tax credit required to be recaptured, the identity of each transferee subject to recapture, and the amount of Arkansas low income housing tax credit previously transferred to such transferee and such other information as is specified by the department in regulations.

SECTION 629. Arkansas Code § 26-51-1705 is amended to read as follows:

26-51-1705. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration and the Arkansas Development Finance Authority shall promulgate rules and regulations necessary to administer the provisions of this subchapter. No rule or portion of a rule promulgated under the authority of this section shall become effective until it has been approved by the ~~director~~ secretary in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et

seq.

SECTION 630. Arkansas Code § 26-51-2005(b), concerning qualification and determination of credit, is amended to read as follows:

(b)(1) Upon determination by the Director of the Arkansas Economic Development Commission that the project qualifies for credit under this subchapter, the Director of the Arkansas Economic Development Commission shall certify to the ~~Director~~ Secretary of the Department of Finance and Administration that the project is qualified and transmit with his or her certification the documents upon which the certification was based or copies.

(2) Upon receipt by the ~~Director~~ Secretary of the Department of Finance and Administration of a certification from the Director of the Arkansas Economic Development Commission that an eligible business is entitled to credit under this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall provide forms to the eligible business on which to claim the credit.

SECTION 631. Arkansas Code § 26-51-2005(c)(1), concerning qualification and determination of credit, is amended to read as follows:

(c)(1) At the end of the calendar year in which the application was made to the Director of the Arkansas Economic Development Commission and at the end of each calendar year thereafter until the project is completed, the eligible business shall certify on the form provided by the ~~Director~~ Secretary of the Department of Finance and Administration the amount of expenditures on the project during the preceding calendar year.

SECTION 632. Arkansas Code § 26-51-2005(c)(2)(A), concerning qualification and determination of credit, is amended to read as follows:

(2)(A) Upon receipt of the form certifying expenditures, the ~~Director~~ Secretary of the Department of Finance and Administration shall determine the amount due as a credit for the preceding calendar year and issue a memorandum of credit to the eligible business in the amount of seven percent (7%) of the expenditure.

SECTION 633. Arkansas Code § 26-51-2005(c)(2)(B)(iii) and (iv), concerning qualification and determination of credit, are amended to read as

follows:

(iii) The ~~Director~~ Secretary of the Department of Finance and Administration may require proof of these expenditures.

(iv) The ~~Director~~ Secretary of the Department of Finance and Administration may examine those records necessary and specific to the project to determine credit eligibility. Any credits disallowed shall be subject to payment in full.

SECTION 634. Arkansas Code § 26-51-2303(b), concerning the administration of the Arkansas Tax Procedure Act, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall make and prescribe such rules, regulations, and forms as he or she deems necessary to administer this subchapter.

SECTION 635. Arkansas Code § 26-51-2305(a), concerning lottery withholdings, reporting, and payment, is amended to read as follows:

(a) A claim center shall register to withhold income tax under § 26-51-2304 from lottery winnings in the manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 636. Arkansas Code § 26-51-2305(f)(2)(E), concerning lottery withholdings, reporting, and payment, is amended to read as follows:

(E) Such other information as the ~~director~~ secretary shall require by rule.

SECTION 637. Arkansas Code § 26-51-2411(a)(1), concerning the enforcement and deposit of fees, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration may make rules and prescribe forms for a taxpayer to claim the investment tax credit provided by this subchapter and for the proper enforcement of the claim.

SECTION 638. Arkansas Code § 26-51-2411(d), concerning the enforcement and deposit of fees, is amended to read as follows:

(d) The ~~director~~ secretary shall demand the repayment of any

investment tax credits taken in excess of the investment tax credit allowed by this subchapter.

SECTION 639. Arkansas Code § 26-51-2502(c) and (d) , concerning the Disaster Relief Income Tax Check-Off Program, are amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to promulgate all rules and regulations and all income tax forms, returns, and schedules necessary to carry out this program.

(d) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to accept any gifts, grants, bequests, devises, and donations made to the State of Arkansas for the purposes of funding the Arkansas Disaster Relief Program. The ~~director~~ secretary shall deposit any of these gifts, grants, bequests, devises, and donations so received into the Arkansas Disaster Relief Program Trust Fund. These gifts, grants, bequests, devises, and donations shall be used together with any other funds appropriated for funding the program provided for in this section. ~~All gifts, grants, bequests, devises, and donations shall be deposited, disbursed, budgeted, and regulated under the procedures prescribed by the Chief Fiscal Officer of the State under § 19-4-807 [repealed].~~

SECTION 640. Arkansas Code § 26-51-2502(e)(1)(A) , concerning the Disaster Relief Income Tax Check-Off Program, is amended to read as follows:

(e)(1)(A) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State an Arkansas Disaster Relief Program Trust Fund to be used by the ~~Arkansas Department~~ Division of Emergency Management for disaster relief.

SECTION 641. Arkansas Code § 26-51-2502(f) , concerning the Disaster Relief Income Tax Check-Off Program, is amended to read as follows:

(f)(1) The Revenue Division of the Department of Finance and Administration may establish any rule to effectively carry out the revenue producing provisions of this section.

(2) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules to carry out the provisions of this section that allow the ~~director~~ secretary to accept gifts, grants, bequests,

devises, and donations.

SECTION 642. Arkansas Code § 26-51-2503(a)(3), concerning contributions to the Arkansas School for the Blind and the Arkansas School for the Deaf, is amended to read as follows:

(3) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate all rules and regulations and all income tax forms, returns, and schedules necessary to implement this section.

SECTION 643. The introductory language of Arkansas Code § 26-51-2504(d), concerning the Baby Sharon Act, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may:

SECTION 644. Arkansas Code § 26-51-2504(f), concerning the Baby Sharon Act, is amended to read as follows:

(f) The ~~director~~ secretary shall promulgate all rules and regulations and all income tax forms, returns, and schedules necessary to carry out the revenue-producing provisions of this section.

SECTION 645. The introductory language of Arkansas Code § 26-51-2506(d), concerning the Military Family Relief Check-off Program, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may:

SECTION 646. Arkansas Code § 26-51-2506(f), concerning the Military Family Relief Check-off Program, is amended to read as follows:

(f) The ~~director~~ secretary shall promulgate rules and all income tax forms, returns, and schedules necessary to carry out the revenue-producing provisions of this section.

SECTION 647. Arkansas Code § 26-51-2506(j)(2), concerning the Military Family Relief Check-off Program, is amended to read as follows:

(2) The provisions of this section allowing the ~~director~~ secretary to accept gifts, grants, bequests, devises, and donations shall be

effective on August 1, 2005.

SECTION 648. Arkansas Code § 26-51-2507(a)(3), concerning contributions to the Arkansas Area Agencies on Aging, is amended to read as follows:

(3) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules and develop all income tax forms, returns, and schedules necessary to implement this section.

SECTION 649. Arkansas Code § 26-51-2508(d), concerning the income tax check-off program for contributions to the Newborn Umbilical Cord Blood Initiative, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate all rules and all income tax forms, returns, and schedules necessary to carry out the program.

SECTION 650. Arkansas Code § 26-51-2509(c), concerning contributions to the Arkansas Tax-Deferred Tuition Savings Program account, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and develop all income tax forms, returns, and schedules necessary to implement this section.

SECTION 651. Arkansas Code § 26-51-2510(d), concerning contributions to the Arkansas Game and Fish Foundation, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules necessary to carry out the program established under this section.

SECTION 652. Arkansas Code § 26-52-103(14), concerning the definition of "director" under the laws regarding gross receipts tax, is repealed.

~~(14) "Director" means the Director of the Department of Finance and Administration or any of his or her authorized agents;~~

SECTION 653. Arkansas Code § 26-52-103(31), concerning the definition of "tax period" under the laws regarding gross receipts tax, is amended to

read as follows:

(31) "Tax period" or "taxable period" means either the calendar period or the taxpayer's fiscal period when a taxpayer has obtained a permit from the ~~director~~ Secretary of the Department of Finance and Administration or from any of his or her authorized agents to use a fiscal period in lieu of a calendar period;

SECTION 654. Arkansas Code § 26-52-105 is amended to read as follows:

26-52-105. Administration — Rules and regulations.

(a) The administration of this chapter is vested in and shall be exercised by the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The ~~director~~ secretary shall promulgate rules and regulations and prescribe forms for the proper enforcement of this chapter.

SECTION 655. Arkansas Code § 26-52-106(b), concerning the cost of administration and the distribution of an annual surplus, is amended to read as follows:

(b) If any funds appropriated for the administration of this chapter shall remain in the hands of the ~~Director~~ Secretary of the Department of Finance and Administration at the end of each fiscal year that shall not have been actually used in the administration of this chapter, then the funds shall be remitted by the ~~director~~ secretary to the Treasurer of State for distribution in the same manner and for the same purposes provided for in § 26-52-107.

SECTION 656. Arkansas Code § 26-52-107 is amended to read as follows:

26-52-107. Disposition of taxes, interest, and penalties.

All taxes, interest, penalties, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of this chapter shall be general revenues and shall be deposited into the State Treasury to the credit of the State Apportionment Fund. The Treasurer of State shall allocate and transfer the same to the various State Treasury funds participating in general revenues in the respective proportions to each as provided by, and to be used for the respective purposes set forth in, the Revenue Stabilization Law, § 19-5-101 et seq.

SECTION 657. Arkansas Code § 26-52-108 is amended to read as follows:

26-52-108. Changes in law — Notice to permit holders.

The ~~Director~~ Secretary of the Department of Finance and Administration shall give each gross receipts tax permit holder under § 26-52-201 written notice of any new state sales and use tax law or any change in the present state sales and use tax law within thirty (30) days after the adjournment of the General Assembly.

SECTION 658. Arkansas Code § 26-52-110(f), concerning sellers and affiliated persons, referral agreements, and requirement of notice, is amended to read as follows:

(f) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules to implement this section.

SECTION 659. Arkansas Code § 26-52-201(a) and (b), concerning the requirement for a gross receipts tax permit, are amended to read as follows:

(a) It shall be unlawful for any taxpayer to transact business within this state prior to issuance and receipt of an Arkansas gross receipts tax permit from the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) A separate permit for each business location must be obtained from the ~~director~~ secretary.

SECTION 660. Arkansas Code § 26-52-201(e), concerning the requirement for a gross receipts tax permit, are amended to read as follows:

(e) The ~~director~~ secretary is authorized to establish types and classifications of Arkansas gross receipts tax permits, including without limitation special permits for taxpayers whose principal line of business does not include the retail selling of tangible personal property, specified digital products, or a digital code or the performing of taxable services.

SECTION 661. Arkansas Code § 26-52-202(a), concerning an application for a gross receipts tax permit, is amended to read as follows:

(a) Every taxpayer shall file with the ~~Director~~ Secretary of the Department of Finance and Administration an application for a gross receipts

tax permit to conduct the taxpayer's business, setting forth such information as the ~~director~~ secretary may require.

SECTION 662. Arkansas Code § 26-52-202(c), concerning an application for a gross receipts tax permit, is amended to read as follows:

(c) A taxpayer is permitted to file an application through an agent if the registration is filed with the ~~director~~ secretary and is made in writing.

SECTION 663. Arkansas Code § 26-52-203(a) and (b), concerning fee deposits or the requirement of a bond, are amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall require prior to the issuance of any new Arkansas gross receipts tax permit the payment of a nonrefundable fee of fifty dollars ($50.00), which shall be remitted with each new application for a permit.

(b) All persons doing a retail business in this state, which business is subject to the provisions of this chapter, who do not have a permanent domicile in this state, shall make a sufficient cash deposit or sufficient bond with the ~~director~~ secretary to cover their annual sales tax before doing business in this state or before receiving a permit to do business in this state as provided in § 26-52-201.

SECTION 664. Arkansas Code § 26-52-207(a)(1) and (2), concerning the discontinuance of a business and unpaid taxes, are amended to read as follows:

(a)(1) Any taxpayer operating under a permit as provided in this subchapter, upon discontinuance of business by sale or otherwise, shall return the permit to the ~~Director~~ Secretary of the Department of Finance and Administration for cancellation together with a remittance of any unpaid or accrued taxes.

(2) Failure to surrender a permit and pay any and all accrued taxes shall be sufficient cause for the ~~director~~ secretary to refuse the issuance of any permit in the future to the taxpayer to engage in or transact any other business in this state.

SECTION 665. Arkansas Code § 26-52-207(b), concerning the discontinuance of a business and unpaid taxes, is amended to read as follows:

(b) The ~~director~~ secretary shall not issue a permit to continue or conduct the business to the purchaser of the business until all tax claims due in the State of Arkansas under this section have been settled and paid.

SECTION 666. Arkansas Code § 26-52-210(a)(1)(B), concerning an automatic expiration of gross receipts tax permits, is amended to read as follows:

(B)(i) The ~~Director~~ Secretary of the Department of Finance and Administration shall notify the taxpayer in writing that the gross receipts tax permit has expired.

(ii) Within thirty (30) days after the date of the notice, the taxpayer shall return the permit to the ~~director~~ secretary.

SECTION 667. Arkansas Code § 26-52-210(b), concerning an automatic expiration of gross receipts tax permits, is amended to read as follows:

(b)(1) Any taxpayer who has been notified that his or her gross receipts tax permit will expire may petition the ~~director~~ secretary to retain the taxpayer's gross receipts tax permit if the taxpayer reasonably expects to engage in business within the twelve-month period immediately following the notification.

(2) The ~~director~~ secretary may allow a taxpayer to retain the taxpayer's gross receipts tax permit if the taxpayer demonstrates to the ~~director's~~ secretary's satisfaction that the taxpayer will require a gross receipts tax permit within the following twelve (12) months to engage in business.

SECTION 668. Arkansas Code § 26-52-303(c)(1), concerning border cities or towns, tax rates, and exemptions, is amended to read as follows:

(c)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall require any person claiming this exemption to file a sworn statement in writing that the person is a resident of that city or incorporated town and such other information as the ~~director~~ secretary may determine is necessary to establish the residence of the person.

SECTION 669. Arkansas Code § 26-52-314(e), concerning prepaid calling services and prepaid wireless calling services, is amended to read as

follows:

(e) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules to implement this section.

SECTION 670. The introductory language of Arkansas Code § 26-52-317(a)(1), concerning food and food ingredients, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall determine the following conditions:

SECTION 671. Arkansas Code § 26-52-317(a)(1)(C)(ii), concerning food and food ingredients, is amended to read as follows:

(ii) The ~~director~~ secretary shall make the determination under subdivision (a)(1)(C)(i) of this section on a monthly basis following the determination that the conditions under subdivision (a)(1)(A) of this section have been met.

SECTION 672. The introductory language of Arkansas Code § 26-52-317(a)(2)(A), concerning food and food ingredients, is amended to read as follows:

(2)(A) ~~Beginning July 1, 2013, the director~~ The secretary shall make a monthly determination as to whether the aggregate amount of deductions from net general revenues attributable to the following during the most recently ended six-month consecutive period, as compared with the same six-month period in the prior year, has declined by thirty-five million dollars ($35,000,000) or more:

SECTION 673. Arkansas Code § 26-52-317(a)(2)(B), concerning food and food ingredients, is amended to read as follows:

(B)(i) In making the determination in this subdivision (a)(2), the ~~director~~ secretary shall consider all economic factors existing at the time of the determination that could potentially affect the decline in the aggregate amount of deductions, including without limitation pending litigation.

(ii) If the consideration of additional economic factors under subdivision (a)(2)(B)(i) of this section results in a

determination that the decline in the aggregate amount of deductions is not likely to remain at that reduced level, the ~~director~~ secretary shall conclude that the conditions in this subdivision (a)(2) have not been met.

SECTION 674. Arkansas Code § 26-52-317(a)(3), concerning food and food ingredients, is amended to read as follows:

(3) When the ~~director~~ secretary finds that all of the conditions in either subdivision (a)(1) of this section or subdivision (a)(2) of this section have been met, then the gross receipts or gross proceeds taxes levied under subsection (c) of this section shall be levied at the rate of zero percent (0%) on the sale of food and food ingredients beginning on the first day of the calendar quarter that is at least thirty (30) days following the determination of the ~~director~~ secretary.

SECTION 675. Arkansas Code § 26-52-317(c)(1)(A)-(C), concerning food and food ingredients, are amended to read as follows:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the ~~director~~ secretary under this subdivision (c)(1) shall be deposited as general revenues;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the ~~director~~ secretary under this subdivision (c)(1) shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the ~~director~~ secretary under this subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.

SECTION 676. Arkansas Code § 26-52-318(a)(21), concerning heavy equipment, is amended to read as follows:

(21) Any other equipment determined by the ~~Director~~ Secretary of the Department of Finance and Administration to be heavy equipment.

SECTION 677. Arkansas Code § 26-52-319(a)(2)(A)-(C), concerning natural gas and electricity used by manufacturers, are amended to read as follows:

(A) Seventy-six and six-tenths percent (76.6%) of the tax,

interest, penalties, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration shall be deposited as general revenues;

(B) Eight and five-tenths percent (8.5%) of the tax, interest, penalties, and costs received by the ~~director~~ secretary shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the tax, interest, penalties, and costs received by the ~~director~~ secretary shall be deposited into the Educational Adequacy Fund.

SECTION 678. Arkansas Code § 26-52-319(e) and (f), concerning natural gas and electricity used by manufacturers, are amended to read as follows:

(e) Before the sale of natural gas or electricity at the reduced excise tax rate levied in this section, the ~~director~~ secretary may require any seller of natural gas or electricity to obtain a certificate from the consumer, in the form prescribed by the ~~director~~ secretary, certifying that the manufacturer is eligible to purchase natural gas and electricity at the reduced excise tax rate.

(f) The ~~director~~ secretary shall promulgate rules for the proper administration of this section.

SECTION 679. Arkansas Code § 26-52-320(c), concerning portable toilets and associated services, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules to implement this section.

SECTION 680. Arkansas Code § 26-52-321(b), concerning fishing guide services, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules to implement this section.

SECTION 681. Arkansas Code § 26-52-322(c), concerning withdrawals from stock, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules to implement this section.

SECTION 682. Arkansas Code § 26-52-402(d), concerning tax exemptions for certain machinery and equipment, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules and regulations for the orderly and efficient administration of this section.

SECTION 683. Arkansas Code § 26-52-403(c), concerning farm equipment and machinery, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and prescribe forms for claiming the exemption provided by this section.

SECTION 684. Arkansas Code § 26-52-406(b), concerning prescription drugs and oxygen, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall adopt such appropriate rules and regulations as the ~~director~~ secretary deems necessary to assume the effective and efficient administration of the exemption provided for in this section and to prevent abuse thereof.

SECTION 685. Arkansas Code § 26-52-414(b), concerning products sold to humane societies, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a certificate to the officers of each humane society organized under § 20-19-101, which shall indicate the identity of the humane society officer and the humane society with which the humane society officer is associated. Sales to a humane society shall be exempt from the Arkansas gross receipts tax upon presentation of the certificate.

SECTION 686. Arkansas Code § 26-52-416(d), concerning electricity sold to low-income households, is amended to read as follows:

(d) On forms provided by the ~~Director~~ Secretary of the Department of Finance and Administration, a residential customer qualifying for the exemption in this section shall notify the electric utility providing service to the residential customer of the residential customer's intention to claim the exemption in this section.

SECTION 687. Arkansas Code § 26-52-416(e)(2), concerning electricity sold to low-income households, is amended to read as follows:

(2) When a residential customer who has qualified for the exemption in this section has household income exceeding the twelve-thousand-dollar limit, the residential customer is disqualified from the exemption in this section and shall notify the electric utility on forms provided by the ~~director~~ secretary. The notice form shall be mailed to the electric utility on or before March 1 of the year following the year the household income exceeds twelve thousand dollars ($12,000).

SECTION 688. Arkansas Code § 26-52-416(f)(2), concerning electricity sold to low-income households, is amended to read as follows:

(2) The electric utility shall bill a residential customer for the amount of tax due as a result of the residential customer's disqualification under this section and remit the tax to the ~~director~~ secretary.

SECTION 689. Arkansas Code § 26-52-427(f), concerning property purchased for use in the performance of construction contracts, is amended to read as follows:

(f) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and prescribe forms for claiming a rebate as provided by this section.

SECTION 690. Arkansas Code § 26-52-440(a)(1), concerning the definition of "exemption certificate" under the laws concerning tax exemptions for qualified museums, is amended to read as follows:

(1) "Exemption certificate" means an exemption certificate issued by the ~~Director~~ Secretary of the Department of Finance and Administration under subdivision (d)(1) of this section;

SECTION 691. Arkansas Code § 26-52-440(a)(3)(B), concerning the definition of "exemption certificate" under the laws concerning tax exemptions for qualified museums, is amended to read as follows:

(B) The ~~director~~ secretary has issued an exemption

certificate to the nonprofit organization; and

SECTION 692. The introductory language of Arkansas Code § 26-52-440(c), concerning the definition of "exemption certificate" under the laws concerning tax exemptions for qualified museums, is amended to read as follows:

(c) A nonprofit organization requesting recognition as a qualified museum shall file with the ~~director~~ secretary on forms prescribed by the ~~director~~ secretary a written statement under oath:

SECTION 693. Arkansas Code § 26-52-440(d) and (e), concerning the definition of "exemption certificate" under the laws concerning tax exemptions for qualified museums, are amended to read as follows:

(d)(1) After filing the statement required under subdivision (c)(1) of this section, if the ~~director~~ secretary finds that the nonprofit organization has a good faith plan and intent to satisfy the conditions of subdivision (c)(2) of this section prior to January 1, 2013, the ~~director~~ secretary shall issue an exemption certificate to the nonprofit organization within sixty (60) days after the filing of the statement.

(2) The ~~director~~ secretary may revoke the exemption certificate at any time after it is issued if the ~~director~~ secretary determines that the nonprofit organization is unable to satisfy the conditions under subdivision (c)(2) of this section prior to January 1, 2013.

(3) After filing the statement required under subdivision (c)(2) of this section, if the ~~director~~ secretary determines that the nonprofit organization has not met the conditions under subdivision (c)(2) of this section, the ~~director~~ secretary shall revoke the exemption certificate of the nonprofit organization.

(4) If the nonprofit organization fails to file the statement described in subdivision (c)(2) of this section on or prior to June 30, 2013, the ~~director~~ secretary shall revoke the exemption certificate.

(5) Revocation by the ~~director~~ secretary of an exemption certificate shall be retroactive to the date of its issuance subject to subsection (e) of this section.

(e)(1) If the ~~director~~ secretary revokes the exemption certificate, any tax deficiency, related interest, and applicable penalties due under this

chapter, the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., or the Arkansas Tax Procedure Act, § 26-18-101 et seq., may be assessed against the nonprofit organization but may not be assessed against a third party that has relied in good faith on the exemption certificate prior to its revocation.

(2) If the ~~director~~ secretary revokes the exemption certificate, any tax deficiency, related interest, and applicable penalties assessed against the nonprofit organization shall also include any tax deficiency, related interest, and applicable penalties assessed on purchases made by the nonprofit organization's contractors and agents for the benefit of the nonprofit organization in reliance on the exemption certificate.

(3)(A) Any assessment by the ~~director~~ secretary under subdivision (e)(1) of this section or subdivision (e)(2) of this section shall be made in accordance with the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(B) However, the time period for the ~~director~~ secretary to make the assessment is extended to whichever of the following occurs first:

(i) Three (3) years from the date the nonprofit organization files the statement under subdivision (c)(2) of this section; or

(ii) July 1, 2016.

(4) The nonprofit organization may contest any assessment or other determination by the ~~director~~ secretary in accordance with the Arkansas Tax Procedure Act, § 26-18-101 et seq.

SECTION 694. Arkansas Code § 26-52-441(d), concerning natural gas and electricity used in the manufacturing of tires, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules for the proper administration of this section.

SECTION 695. Arkansas Code § 26-52-446(d) and (e), concerning grain drying and storage facilities, are amended to read as follows:

(d) Before allowing the exemption of a utility under this section, the ~~Director~~ Secretary of the Department of Finance and Administration may require a seller of a utility to obtain a certificate from the taxpayer in

the form prescribed by the ~~director~~ secretary, certifying that the taxpayer is eligible for the exemption.

(e) The ~~director~~ secretary shall promulgate rules for the proper administration of this section.

SECTION 696. Arkansas Code § 26-52-450(d) and (e), concerning utilities used for qualifying agricultural structures and qualifying aquaculture and horticulture equipment, are amended to read as follows:

(d) Before allowing the exemption of a utility under this section, the ~~Director~~ Secretary of the Department of Finance and Administration may require a seller of a utility to obtain a certificate from the taxpayer in the form prescribed by the ~~director~~ secretary, certifying that the taxpayer is eligible for the exemption.

(e) The ~~director~~ secretary shall promulgate rules for the proper administration of this section.

SECTION 697. Arkansas Code § 26-52-501(a)(2), concerning preparation of returns and payment of taxes, is amended to read as follows:

(2) When a taxpayer becomes liable to file a report with the ~~Director~~ Secretary of the Department of Finance and Administration, the taxpayer must continue to file the report, even though no tax is due, until such time as the taxpayer notifies the ~~director~~ secretary, in writing, that the taxpayer is no longer liable for the report.

SECTION 698. Arkansas Code § 26-52-501(b), concerning preparation of returns and payment of taxes, is amended to read as follows:

(b)(1) For the purpose of ascertaining the amount of tax payable under this chapter, it shall be the duty of all taxpayers on or before the twentieth day of each month to deliver to the ~~director~~ secretary, upon forms prescribed and furnished by the ~~director~~ secretary, returns showing the total tax due derived from all taxable sales during the preceding calendar month.

(2) The returns shall show such further information as the ~~director~~ secretary may require to enable the ~~director~~ secretary to compute correctly and collect the tax levied.

(3) Whether an individual, corporation, partnership, limited liability company, or other entity, every taxpayer shall file a single report

combining all taxes due derived from sales made from all Arkansas locations of the taxpayer's business which are registered and permitted with the ~~director~~ secretary under the same federal employer's identification number or Social Security number.

SECTION 699. Arkansas Code § 26-52-501(e), concerning preparation of returns and payment of taxes, is amended to read as follows:

(e) The taxpayer shall compute and remit to the ~~director~~ secretary the required tax due for the preceding calendar month, with the remittance of the tax to accompany the returns required in this subchapter.

SECTION 700. Arkansas Code § 26-52-501(h)-(j), concerning preparation of returns and payment of taxes, are amended to read as follows:

(h) When the average amount of tax for which the taxpayer is liable for the previous fiscal year beginning on July 1 and ending on June 30 does not exceed one hundred dollars ($100) per month, the ~~director~~ secretary may notify the taxpayer that a quarterly report and remittance in lieu of a monthly report may be made on or before July 20, October 20, January 20, and April 20 of each year for the preceding three-month period.

(i) When the average amount of tax for which the taxpayer is liable for the previous fiscal year beginning on July 1 and ending on June 30 does not exceed twenty-five dollars ($25.00) per month, the ~~director~~ secretary may notify the taxpayer that a yearly report and remittance in lieu of a monthly report may be made on or before January 20 of each year for the preceding twelve-month period.

(j) The ~~director~~ secretary may establish by regulation separate requirements for filing reports and returns and paying the tax levied under this chapter for taxpayers whose principal line of business does not include the retail selling of tangible personal property, specified digital products, or a digital code or performing taxable services.

SECTION 701. Arkansas Code § 26-52-502 is amended to read as follows:

26-52-502. Tax return on basis of cash actually received.

(a) Any person taxable under this chapter doing business wholly or partly on a credit basis may make application to the ~~Director~~ Secretary of the Department of Finance and Administration for permission to prepare his or

her returns on the basis of cash actually received.

(b) The application shall be granted by the ~~director~~ secretary under such rules and regulations as the ~~director~~ secretary may prescribe.

(c) Any person making the application shall be taxable on all moneys collected during the taxable period.

SECTION 702. Arkansas Code § 26-52-503(a) and (b), concerning a discount for early payment of taxes, are amended to read as follows:

(a) At the time of transmitting the returns required under this chapter to the ~~Director~~ Secretary of the Department of Finance and Administration, the taxpayer shall remit with the returns to the ~~director~~ secretary ninety-eight percent (98%) of the state tax due under this chapter and ninety-eight percent (98%) of the city and county gross receipts taxes collected by the ~~director~~ secretary.

(b) Failure of the taxpayer to remit the tax on or before the twentieth day of the applicable month shall cause the taxpayer to forfeit his or her claim to the discount, and the taxpayer shall remit to the ~~director~~ secretary one hundred percent (100%) of the amount of tax plus any penalty and interest due.

SECTION 703. The introductory language of Arkansas Code § 26-52-503(c)(2)(C), concerning a discount for early payment of taxes, is amended to read as follows:

(C) The limitations on the state tax discount under this section apply to early payment of city and county gross receipts taxes collected by the ~~director~~ secretary, under the following schedule:

SECTION 704. Arkansas Code § 26-52-505(a), concerning the sales of aircraft, is amended to read as follows:

(a) Every person selling new or used aircraft in this state, whether from an established business, under a dealership, as a flying service, or as a private individual, shall obtain and hold a permit as provided in § 26-52-202 and shall make a monthly report and remittance to the ~~Director~~ Secretary of the Department of Finance and Administration as provided in this chapter, together with copies of invoices, sales tickets, or bills of sale reflecting the date of all sales of aircraft, the purchaser's name and address, the

make, year, model, serial number, and gross sales price of each aircraft, and the amount of tax collected from the purchaser.

SECTION 705. The introductory language of Arkansas Code § 26-52-508(a), concerning the collection of taxes by sellers or admissions collectors, is amended to read as follows:

(a) The tax levied by this chapter shall be paid to the ~~Director~~ Secretary of the Department of Finance and Administration by:

SECTION 706. The introductory language of Arkansas Code § 26-52-509(a)(1), concerning the direct payment of taxes by a consumer or user, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration by agreement with any consumer or user may:

SECTION 707. Arkansas Code § 26-52-509(a)(3), concerning the direct payment of taxes by a consumer or user, is amended to read as follows:

(3) A person who has entered into a limited direct pay agreement under this section and makes purchases of property or services under the authority of that agreement without paying the gross receipts or compensating use taxes due on those purchases is responsible for remitting the proper amount of tax due to the ~~director~~ secretary as required by law.

SECTION 708. Arkansas Code § 26-52-509(b), concerning the direct payment of taxes by a consumer or user, is amended to read as follows:

(b) The agreements may be revoked at any time by the ~~director~~ secretary whenever the ~~director~~ secretary determines that the revocation thereof should be in the best interests of collection of gross receipts taxes.

SECTION 709. Arkansas Code § 26-52-510(a)(1) and (2), concerning the direct payment of tax by a consumer on new and used motor vehicles, trailers, or semitrailers, are amended to read as follows:

(a)(1) On or before the time for registration as prescribed by § 27-14-903(a), a consumer shall pay to the ~~Director~~ Secretary of the Department of Finance and Administration the tax levied by this chapter and all other

gross receipts taxes levied by the state with respect to the sale of a new or used motor vehicle, trailer, or semitrailer required to be licensed in this state, instead of the taxes being collected by the dealer or seller.

(2) The ~~director~~ secretary shall require the payment of the taxes at the time of registration before issuing a license for the new or used motor vehicle, trailer, or semitrailer.

SECTION 710. Arkansas Code § 26-52-510(a)(4)(B), concerning the direct payment of tax by a consumer new and used motor vehicles, trailers, or semitrailers, are amended to read as follows:

(B) The consumer shall pay to the ~~director~~ secretary the penalty under subdivision (a)(4)(A) of this section and the taxes due before the ~~director~~ secretary issues a license for the motor vehicle, trailer, or semitrailer.

SECTION 711. Arkansas Code § 26-52-510(g)(1)(B) and (C), concerning the direct payment of tax by a consumer new and used motor vehicles, trailers, or semitrailers, are amended to read as follows:

(B) If the published loan value exceeds the invoiced price, then the taxpayer must establish to the ~~director's~~ secretary's satisfaction that the price reflected on the invoice or other document is true and correct.

(C) If the ~~director~~ secretary determines that the invoiced price is not the actual selling price of the vehicle, then the total consideration will be deemed to be the published loan value.

SECTION 712. Arkansas Code § 26-52-510(g)(2), concerning the direct payment of tax by a consumer new and used motor vehicles, trailers, or semitrailers, is amended to read as follows:

(2)(A) For purposes of this section, the total consideration for a new or used trailer or semitrailer shall be the actual sales price as provided on a bill of sale, invoice, or financing agreement.

(B) The ~~director~~ secretary may require additional information to conclusively establish the true selling price of the new or used trailer or semitrailer.

SECTION 713. The introductory language of Arkansas Code § 26-52-514(a), concerning the determination of total consideration for the sale of a vehicle an alternative method, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to adopt an alternative method for determining the total consideration for the sale of new or used:

SECTION 714. The introductory language of Arkansas Code § 26-52-515(a), concerning the refund of sales tax on vehicles returned as defective, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall refund to a manufacturer any state and local sales or use tax which the manufacturer refunded to the consumer, lessee, or lessor pursuant to the Arkansas New Motor Vehicle Quality Assurance Act, § 4-90-401 et seq., or other defective vehicle buy-back agreement, if the manufacturer provides to the Department of Finance and Administration:

SECTION 715. Arkansas Code § 26-52-515(a)(5), concerning the refund of sales tax on vehicles returned as defective, is amended to read as follows:

(5) Such other information as shall be required by the ~~director~~ secretary.

SECTION 716. Arkansas Code § 26-52-515(c)(2), concerning the refund of sales tax on vehicles returned as defective, is amended to read as follows:

(2) The ~~director~~ secretary shall prescribe the forms and other information necessary to issue the voucher.

SECTION 717. Arkansas Code § 26-52-517(a), concerning exemption certificates, is amended to read as follows:

(a) The sales tax liability for all sales of tangible personal property, specified digital products, digital codes, and taxable services is upon the seller unless the purchaser claims an exemption and the seller obtains identifying information of the purchaser and the reason the purchaser is claiming the exemption in the manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 718. Arkansas Code § 26-52-517(b)(1), concerning exemption certificates, is amended to read as follows:

(b)(1) When tangible personal property, specified digital products, a digital code, or taxable services are purchased tax-free under subsection (a) of this section and the tangible personal property, specified digital products, digital code, or taxable service is not resold by the purchaser, the purchaser is solely liable for reporting and remitting to the ~~director~~ secretary any tax which should have been paid at the time of purchase.

SECTION 719. Arkansas Code § 26-52-517(c)(1), concerning exemption certificates, is amended to read as follows:

(c)(1) The ~~director~~ secretary may provide sale for resale certificates to assist retailers in properly accounting for nontaxable sales of tangible personal property or taxable services.

SECTION 720. Arkansas Code § 26-52-517(e), concerning exemption certificates, is amended to read as follows:

(e) A seller that follows the exemption requirements as prescribed by the ~~director~~ secretary is relieved from any tax otherwise applicable if it is determined that the purchaser improperly claimed an exemption.

SECTION 721. Arkansas Code § 26-52-518(c), concerning exemption certificates, is amended to read as follows:

(c) Promoters or organizers of special events shall register for sales tax collection with the ~~Director~~ Secretary of the Department of Finance and Administration and shall provide to special event vendors special event sales tax reporting forms and any other information which may be required by the ~~director~~ secretary.

SECTION 722. Arkansas Code § 26-52-518(f)(2), concerning exemption certificates, is amended to read as follows:

(2) Promoters and organizers shall be liable for their failure to remit to the ~~director~~ secretary sales taxes which are remitted to them by special event vendors.

SECTION 723. The introductory language of Arkansas Code § 26-52-

519(a), concerning a credit voucher for sales tax on motor vehicles destroyed by catastrophic events, is amended to read as follows:

(a) When a consumer has paid sales taxes on a motor vehicle within the last one hundred eighty (180) days and the motor vehicle is destroyed or damaged by some catastrophic event resulting from a natural cause to the extent that the value of the motor vehicle is less than thirty percent (30%) of its retail value, as found in the National Automobile Dealers Association's Official Price Guide, or other source approved by the Office of Motor Vehicle, the consumer may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for a sales tax credit voucher in the amount of any state and local sales or use taxes paid on the motor vehicle transaction, if the consumer provides to the Department of Finance and Administration:

SECTION 724. Arkansas Code § 26-52-519(a)(5), concerning a credit voucher for sales tax on motor vehicles destroyed by catastrophic events, is amended to read as follows:

(5) Any other information as shall be required by the ~~director~~ secretary as necessary to issue the voucher.

SECTION 725. Arkansas Code § 26-52-519(c), concerning a credit voucher for sales tax on motor vehicles destroyed by catastrophic events, is amended to read as follows:

(c) When a consumer has tendered a trade-in motor vehicle toward the purchase of the vehicle which is credited under subsection (a) of this section, the consumer may apply to the ~~director~~ secretary for a credit voucher in the amount of the trade-in vehicle's consideration also.

SECTION 726. Arkansas Code § 26-52-519(e), concerning a credit voucher for sales tax on motor vehicles destroyed by catastrophic events, is amended to read as follows:

(e) The ~~director~~ secretary shall prescribe the forms, the nature of satisfactory proof of the vehicle's values, and any other information as is necessary to issue the credit vouchers under this section.

SECTION 727. Arkansas Code § 26-52-523(c)(1) and (2), concerning a

credit or rebate on local sales and use tax, are amended to read as follows:

(c)(1) A purchaser that is required by § 26-52-501, § 26-52-509, or § 26-53-125 to file a sales or use tax return may file a claim for a credit or rebate under this section with the ~~Director~~ Secretary of the Department of Finance and Administration in connection with the sales or use tax return and offset the amount of credit or rebate claimed against any municipal or county sales or use tax due to be remitted with the return.

(2) A purchaser that qualifies for a credit or rebate under this section and is not required to file a sales or use tax return as provided in subdivision (c)(1) of this section may file a claim for a credit or rebate under this section with the ~~director~~ secretary.

SECTION 728. Arkansas Code § 26-52-523(g), concerning a credit or a rebate on local sales and use tax, is amended to read as follows:

(g) The ~~director~~ secretary may promulgate rules to administer this section, including without limitation providing an administratively feasible method for filing a claim for a credit or rebate and any necessary forms.

SECTION 729. Arkansas Code § 26-52-523(i), concerning a credit or a rebate on local sales and use tax, is amended to read as follows:

(i) Except as provided in subsection (h) of this section, this section applies to any local sales or use tax collected by the ~~director~~ secretary pursuant to any state tax law authorizing a county or municipality to levy a sales or use tax.

SECTION 730. The introductory language of Arkansas Code § 26-52-802(a), concerning the sale of manufactured homes, modular homes, or mobile homes, is amended to read as follows:

(a) Whether from an established business or by a licensed retailer, every person selling manufactured homes or modular homes in this state shall obtain a permit and report and remit to the ~~Director~~ Secretary of the Department of Finance and Administration as provided in this chapter, together with:

SECTION 731. Arkansas Code § 26-53-102(9), concerning the definition of "director" under the Arkansas Compensating Tax Act of 1949, is repealed.

~~(9) "Director" means the Director of the Department of Finance and Administration;~~

SECTION 732. Arkansas Code § 26-53-103(a), concerning the administration of the Arkansas Compensating Tax Act of 1949, is amended to read as follows:

(a) The administration of this subchapter is vested in and shall be exercised by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 733. Arkansas Code § 26-53-104(a), concerning rules, regulations, and forms under the Arkansas Compensating Tax Act of 1949, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and regulations and prescribe forms for the proper enforcement of this subchapter.

SECTION 734. Arkansas Code § 26-53-104(b)(2), concerning rules, regulations, and forms under the Arkansas Compensating Tax Act of 1949, is amended to read as follows:

(2) A complete file of all the rules, regulations, and forms shall be kept in the office of the ~~director~~ secretary.

SECTION 735. Arkansas Code § 26-53-105 is amended to read as follows:

26-53-105. Sales and Use Tax Section.

The ~~Director~~ Secretary of the Department of Finance and Administration shall create within the Revenue Division of the Department of Finance and Administration the Sales and Use Tax Section for the collection, enforcement, and administration of the tax levied by this subchapter.

SECTION 736. Arkansas Code § 26-53-114(d), concerning an exemption for certain machinery and equipment, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules and regulations for the orderly and efficient administration of this section.

SECTION 737. Arkansas Code § 26-53-121(1), concerning the registration of vendors, is amended to read as follows:

(1) Register with the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 738. Arkansas Code § 26-53-121(3), concerning the registration of vendors, is amended to read as follows:

(3) Provide other information as the ~~director~~ secretary may require.

SECTION 739. Arkansas Code § 26-53-123(b), concerning tax liability, is amended to read as follows:

(b) However, a receipt from a vendor authorized by the ~~Director~~ Secretary of the Department of Finance and Administration under such rules and regulations as he or she may prescribe to collect the tax imposed given to the purchaser in accordance with the provisions of §§ 26-53-121 and 26-53-122 shall be sufficient to relieve the purchaser from further liability for the tax to which the receipt may refer.

SECTION 740. Arkansas Code § 26-53-125(a)(1) and (2), concerning the return and payment of taxes, are amended to read as follows:

(a)(1)(A) The tax imposed by this subchapter shall be due and payable to the ~~Director~~ Secretary of the Department of Finance and Administration monthly on or before the twentieth day of each month except as provided in this subchapter.

(B) When a taxpayer has become liable to file a report with the ~~director~~ secretary, the taxpayer must continue to file a report, even though no tax is due, until the taxpayer notifies the ~~director~~ secretary in writing that the taxpayer is no longer liable for those reports.

(2) Every vendor selling tangible personal property, specified digital products, a digital code, or taxable services for storage, use, distribution, or consumption in this state shall file with the ~~director~~ secretary on or before the twentieth day of each month a sales and use tax return for the preceding monthly period in such form as may be prescribed by the ~~director~~ secretary, showing:

(A) The total tax levied by this subchapter due on all

tangible personal property, specified digital products, digital codes, or taxable services sold by the vendor during the preceding monthly period, the storage, use, distribution, or consumption of which is subject to the tax levied by this subchapter; and

(B) Such other information as the ~~director~~ secretary may deem necessary for the proper administration of this subchapter.

SECTION 741. Arkansas Code § 26-53-125(b)(1), concerning the return and payment of taxes, is amended to read as follows:

(b)(1) Every person purchasing tangible personal property, specified digital products, a digital code, or taxable services of which the storage, use, distribution, or consumption is subject to the tax levied by this subchapter and who has not paid the tax due with respect to the tangible personal property, specified digital products, digital code, or taxable services to a vendor registered in accordance with the provisions of §§ 26-53-121 and 26-53-122 shall file a return with the ~~director~~ secretary on or before the twentieth day of each month for the preceding monthly period in such a form as may be prescribed by the ~~director~~ secretary showing:

(A) The tax levied by this subchapter due on the tangible personal property, specified digital products, digital code, or taxable services purchased during the preceding monthly period; and

(B) Such other information as the ~~director~~ secretary may deem necessary for the proper administration of this subchapter.

SECTION 742. Arkansas Code § 26-53-125(c)(1), concerning the return and payment of taxes, is amended to read as follows:

(1) Upon registration, the ~~director~~ secretary shall provide the vendor the required Arkansas returns;

SECTION 743. Arkansas Code § 26-53-125(d)(1), concerning the return and payment of taxes, is amended to read as follows:

(d)(1) When the average amount of tax for which the taxpayer is liable for the previous fiscal year beginning on July 1 and ending on June 30 does not exceed one hundred dollars ($100) per month, the ~~director~~ secretary may notify the taxpayer that a quarterly report and remittance in lieu of a monthly report may be made on or before July 20, October 20, January 20, and

April 20 of each year for the preceding three-month period.

SECTION 744. Arkansas Code § 26-53-126(a)(2), concerning taxes, payment, and collections on new and used motor vehicles, trailers, and semitrailers, is amended to read as follows:

(2)(A) On or before the time for registration as prescribed by § 27-14-903(a), the person making application to register the motor vehicle, trailer, or semitrailer shall pay the taxes to the ~~Director~~ Secretary of the Department of Finance and Administration instead of the taxes being collected by the dealer or individual seller.

(B) The ~~director~~ secretary shall collect the taxes before issuing a license for the motor vehicle, trailer, or semitrailer.

SECTION 745. Arkansas Code § 26-53-126(a)(4)(B), concerning taxes, payment, and collections on new and used motor vehicles, trailers, and semitrailers, is amended to read as follows:

(B) The person making application to register the motor vehicle, trailer, or semitrailer shall pay to the ~~director~~ secretary the penalty under subdivision (a)(4)(A) of this section and the taxes due before the ~~director~~ secretary issues a license for the motor vehicle, trailer, or semitrailer.

SECTION 746. Arkansas Code § 26-53-126(f)(1)(B) and (C), concerning taxes, payment, and collections on new and used motor vehicles, trailers, and semitrailers, are amended to read as follows:

(B) If the published loan value exceeds the invoiced price, then the taxpayer must establish to the ~~director's~~ secretary's satisfaction that the price reflected on the invoice or other document is true and correct.

(C) If the ~~director~~ secretary determines that the invoiced price is not the actual selling price of the vehicle, then the total consideration will be deemed to be the published loan value.

SECTION 747. Arkansas Code § 26-53-126(f)(2)(B), concerning taxes, payment, and collections on new and used motor vehicles, trailers, and semitrailers, is amended to read as follows:

(B) The ~~director~~ secretary may require additional

information to conclusively establish the true selling price of the new or used trailer or semitrailer.

SECTION 748. Arkansas Code § 26-53-127 is amended to read as follows:

26-53-127. Refunds to governmental agencies.

A governmental agency may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for refund of the amount of the tax levied and paid upon sales to it for food and food ingredients used for free distribution to the poor and needy or to public penal and eleemosynary institutions, as provided by law.

SECTION 749. Arkansas Code § 26-53-129 is amended to read as follows:

26-53-129. Suits for violations of subchapter — Agent for service.

(a) In all suits brought in any of the courts of this state by the ~~Director~~ Secretary of the Department of Finance and Administration against any vendor for any violation of this subchapter, the suits shall be brought thereon in any courts of this state having jurisdiction of the subject matter.

(b)(1) Every vendor shall designate with the ~~director~~ Secretary of the Department of Finance and Administration an agent for service within this state for the purpose of enforcing this subchapter.

(2) If a vendor has not designated or shall fail to designate with the ~~director~~ Secretary of the Department of Finance and Administration an agent for service within this state, then the Secretary of State shall be deemed the agent for service, or any agent or employee of the vendor within this state shall be deemed agent for service.

SECTION 750. Arkansas Code § 26-53-131(a)(1)(A)(ii), concerning credit for taxes paid in another state, is amended to read as follows:

(ii) Proof of payment of such a tax shall be made according to the rules and regulations promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 751. Arkansas Code § 26-53-131(a)(1)(B), concerning credit for taxes paid in another state, is amended to read as follows:

(B) If the amount of tax paid in another state is less

than the amount of Arkansas compensating tax imposed on the property or services by this subchapter, then the taxpayer shall pay to the ~~director~~ secretary an amount of Arkansas compensating tax sufficient to make the combined amount of tax paid in the other state and this state equal to the total amount of Arkansas compensating tax that would be due if no tax on the property or services had been paid to any other state.

SECTION 752. Arkansas Code § 26-53-138(f), concerning exemptions for property purchased for the use and performance of a construction contract, is amended to read as follows:

(f) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and prescribe forms for claiming a rebate as provided by this section.

SECTION 753. The introductory language of Arkansas Code § 26-53-145(a)(1), concerning food and food ingredients, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall determine the following conditions:

SECTION 754. Arkansas Code § 26-53-145(a)(1)(C)(ii), concerning food and food ingredients, is amended to read as follows:

(ii) The ~~director~~ secretary shall make the determination under subdivision (a)(1)(C)(i) of this section on a monthly basis following the determination that the conditions under subdivision (a)(1)(A) of this section have been met.

SECTION 755. The introductory language of Arkansas Code § 26-53-145(a)(2)(A), concerning food and food ingredients, is amended to read as follows:

(2)(A) Beginning July 1, 2013, the ~~director~~ secretary shall make a monthly determination as to whether the aggregate amount of deductions from net general revenues attributable to the following during the most recently ended six-month consecutive period, as compared with the same six-month period in the prior year, has declined by thirty-five million dollars ($35,000,000) or more:

SECTION 756. Arkansas Code § 26-53-145(a)(2)(B), concerning food and food ingredients, is amended to read as follows:

(B)(i) In making the determination in this subdivision (a)(2), the ~~director~~ secretary shall consider all economic factors existing at the time of the determination that could potentially affect the decline in the aggregate amount of deductions, including without limitation pending litigation.

(ii) If the consideration of additional economic factors under subdivision (a)(2)(B)(i) of this section results in a determination that the decline in the aggregate amount of deductions is not likely to remain at that reduced level, the ~~director~~ secretary shall conclude that the conditions in this subdivision (a)(2) have not been met.

SECTION 757. Arkansas Code § 26-53-145(a)(3), concerning food and food ingredients, is amended to read as follows:

(3) When the ~~director~~ secretary finds that all of the conditions in either subdivision (a)(1) or subdivision (a)(2) of this section have been met, then the compensating use taxes levied under subsection (c) of this section shall be levied at the rate of zero percent (0%) on the sale of food and food ingredients beginning on the first day of the calendar quarter that is at least thirty (30) days following the determination of the ~~director~~ secretary.

SECTION 758. Arkansas Code § 26-53-145(c)(1)(A)-(C), concerning food and food ingredients, are amended to read as follows:

(A) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received by the ~~director~~ secretary under this subdivision (c)(1) shall be deposited as general revenues;

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the ~~director~~ secretary under this subdivision (c)(1) shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the ~~director~~ secretary under this subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.

SECTION 759. Arkansas Code § 26-53-146(a)(1), concerning the definition of "exemption certification" under the exemptions for qualified museums, is amended to read as follows:

(1) “Exemption certificate” means an exemption certificate issued by the ~~Director~~ Secretary of the Department of Finance and Administration under subdivision (d)(1) of this section;

SECTION 760. Arkansas Code § 26-53-146(a)(3)(B), concerning the exemptions for qualified museums, is amended to read as follows:

(B) The ~~director~~ secretary has issued an exemption certificate to the nonprofit organization; and

SECTION 761. The introductory language of Arkansas Code § 26-53-146(c), concerning the exemptions for qualified museums, is amended to read as follows:

(c) A nonprofit organization requesting recognition as a qualified museum shall file with the ~~director~~ secretary on forms prescribed by the ~~director~~ secretary a written statement under oath:

SECTION 762. Arkansas Code § 26-53-146(d) and (e), concerning the exemptions for qualified museums, are amended to read as follows:

(d)(1) After filing the statement required under subdivision (c)(1) of this section, if the ~~director~~ secretary finds that the nonprofit organization has a good faith plan and intent to satisfy the conditions of subdivision (c)(2) of this section prior to January 1, 2013, the ~~director~~ secretary shall issue an exemption certificate to the nonprofit organization within sixty (60) days after the filing of the statement.

(2) The ~~director~~ secretary may revoke the exemption certificate at any time after it is issued if the ~~director~~ secretary determines that the nonprofit organization is unable to satisfy the conditions under subdivision (c)(2) of this section prior to January 1, 2013.

(3) After filing the statement required under subdivision (c)(2) of this section, if the ~~director~~ secretary determines that the nonprofit organization has not met the conditions under subdivision (c)(2) of this section, the ~~director~~ secretary shall revoke the exemption certificate of the

nonprofit organization.

(4) If the nonprofit organization fails to file the statement described in subdivision (c)(2) of this section on or prior to June 30, 2013, the ~~director~~ secretary shall revoke the exemption certificate.

(5) Revocation by the ~~director~~ secretary of an exemption certificate shall be retroactive to the date of its issuance subject to subsection (e) of this section.

(e)(1) If the ~~director~~ secretary revokes the exemption certificate, any tax deficiency, related interest, and applicable penalties due under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., this subchapter, or the Arkansas Tax Procedure Act, § 26-18-101 et seq., may be assessed against the nonprofit organization but may not be assessed against a third party that has relied in good faith on the exemption certificate prior to its revocation.

(2) If the ~~director~~ secretary revokes the exemption certificate, any tax deficiency, related interest, and applicable penalties assessed against the nonprofit organization shall also include any tax deficiency, related interest, and applicable penalties assessed on purchases made by the nonprofit organization's contractors and agents for the benefit of the nonprofit organization in reliance on the exemption certificate.

(3)(A) Any assessment by the ~~director~~ secretary under subdivision (e)(1) ~~of this section~~ or subdivision (e)(2) of this section shall be made in accordance with the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(B) However, the time period for the ~~director~~ secretary to make the assessment is extended to whichever of the following occurs first:

(i) Three (3) years from the date the nonprofit organization files the statement under subdivision (c)(2) of this section; or

(ii) July 1, 2016.

(4) The nonprofit organization may contest any assessment or other determination by the ~~director~~ secretary in accordance with the Arkansas Tax Procedure Act, § 26-18-101 et seq.

SECTION 763. Arkansas Code § 26-53-147(b) and (c), concerning heavy equipment, are amended to read as follows:

(b) The purchaser shall pay the use tax to the ~~Director~~ Secretary of

the Department of Finance and Administration.

(c) If the purchaser pays the use tax to an out-of-state dealer, the purchaser shall present proof to the ~~director~~ secretary that the Arkansas use tax has been paid.

SECTION 764. Arkansas Code § 26-53-148(a)(2)(A)-(C), concerning natural gas and electricity used by manufacturers, are amended to read as follows:

(A) Seventy-six and six-tenths percent (76.6%) of the tax, interest, penalties, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration shall be deposited as general revenues;

(B) Eight and five-tenths percent (8.5%) of the tax, interest, penalties, and costs received by the ~~director~~ secretary shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the tax, interest, penalties, and costs received by the ~~director~~ secretary shall be deposited into the Educational Adequacy Fund.

SECTION 765. Arkansas Code § 26-53-148(e) and (f), concerning natural gas and electricity used by manufacturers, are amended to read as follows:

(e) Before purchasing any natural gas or electricity at the reduced excise tax rate levied in this section, the ~~director~~ secretary may require any seller of natural gas or electricity to obtain a certificate from the consumer, in the form prescribed by the ~~director~~ secretary, certifying that the manufacturer is eligible to purchase natural gas and electricity at the reduced excise tax rate.

(f) The ~~director~~ secretary shall promulgate rules for the proper administration of this section.

SECTION 766. Arkansas Code § 26-53-203(b), concerning tangible personal property, specified digital products, or a digital code procured from outside the state for use by contractors, is amended to read as follows:

(b) In the case of leases or rentals of tangible personal property, specified digital products, or a digital code by a contractor for use, storage, distribution, or consumption in this state, the contractor shall

report and remit the compensating tax on the basis of rental or lease payments made to the lessor of the tangible personal property, specified digital products, or digital code during the term of the lease or rental, which lease rentals shall be in accordance with written contracts between the lessor and the lessee furnished to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 767. Arkansas Code § 26-53-203(c)(1) and (2), concerning tangible personal property, specified digital products, or a digital code procured from outside the state for use by contractors, are amended to read as follows:

(c)(1) This subchapter does not apply in respect to the use, consumption, distribution, or storage of tangible personal property, specified digital products, or a digital code as defined in this chapter for use or consumption in this state upon which a like tax equal to or greater than the amount imposed by this subchapter has been paid in another state, the proof of payment of the tax to be according to rules and regulations made by the ~~director~~ secretary.

(2) If the amount of tax paid in another state is not at least equal to or greater than the amount of tax imposed by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., then the contractor shall pay to the ~~director~~ secretary an amount sufficient to make the tax paid in the other state and this state equal to the total amount of tax due under Arkansas law.

SECTION 768. Arkansas Code § 26-53-301 is amended to read as follows:

26-53-301. Authority of ~~director~~ secretary to negotiate enforcement agreements with other states.

(a) When in the judgment of the ~~Director~~ Secretary of the Department of Finance and Administration it is necessary in order to secure the collection of any tax, penalties, or interest due or to become due under this subchapter, the ~~director~~ secretary may negotiate agreements with the tax departments of other states in respect to the collecting, reporting, payment, and enforcement of tax on sales of tangible personal property, specified digital products, a digital code, or taxable services to residents of Arkansas by a retailer maintaining a place of business in the other state.

(b) In consideration of the agreement, the ~~director~~ secretary may make similar agreements for the collecting, reporting, payment, and enforcement of tax as imposed by the other states on sales of tangible personal property, specified digital products, a digital code, or taxable services to residents of other states by retailers maintaining places of business in Arkansas.

SECTION 769. Arkansas Code § 26-53-302 is amended to read as follows:

26-53-302. Arrangements for collection and payment.

The ~~Director~~ Secretary of the Department of Finance and Administration, in negotiating an agreement with the tax department of another state, may as part of the agreement provide for reciprocal arrangements whereby the parties collecting the tax in the other state may deduct at the time of making returns to the ~~director~~ secretary such percentage of the amount due and accounted for, which may be retained by the parties reporting as an offset against costs of collecting and reporting as is allowed by other states to parties in this state collecting the tax for the other state. No deduction shall be allowed, however, if the amount due is delinquent at the time of the tax payment.

SECTION 770. Arkansas Code § 26-53-303 is amended to read as follows:

26-53-303. Waiver of collection and enforcement of taxes.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration, in negotiating agreements, is authorized by way of compromise to waive the collection and enforcement of taxes on sales to residents of Arkansas made in another state and delivered into Arkansas when the sales were made prior to the effective date of any agreement negotiated.

(b) However, the ~~director~~ secretary in any case shall not be authorized to waive payment and enforcement of the tax in another state unless the tax department of the other state waives collection, payment, and enforcement of their tax in this state in the same manner as the tax payment is waived by this state.

SECTION 771. Arkansas Code § 26-54-109(e), concerning a list to be prepared of all organizing and qualifying corporations, is amended to read as follows:

(e) The ~~Director~~ Secretary of the Department of Finance and

Administration shall provide the Secretary of State a list of corporations doing business in this state and filing tax reports with the Department of Finance and Administration. However, the ~~director~~ Secretary of the Department of Finance and Administration shall not include any information deemed confidential by any other law.

SECTION 772. Arkansas Code § 26-55-101(b), concerning an exemption for the United States Government's vehicles and refunds, is amended to read as follows:

(b) When motor vehicle fuel upon which the tax has been paid is sold to any agent or employee of the United States Government for use in a motor vehicle belonging to the United States Government, and is used in its business exclusively, the wholesaler or dealer may not charge the consumer with the amount of the tax but may claim the refund of the tax under such regulations as the ~~Director~~ Secretary of the Department of Finance and Administration may prescribe.

SECTION 773. Arkansas Code § 26-55-204 is amended to read as follows:

26-55-204. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall prescribe and publish such rules and regulations as may be necessary for the enforcement of this subchapter.

SECTION 774. Arkansas Code § 26-55-207(2), concerning tax exemptions, is amended to read as follows:

(2) The sale of motor fuel by a duly licensed distributor for export from the State of Arkansas, and shipped by common carrier FOB destination, to any other state or territory or to any foreign country, or the export of motor fuel by a duly licensed distributor from the State of Arkansas to any other state or territory or to any foreign country, if satisfactory proof of actual exportation of all the motor fuel is furnished at the time and in the manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 775. Arkansas Code § 26-55-207(4), concerning tax exemptions, is amended to read as follows:

(4) The sale of motor fuel for use in propelling airplanes, provided that satisfactory proof is furnished in the manner prescribed by the ~~director~~ secretary that the motor fuel is to be used in the propelling of airplanes.

SECTION 776. Arkansas Code § 26-55-213(a), concerning a distributor's license, requirements, and the penalty for noncompliance, is amended to read as follows:

(a) It shall be unlawful for any distributor to receive, use, sell, or distribute any motor fuel or to engage in business within this state unless the distributor is the holder of an uncancelled license issued by the ~~Director~~ Secretary of the Department of Finance and Administration to engage in the business or, if the distributor is an agent, commission or otherwise, of a distributor as defined in this subchapter, unless the agent is the holder of a certified duplicate copy of an uncancelled license issued by the ~~director~~ secretary to the agent's principal.

SECTION 777. The introductory language of Arkansas Code § 26-55-214(a), concerning a distributor's license, application, and bond, is amended to read as follows:

(a) To procure a distributor's license, every distributor shall file with the ~~Director~~ Secretary of the Department of Finance and Administration an application upon oath and in a form prescribed by the ~~director~~ secretary, setting forth:

SECTION 778. Arkansas Code § 26-55-214(b)(1), concerning a distributor's license, application, and bond, is amended to read as follows:

(b)(1) Concurrent with the filing of an application for a distributor's license, every distributor shall file with the ~~director~~ secretary a bond of the character stipulated and in the amount provided for in § 26-55-222.

SECTION 779. Arkansas Code § 26-55-214(c), concerning a distributor's license, application, and bond, is amended to read as follows:

(c) The ~~director~~ secretary shall keep and file all applications and bonds with an alphabetical index together with a record of all licensed

distributors.

SECTION 780. Arkansas Code § 26-55-215 is amended to read as follows:

26-55-215. Distributor's license — Issuance of certificate.

The application in proper form having been accepted for filing, the bond having been accepted and approved, and the other conditions and requirements of §§ 26-55-213 and 26-55-214 having been complied with, the ~~Director~~ Secretary of the Department of Finance and Administration shall issue to the distributor a license certificate to transact business as a distributor in the State of Arkansas.

SECTION 781. Arkansas Code § 26-55-216 is amended to read as follows:

26-55-216. Distributor's license — Nonassignable.

The license certificate issued by the ~~Director~~ Secretary of the Department of Finance and Administration shall not be assignable and shall be valid only for the distributor in whose name it was issued.

SECTION 782. Arkansas Code § 26-55-217(a), concerning the requirement to display a distributor's license, is amended to read as follows:

(a) The license certificate issued by the ~~Director~~ Secretary of the Department of Finance and Administration shall be displayed conspicuously in the principal place of business of the distributor in the State of Arkansas.

SECTION 783. Arkansas Code § 26-55-219 is amended to read as follows:

26-55-219. Distributor's license — Refusal.

(a) In the event that any application for a license to transact business as a distributor in the State of Arkansas shall be filed by any person whose license shall at any time have been cancelled for cause by the ~~Director~~ Secretary of the Department of Finance and Administration, or in case the ~~director~~ secretary shall be of the opinion that the application is not filed in good faith or in the event that the application is filed by some person as a subterfuge for the real person in interest whose license or registration shall theretofore have been cancelled for cause by the ~~director~~ secretary, or for any other valid reason, then and in any of said events the ~~director~~ secretary, after a hearing of which the applicant shall have been given five (5) days' notice in writing and at which the applicant shall have

the right to appear in person or by counsel and present testimony, shall have and is given the right and authority to refuse to issue to the person a license certificate to transact business as a distributor in the State of Arkansas.

(b) Any distributor who is aggrieved by the action of the ~~director~~ secretary in refusing to issue the license applied for, within thirty (30) days from the time of the refusal, may appeal to the circuit court of the county of the distributor's residence where the distributor shall be entitled to a hearing de novo. An appeal shall lie from the circuit court to the Supreme Court as in other cases now provided by law.

SECTION 784. Arkansas Code § 26-55-221 is amended to read as follows:

26-55-221. Licenses — Persons other than distributors.

Persons, other than distributors, purchasing or otherwise acquiring motor fuel in tank car, tank truck, or cargo lots for sale, distribution, or use within the State of Arkansas, in the discretion of the ~~Director~~ Secretary of the Department of Finance and Administration shall also be licensed as set forth in §§ 26-55-213 — 26-55-220 upon compliance with the provisions of §§ 26-55-213 — 26-55-220 and thereupon shall be deemed to be the distributor for all purposes of this subchapter with respect to the motor fuel received while the license remains unrevoked.

SECTION 785. Arkansas Code § 26-55-222 is amended to read as follows:

26-55-222. Bonds — Requirement — Amounts — Waiver.

(a)(1) Every distributor shall file with the ~~Director~~ Secretary of the Department of Finance and Administration a surety bond of not less than one and one-half (1½) times or one hundred fifty percent (150%) of the prior six (6) months average motor fuel tax due, based upon the gallonage of motor fuel to be sold or distributed as shown by the application for a permit if the applicant has not heretofore been engaged in the business of a distributor as herein defined, or as shown by sales for the previous year if the applicant theretofore has been engaged in the business in this state.

(2) However, no bond shall be filed for less than one thousand dollars ($1,000).

(3) If the ~~director~~ secretary deems it necessary to protect the state in the collection of gasoline taxes, the ~~director~~ secretary may require

any distributor to post a bond in an amount up to three (3) times or three hundred percent (300%) of the prior six (6) months average motor fuel tax due.

(b)(1) Provided further, the ~~director~~ secretary or the ~~director's~~ secretary's authorized agent is authorized to waive the posting of bond by any licensed motor fuel distributor that is organized and operating under the laws of Arkansas and that is wholly owned by residents of this state and who has been licensed for a period of at least three (3) years and who has not been delinquent in remitting motor fuel taxes during the three-year period immediately preceding application by the distributor for waiver of bond.

(2) If any motor fuel distributor whose bond has been waived by the ~~director~~ secretary or the ~~director's~~ secretary's agent as authorized in this subsection subsequently becomes delinquent in remitting motor fuel taxes to the ~~director~~ secretary, the ~~director~~ secretary or the ~~director's~~ secretary's agent may require that the distributor post a bond in the amount required in this section, and the distributor shall not be eligible to petition for a waiver of bond for a period of three (3) years thereafter.

SECTION 786. Arkansas Code § 26-55-223 is amended to read as follows:

26-55-223. Bonds — Deposit or pledge of government obligations as alternative.

In lieu of furnishing a bond executed by a surety company, as hereinbefore provided, any distributor may furnish the distributor's bond or bonds not so executed, if the distributor concurrently therewith deposits and pledges with the ~~Director~~ Secretary of the Department of Finance and Administration direct obligations of the United States or obligations of any agency of the United States fully guaranteed by it or bonds of the State of Arkansas of equal full amount to the amount of the bond required by § 26-55-222, as collateral security for the payment of the bonds.

SECTION 787. Arkansas Code § 26-55-224 is amended to read as follows:

26-55-224. Bonds — Additional bonds — Conditions for requirement.

(a) In the event that upon a hearing, of which the distributor shall be given five (5) days' notice in writing, the ~~Director~~ Secretary of the Department of Finance and Administration shall decide that the amount of the existing bond is insufficient to ensure payment to the State of Arkansas of

the amount of the tax and any penalties and interest for which the distributor is or may at any time become liable, then the distributor upon the written demand of the ~~director~~ secretary shall immediately file an additional bond in the same manner and form with a surety company thereon approved by the ~~director~~ secretary in any amount determined by the ~~director~~ secretary to be necessary to secure at all times the payment by the distributor to the State of Arkansas of all taxes, penalties, and interest due under the provisions of this subchapter.

(b) If the distributor fails to do so, the ~~director~~ secretary shall immediately cancel the license certificate of the distributor.

SECTION 788. Arkansas Code § 26-55-225 is amended to read as follows:

26-55-225. Bonds — New bonds — Conditions for requirement.

(a) In the event that liability upon the bond thus filed by the distributor with the ~~Director~~ Secretary of the Department of Finance and Administration shall be discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if in the opinion of the ~~director~~ secretary any surety on the bond theretofore given shall have become unsatisfactory or unacceptable, then the ~~director~~ secretary may require the distributor to file a new bond with a satisfactory surety in the same form and amount, failing which the ~~director~~ secretary shall immediately cancel the license certificate of said distributor.

(b) If the new bond is furnished by the distributor as above provided, the ~~director~~ secretary shall cancel and surrender the bond of the distributor for which the new bond shall be substituted.

SECTION 789. Arkansas Code § 26-55-226 is amended to read as follows:

26-55-226. Bonds — Release or discharge of surety.

(a)(1) Any surety on any bond furnished by a distributor as provided in §§ 26-55-222 — 26-55-225 shall be released and discharged from any and all liability to the State of Arkansas accruing on the bond after the expiration of sixty (60) days from the date upon which the surety shall have lodged with the ~~Director~~ Secretary of the Department of Finance and Administration written request to be released and discharged.

(2) However, the request shall not operate to relieve, release, or discharge the surety from any liability already accrued, or which shall

accrue, before the expiration of the sixty-day period.

(b)(1) The ~~director~~ secretary shall promptly on receipt of notice of the request notify the distributor who furnished the bond, and unless the distributor on or before the expiration of the sixty-day period files with the ~~director~~ secretary a new bond with a surety company satisfactory to the ~~director~~ secretary in the amount and form provided in § 26-55-222, the ~~director~~ secretary shall immediately cancel the license of the distributor.

(2) If the new bond is furnished by the distributor as provided above, the ~~director~~ secretary shall cancel and surrender the bond of the distributor for which the new bond shall be substituted.

SECTION 790. Arkansas Code § 26-55-229(a) and (b), concerning tax reports, are amended to read as follows:

(a) For the purpose of determining the amount of the tax imposed by this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration may require such supporting documents as the ~~director~~ secretary may deem necessary to assure accurate reporting.

(b)(1) The reports shall be filed on forms prescribed by the ~~director~~ secretary and shall be filed with the ~~director~~ secretary on or before the twenty-fifth day of each calendar month following the reporting month in question.

(2) Once a distributor has become liable to file a monthly report with the ~~director~~ secretary, the distributor must continue to file a monthly report, even though no tax is due, until such time as the distributor notifies the ~~director~~ secretary in writing that the distributor is no longer liable for monthly reports.

SECTION 791. Arkansas Code § 26-55-229(c)(4) and (5), concerning tax reports, are amended to read as follows:

(4) An itemized statement of the number of gallons of motor fuel sold by the distributor during the preceding calendar month and exempted from the tax by § 26-55-207(1)-(4), separately itemizing the amount of motor fuel sold and claimed to be exempt under each of the subdivisions (1)-(4) of § 26-55-207, and the statement shall furnish such information relating to such sales as shall be required by the ~~director~~ secretary and reasonably necessary to the enforcement by the ~~director~~ secretary of the provisions of this

subchapter;

(5) An itemized statement of the number of gallons of motor fuel sold by the distributor within a border rate area and at the border rate tax, as is permitted by §§ 26-55-210 and 26-55-212, together with such information relating to such sales as shall be required by the ~~director~~ secretary and reasonably necessary to the enforcement by the ~~director~~ secretary of the provisions of this subchapter;

SECTION 792. The introductory language of Arkansas Code § 26-55-230(a), concerning the computation and payment of taxes, is amended to read as follows:

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

SECTION 793. Arkansas Code § 26-55-230(c), concerning the computation and payment of taxes, is amended to read as follows:

(c) The ~~director~~ secretary 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 794. Arkansas Code § 26-55-231 is amended to read as follows:

26-55-231. Failure to report or pay tax — Revocation or cancellation of license.

(a)(1) If a distributor at any time files a false monthly report of the data or information required by this subchapter or fails, refuses, or neglects to file the monthly report required by this subchapter, or to pay the full amount of the tax as required by this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration may give notice to the distributor of an intention to revoke the license of the distributor.

(2) The distributor shall be entitled to a period of five (5) days after receipt of the notice from the ~~director~~ secretary, within which to apply for a hearing before the ~~director~~ secretary on the question of having the distributor's license revoked. The ~~director~~ secretary shall grant a hearing at such time and place as the ~~director~~ secretary may designate of

which the distributor shall have five (5) days' advance notice in writing.

(3) After the hearing, at which time the distributor shall be entitled to present evidence and argument of counsel, the ~~director~~ secretary shall decide whether the distributor's license shall be revoked.

(4)(A) Upon the issuance of an order revoking the license, the distributor shall be entitled to an appeal to the circuit court in the county where the distributor may do business where the question shall be tried de novo.

(B) An appeal shall lie from the circuit court of that county as in other cases provided by law.

(5) If the distributor fails to apply for a hearing within the time set out in subdivision (a)(2) of this section, the ~~director~~ secretary may forthwith cancel the license of the distributor and notify the distributor of the cancellation by registered mail to the last known address of the distributor appearing on the files of the ~~director~~ secretary. The ~~director~~ secretary shall also notify the surety company on the distributor's bond in like manner.

(b)(1) Upon receipt of a written request from any duly licensed distributor under this subchapter to cancel the license issued to the distributor, the ~~director~~ secretary shall have the power to cancel the license effective sixty (60) days from the date of the receipt of the written request.

(2) However, no license shall be cancelled upon the request of any distributor unless and until the distributor prior to the date of the cancellation shall have paid to the State of Arkansas all excise taxes payable under the laws of the State of Arkansas, together with any and all penalties, interest, and fines accruing under any of the provisions of this subchapter, and unless and until the distributor shall have surrendered to the ~~director~~ secretary the license certificate theretofore issued to the distributor.

(c) If upon investigation the ~~director~~ secretary ascertains and finds that any person to whom a license has been issued under this subchapter is no longer engaged in the receipt, use, or sale of motor fuel as a distributor and has not been so engaged for a period of sixty (60) days, the ~~director~~ secretary shall have the power to cancel the license by giving the person thirty (30) days' notice of the cancellation mailed to the last known address

of the person, in which event the license certificate theretofore issued to the person shall be surrendered to the ~~director~~ secretary.

(d) In the event that the license of any distributor shall be cancelled by the ~~director~~ secretary as provided in this section and in the further event that the distributor shall have paid to the State of Arkansas all excise taxes due and payable by it under this subchapter, together with any and all penalties accruing under any of the provisions of this subchapter, then the ~~director~~ secretary shall cancel and surrender the bond filed by the distributor.

SECTION 795. Arkansas Code § 26-55-232 is amended to read as follows:

26-55-232. Failure to report or pay taxes promptly — Penalties.

(a) When any distributor fails to file its monthly report with the ~~Director~~ Secretary of the Department of Finance and Administration on or before the time fixed in this subchapter for the filing thereof, when the distributor fails to submit the data outlined in §§ 26-55-229 and 26-55-230 in the monthly report, or when the distributor fails to pay to the ~~director~~ secretary the amount of excise taxes due to the State of Arkansas when the excise taxes are payable, the distributor shall be subject to applicable penalty and interest provisions of the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(b)(1) If the excise tax is not paid within sixty (60) days after the date the excise tax is due, then the ~~director~~ secretary shall suspend the license of the distributor.

(2)(A) When the ~~director~~ secretary issues a notice of proposed assessment to the distributor under § 26-18-403, the ~~director~~ secretary may notify the bonding company of the excise tax delinquency.

(B) At the end of the ten-day demand for payment period that begins on the date a final assessment is issued under § 26-18-401, the ~~director~~ secretary shall notify the bonding company of the excise tax delinquency and declare the bond forfeited.

SECTION 796. Arkansas Code § 26-55-234(b)(1), concerning the statements and reports from persons that are not distributors, is amended to read as follows:

(b)(1) On or before the twenty-fifth day of each calendar month on

forms prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration, the person shall report to the ~~director~~ secretary all purchases or other acquisitions and sales or other disposition of motor fuel during the next preceding calendar month giving a record of each tank car, tank truck, or cargo lot delivered to a point within the state and of all motor fuel otherwise delivered to the person.

SECTION 797. Arkansas Code § 26-55-234(b)(2)(J), concerning the statements and reports from persons that are not distributors, is amended to read as follows:

(J) Any other additional information the ~~director~~ secretary may require relative to the motor fuel.

SECTION 798. The introductory language of Arkansas Code § 26-55-234(c), concerning the statements and reports from persons that are not distributors, is amended to read as follows:

(c) On or before the twenty-fifth day of each calendar month on forms prescribed by the ~~director~~ secretary, the terminal shall report to the ~~director~~ secretary all purchases or other acquisitions and sales or other disposition of motor fuel during the next preceding calendar month, which report shall include the following:

SECTION 799. Arkansas Code § 26-55-234(c)(4)(E), concerning the statements and reports from persons that are not distributors, is amended to read as follows:

(E) The person possessing a license from the ~~director~~ secretary who requested the removal of the motor fuel from that storage.

SECTION 800. Arkansas Code § 26-55-234(d), concerning the statements and reports from persons that are not distributors, is amended to read as follows:

(d) When any person or terminal purchasing or otherwise acquiring motor fuel by pipeline, in a tank car, tank truck, or cargo lot and selling or otherwise disposing of the motor fuel for delivery in Arkansas and not required by a provision of this subchapter to register as a distributor in motor fuel, fails to submit the person's or terminal's monthly report to the

~~director~~ secretary by the twenty-fifth day of each calendar month or when the person or terminal fails to submit in the monthly report the data required by this subchapter, the person or terminal shall be guilty of a violation and shall be fined an amount not greater than one hundred dollars ($100) for the first offense and shall be fined an amount not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each subsequent offense.

SECTION 801. Arkansas Code § 26-55-235(a), concerning the reports from carriers transporting motor fuels, is amended to read as follows:

(a) Every railroad company, and every street, suburban, or interurban railroad company, every pipeline company, every water transportation company, and every common carrier transporting motor fuel, kerosene, or other hydrocarbon products, either in interstate or in intrastate commerce, to points within Arkansas, and every person transporting motor fuel or kerosene by whatever manner to a point within the state from any point outside of the state shall report under oath to the ~~Director~~ Secretary of the Department of Finance and Administration, on forms prescribed by the ~~director~~ secretary, all deliveries of motor fuel, kerosene, or other hydrocarbon products, so made to points within Arkansas.

SECTION 802. Arkansas Code § 26-55-235(c), concerning the reports from carriers transporting motor fuels, is amended to read as follows:

(c) The reports shall also show such additional information relative to shipments of motor fuel as the ~~director~~ secretary may require.

SECTION 803. Arkansas Code § 26-55-236 is amended to read as follows:

26-55-236. Failure to file reports, statements, or returns — Falsification — Penalties.

Upon conviction, a person who refuses or neglects to make any statement, report, or return required by this subchapter or who knowingly makes, aids, or assists another person in making a false statement in a return or report required by this subchapter to the ~~Director~~ Secretary of the Department of Finance and Administration is guilty of an unclassified misdemeanor and shall be punished by a fine of not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000) or imprisonment

for a term of not less than thirty (30) days and not more than one (1) year, or both fine and imprisonment.

SECTION 804. Arkansas Code § 26-55-239 is amended to read as follows:

26-55-239. Forms for reports or records.

The ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to prescribe all forms upon which reports shall be made to the ~~director~~ secretary or forms of records to be used by distributors.

SECTION 805. Arkansas Code § 26-55-240(a)(1), concerning the discontinuance or transfer of a business, is amended to read as follows:

(a)(1) Whenever a distributor ceases to engage in business as a distributor within the State of Arkansas by reason of the discontinuance, sale, or transfer of the business of the distributor, it shall be the duty of the distributor to notify the ~~Director~~ Secretary of the Department of Finance and Administration in writing at least ten (10) days prior to the time the discontinuance, sale, or transfer takes effect.

SECTION 806. Arkansas Code § 26-55-240(b)(2), concerning the discontinuance or transfer of a business, is amended to read as follows:

(2) It shall be the duty of any distributor concurrently with the discontinuance, sale, or transfer to make a report and pay all taxes, interest, and penalties, and to surrender to the ~~director~~ secretary the license certificate theretofore issued to the distributor by the ~~director~~ secretary.

SECTION 807. Arkansas Code § 26-55-240(c), concerning the discontinuance or transfer of a business, is amended to read as follows:

(c) Unless the notice provided for in subsection (a) of this section shall have been given to the ~~director~~ secretary as provided in subsection (a) of this section, the purchaser or transferee shall be liable to the State of Arkansas for the amount of all taxes, penalties, and interest under this subchapter accrued against any distributor selling or transferring the distributor's business, on the date of the sale or transfer but only to the extent of the value of the property and business acquired from the

distributor.

SECTION 808. Arkansas Code § 26-55-241(b), concerning unpaid taxes, liend on property, and enforcement, is amended to read as follows:

(b)(1) The lien may be enforced by the ~~Director~~ Secretary of the Department of Finance and Administration by filing a certificate of indebtedness as provided for in § 26-18-701 or by any other legal means.

(2) The action of the ~~director~~ secretary in attempting to collect the delinquent taxes by issuing the certificate of indebtedness shall not be construed to be an election of remedies.

SECTION 809. The introductory language of Arkansas Code § 26-55-242(a), concerning the sale of a distributor's property and the certificate of lien, is amended to read as follows:

(a) Neither the sheriff of any county where the property affected is situated nor any receiver, assignee, or other officer shall sell the property or franchise of any person who is a distributor without first filing with the ~~Director~~ Secretary of the Department of Finance and Administration a statement containing:

SECTION 810. Arkansas Code § 26-55-242(b) and (c), concerning the sale of a distributor's property and the certificate of lien, are amended to read as follows:

(b) It shall be the duty of the ~~director~~ secretary, after receiving notice as provided in subsection (a) of this section, to furnish to the sheriff, receiver, assignee, or other officer having charge of the sale, certified copies of all motor fuel tax, penalties, and interest on file as liens against the person and, in the event that there are no liens, a certificate showing that fact. The certified copies of the certificate shall be publicly read by that officer at and immediately before the sale of the property or franchise of the person.

(c) It shall be the duty of the ~~director~~ secretary to furnish to any person applying therefor a certificate showing the amount of all liens for motor fuel tax, penalties, and interest that may be in the files of the ~~director~~ secretary against any person under the provisions of this subchapter.

SECTION 811. Arkansas Code § 26-55-245 is amended to read as follows:

26-55-245. Refunds — Taxes erroneously or illegally collected — Lost fuel.

(a) In the event it appears to the ~~Director~~ Secretary of the Department of Finance and Administration that any taxes or penalties imposed by this subchapter have been erroneously or illegally collected from any distributor, the ~~director~~ secretary shall certify the amount thereof and authorize and permit the distributor to make an equivalent deduction from the distributor's next motor fuel tax payment to the State of Arkansas.

(b) In the event any distributor sustains a loss of motor fuel due to fire, flood, storm, theft, or other causes beyond the distributor's control other than through evaporation, which product has been received as defined by § 26-55-202(13), the ~~director~~ secretary shall authorize and permit the distributor to deduct the quantity so lost from the quantity subject to tax on the motor fuel tax report filed for the month in which the loss occurred or any subsequent report filed within a period of one (1) year. However, the same loss may be allowed only one (1) time.

(c)(1) Before the ~~director~~ secretary shall certify or authorize any distributor to make any deduction or take any credit on its reports on account of any tax having been erroneously or illegally collected or on account of any loss as provided in subsections (a) and (b) of this section, satisfactory evidence, upon such forms and in such a manner as shall be prescribed by the Revenue Division of the Department of Finance and Administration, shall be submitted to the supervisor of the Motor Fuel Tax Section of the Department of Finance and Administration, who shall determine from the evidence if any deduction or credit is to be allowed.

(2) Thereupon the supervisor of the section shall transmit to the ~~director~~ secretary his or her certificate of approval, and the ~~director~~ secretary may in his or her discretion allow the deduction or credit in the amount the ~~director~~ secretary thinks proper or may reject the deduction or credit altogether.

(3) The rejection or confirmation of the deduction or credit shall be final, and upon the confirmation by the ~~director~~ secretary, the deduction or credit shall then be allowed in due course by the supervisor of the section.

SECTION 812. Arkansas Code § 26-55-247 is amended to read as follows:

26-55-247. Confiscation and sale of equipment of persons transporting motor fuel unlawfully.

(a) Any person who knowingly transports or causes to be transported any motor fuel in any manner in violation of the provisions of this subchapter in addition to other penalties and punishment provided for in this subchapter shall be subject to the immediate confiscation of the tank truck or vehicle and the contents therein which are thus unlawfully transported, by the ~~Director~~ Secretary of the Department of Finance and Administration or the ~~director's~~ secretary's agents.

(b) Unless the operator or owner of the tank truck or vehicle can prove to the satisfaction of the ~~director~~ secretary at a hearing for that purpose within ten (10) days that the motor fuel was being transported, transferred, or delivered in accordance with this subchapter or any other act affecting the transportation of motor fuel, and in accordance with any regulations issued pursuant to this subchapter or any other act, the tank truck or vehicle and the contents therein shall be sold by the ~~director~~ secretary at auction without any recourse or liability on the ~~director~~ secretary or any of the ~~director's~~ secretary's agents or the State of Arkansas.

SECTION 813. Arkansas Code § 26-55-249 is amended to read as follows:

26-55-249. Public inspection of records.

The records of the ~~Director~~ Secretary of the Department of Finance and Administration pertaining to motor fuel taxes shall at all reasonable times be open to the inspection of the public with the approval of the ~~director~~ secretary.

SECTION 814. Arkansas Code § 26-55-250 is amended to read as follows:

26-55-250. Exchange of information among states.

The ~~Director~~ Secretary of the Department of Finance and Administration upon request duly received from the officials to whom are intrusted the enforcement of the motor fuel tax laws of any other state shall forward to the officials any information which the ~~director~~ secretary may have in his or her possession relative to the manufacture, receipt, sale, use,

transportation, or shipment by any person of motor fuel.

SECTION 815. Arkansas Code § 26-55-403 is amended to read as follows:

26-55-403. ~~Director's powers~~ Authority of secretary.

The ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to make, amend, and enforce regulations, to subpoena witnesses and documents, to administer oaths, and to do and perform all other acts the ~~director~~ secretary shall deem necessary to carry out the purpose and intent of this subchapter.

SECTION 816. Arkansas Code § 26-55-405 is amended to read as follows:

26-55-405. Refund permits.

(a) No person, firm, or corporation shall secure a refund of tax under this subchapter unless that person is the holder of an unrevoked permit issued by the ~~Director~~ Secretary of the Department of Finance and Administration before the purchase of the motor fuel.

(b) The permit shall be numbered and issued annually and shall entitle the holder to make application for refund under this subchapter.

(c) Applications for the permits shall be filed with the ~~director~~ secretary on forms prescribed by the ~~director~~ secretary and shall contain the same information, so far as applicable, as is required in § 26-55-305 [repealed], and such other information as the ~~director~~ secretary may require.

SECTION 817. Arkansas Code § 26-55-406 is amended to read as follows:

26-55-406. Applications for refund.

Applications for refund pursuant to this subchapter shall be sworn to and shall be made to the ~~Director~~ Secretary of the Department of Finance and Administration and shall be in the same form and contain the same information, so far as applicable, as is required in § 26-55-301 et seq. [repealed], and in addition, shall contain such other information as may be required by the ~~director~~ secretary.

SECTION 818. Arkansas Code § 26-55-408 is amended to read as follows:

26-55-408. Dealers' and sellers' records and reports.

Dealers and sellers of motor fuel shall keep the same records and shall prepare the same invoices and make the same reports to the ~~Director~~ Secretary

of the Department of Finance and Administration with respect to motor fuel sold to permit holders under this subchapter as is required by § 26-55-301 et seq. [repealed], with respect to agricultural motor fuel sales.

SECTION 819. Arkansas Code § 26-55-604 is amended to read as follows:

26-55-604. Rules and regulations — Audit assistance.

The Director of State Highways and Transportation shall prescribe and promulgate rules and regulations necessary for the proper enforcement of this subchapter with the advice of the Legislative Council, and in any audits conducted by the Arkansas Department of Transportation relating to the Motor Fuel Tax Law, § 26-55-201 et seq., or the Special Motor Fuels Tax Law, § 26-56-101 et seq., or this subchapter or other pertinent laws, may call upon the ~~Director~~ Secretary of the Department of Finance and Administration for assistance.

SECTION 820. Arkansas Code § 26-55-605(a)(1), concerning the import/export load permit required and exceptions, is amended to read as follows:

(1) Being a supplier or distributor, licensed by the ~~Director~~ Secretary of the Department of Finance and Administration under the laws of the State of Arkansas, as those terms are defined in the Motor Fuel Tax Law, § 26-55-201 et seq., and the Special Motor Fuels Tax Law, § 26-56-101 et seq.; and

SECTION 821. Arkansas Code § 26-55-608(b), concerning the authority of the Arkansas Highway Police Division the Arkansas Department of Transportation to stop, investigate, and impound vehicles, is amended to read as follows:

(b) If after the examination or investigation it is determined that the transporter should have secured an import/export load permit as required by this subchapter, but has failed to secure that permit, the enforcement officer shall immediately cause the offending vehicle and its operator to be removed to the nearest Arkansas Department of Transportation property, port of entry, or any designated location where the ~~Director~~ Secretary of the Department of Finance and Administration's representative shall immediately assess the tax on that load together with the penalty provided in § 26-55-609

against the person found to be responsible for the payment of the tax.

SECTION 822. Arkansas Code § 26-55-705 is amended to read as follows:

26-55-705. License required — Application.

(a) Before any person, firm, or corporation subject to § 26-55-702 imports for use on the highways of this state gasoline in the fuel supply tanks of any motor vehicle, or in any other container, with a gross loaded weight of twenty-six thousand one pounds (26,001 lbs.) or more, the person shall file application for and obtain a license from the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The application required by this section shall be verified by affidavit and filed on a form prescribed and furnished by the ~~director~~ secretary, stating the name, address, kind of business of the applicant, the applicant's principal place of business, and such other relevant information as the ~~director~~ secretary may require.

(c) The applications must also contain, as a condition to the issuance of the license, an agreement by the applicant to comply with the requirements of the subchapter and the lawful rules and regulations of the ~~director~~ secretary.

SECTION 823. Arkansas Code § 26-55-706 is amended to read as follows:

26-55-706. Bond of applicant.

(a) Before any license application shall be approved by the ~~Director~~ Secretary of the Department of Finance and Administration, the applicant shall file a bond, with surety satisfactory to the ~~director~~ secretary, payable to the State of Arkansas and conditioned upon the applicant's compliance with the provisions of this subchapter and the rules and regulations of the ~~director~~ secretary.

(b)(1) The bond shall be in the sum of not less than five hundred dollars ($500) and not more than twenty thousand dollars ($20,000), the amount to be fixed in each case by the ~~director~~ secretary.

(2) However, the amount of any bond may be increased or decreased within the foregoing limits by the ~~director~~ secretary at any time.

(c) No bond shall be cancelled by the surety thereon until the expiration of sixty (60) days after receipt of notice of the cancellation by the ~~director~~ secretary, and the cancellation shall have no retroactive

effect.

SECTION 824. Arkansas Code § 26-55-707(a), concerning licenses, issuance, and terms and conditions, is amended to read as follows:

(a) Upon approval of the application and bond, the ~~Director~~ Secretary of the Department of Finance and Administration shall issue to the applicant a nontransferable fuel user's license bearing a distinctive number, to remain in full force until surrendered, suspended, or cancelled in the manner provided in this subchapter.

SECTION 825. Arkansas Code § 26-55-708 is amended to read as follows:

26-55-708. Registration of licensee's motor vehicles.

(a)(1) Before any motor vehicle with a gross loaded weight of twenty-six thousand one pounds (26,001 lbs.) or more is operated on the public highways of this state, the operation of which is subject to the tax levied by this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall issue to each permitted gasoline, diesel, and liquefied petroleum gas user a distinctive marking to be prominently displayed on the passenger door of each vehicle traveling the public highways within this state.

(2) This marking shall be a nontransferable marking which shall be renewed on an annual basis.

(b) Applications for gasoline, diesel, and liquefied petroleum gas users' permits must be on a form prescribed and furnished by the ~~director~~ secretary, to include such relevant information as deemed necessary by the ~~director~~ secretary, for the proper administration of this subchapter.

(c) The ~~director~~ secretary shall maintain a record of the quantity of markings issued each permitted user.

SECTION 826. Arkansas Code § 26-55-710(a)(1), concerning quarterly mileage reports and tax computation, is amended to read as follows:

(a)(1) Every person, firm, or corporation licensed under this subchapter on or before the last day of the month following the end of each calendar quarter shall file with the ~~Director~~ Secretary of the Department of Finance and Administration, on forms prescribed by the ~~director~~ secretary, a report showing the quantities of gasoline purchased and used in this state

during the preceding calendar quarter, together with payment of the tax due thereon.

SECTION 827. Arkansas Code § 26-55-710(b), concerning quarterly mileage reports and tax computation, is amended to read as follows:

(b) If it shall be determined by the quarterly reports filed with the ~~director~~ secretary that the interstate user has used more gallons of gasoline in this state than the gasoline tax due thereon has been paid, the interstate user shall remit to the ~~director~~ secretary an excise tax of eighteen and one-half cents (18½¢) per gallon on the gasoline.

SECTION 828. Arkansas Code § 26-55-710(g)(3), concerning quarterly mileage reports and tax computation, is amended to read as follows:

(3) An interstate user who had a total tax liability for motor fuel taxes during the previous calendar year of less than one hundred dollars ($100) upon application to the ~~director~~ secretary may obtain permission to report the interstate user's motor fuel tax liability on an annual basis. The annual report shall be due on or before the last day of the month following the end of each fiscal year.

SECTION 829. Arkansas Code § 26-55-710(h), concerning quarterly mileage reports and tax computation, is amended to read as follows:

(h) The ~~director~~ secretary shall prescribe the appropriate forms necessary for the administration of this subchapter. The ~~director~~ secretary may make appropriate rules and regulations necessary to ensure the accurate reporting of mileage traveled and gallons used and purchased by the licensed interstate users.

SECTION 830. Arkansas Code § 26-55-713(a), concerning claims for refunds by nonbonded users, is amended to read as follows:

(a) Claims for refunds of motor fuel taxes by nonbonded users of motor fuel or claims for credits for motor fuel taxes shall not be valid unless properly presented upon motor fuel tax forms as promulgated by and as required by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 831. Arkansas Code § 26-55-713(b)(1), concerning claims for refunds by nonbonded users, is amended to read as follows:

(b)(1) The ~~director~~ secretary may assess and charge a fee upon all forms furnished by the Revenue Division of the Department of Finance and Administration when those forms pertain to the motor fuel tax laws of this state.

SECTION 832. Arkansas Code § 26-55-713(c), concerning claims for refunds by nonbonded users, is amended to read as follows:

(c) The ~~director~~ secretary shall not furnish forms for cash refunds or credits for motor fuel taxes to nonbonded users of motor fuel unless and until the General Assembly provides by law for the issuance of credits and cash refunds to nonbonded users of motor fuel who qualify for the credits or cash refunds or motor fuel taxes.

SECTION 833. Arkansas Code § 26-55-714(a)(1), concerning interstate users and tax refund procedures, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall quarterly determine the amount estimated to be necessary to pay refunds to interstate users of motor fuels who are entitled to refunds with respect to a portion of the motor fuel taxes paid in this state as authorized in § 26-55-710, and upon certification by the ~~director~~ secretary, the Treasurer of State shall transfer from the gross amount of motor fuel taxes collected each month the amount so certified and shall credit it to the Interstate Motor Fuel Tax Refund Fund, which is established on the books of the State Treasury, from which the Department of Finance and Administration shall make refunds as provided by law.

SECTION 834. Arkansas Code § 26-55-714(c), concerning interstate users and tax refund procedures, is amended to read as follows:

(c) Neither the ~~director~~ secretary nor any member or employee of the department shall be held personally liable for making any refund by reason of a fraudulent claim being filed as a basis for that refund.

SECTION 835. The introductory language of Arkansas Code § 26-55-714(d), concerning interstate users and tax refund procedures, is amended to

read as follows:

(d) The ~~director~~ secretary is authorized to promulgate rules and regulations and to prescribe the necessary forms required for the administration of claims for tax refunds from interstate users of motor fuels in this state as authorized by law, which rules and regulations shall be in conformance with the following requirements:

SECTION 836. Arkansas Code § 26-55-714(d)(1) and (2), concerning interstate users and tax refund procedures, are amended to read as follows:

(1) The ~~director~~ secretary shall first determine with respect to each refund claim filed that the bond of the interstate user is adequate to compensate the State of Arkansas for any losses with respect to the recovery of any refunds illegally claimed by the interstate user, and the ~~director~~ secretary may require the increase of the bond if the ~~director~~ secretary determines it to be inadequate before approving any claim for refund;

(2) Each interstate user of motor fuels claiming refunds shall maintain adequate records to substantiate each claim for refund, and the ~~director~~ secretary may reject any claim for refund if the ~~director~~ secretary determines the applicant has not maintained adequate records or has not conformed to the rules and regulations of the department in filing the claim;

SECTION 837. Arkansas Code § 26-55-719 is amended to read as follows:

26-55-719. Records — Preservation — Inspection.

(a) Each person, firm, or corporation subject to this subchapter must maintain and keep for a period of three (3) years records of mileage traveled by vehicles operated in this state, together with inventories, withdrawals, purchases supported by invoices, and all relevant records and papers that may be required by the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The ~~director~~ secretary or his or her authorized representative shall be entitled to inspect these records at any time.

SECTION 838. Arkansas Code § 26-55-803(a) and (b), concerning the requirement for entry slips and the computation taxes, are amended to read as follows:

(a) All licensed motor fuel user and distillate special fuel user out-

of-state trucks with a gross loaded weight of twenty-six thousand one pounds (26,001 lbs.) or more entering the State of Arkansas at the point of entry shall secure a copy of an entry slip from the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agent or employee.

(b) The entry slip shall be signed by the ~~director~~ secretary or his or her authorized agent or employee, and the entry slip shall also be signed by the driver of the vehicle.

SECTION 839. Arkansas Code § 26-55-803(d), concerning the requirement for entry slips and the computation taxes, is amended to read as follows:

(d) The entry slip shall remain in the vehicle for the remainder of the trip over the highways of this state and shall be produced for the inspection of the ~~director~~ secretary or his or her authorized employee or representative, at any point within the state and shall also be produced at the port of exit to the ~~director~~ secretary or his or her authorized agent or employee, for determination of any fuel taxes due the state.

SECTION 840. Arkansas Code § 26-55-804(1)(B) and (C), concerning the payment of taxes, are amended to read as follows:

(B) At the time of the purchase of the fuel, the owner or operator of the vehicle shall obtain from the dealer from whom purchased an invoice or sales ticket, or forms approved by the ~~Director~~ Secretary of the Department of Finance and Administration, which shall contain the name and address of the seller of the fuel, the name and address of the purchaser, the date of purchase, the amount or quantity and kind of fuel purchased, and the invoice or sales ticket shall remain in the vehicle for the remainder of the trip over the highways of this state.

(C) The invoice or sales ticket shall be preserved and retained by the owner or operator for not less than three (3) years and shall be produced for the inspection and examination of the ~~director~~ secretary or his or her authorized agent or employee at any reasonable time and place, either inside or outside this state, upon proper demand for the invoice or sales ticket; or

SECTION 841. Arkansas Code § 26-55-804(2), concerning the payment of

taxes, is amended to read as follows:

(2)(A) By the payment of the amount of tax which would be due upon a sufficient quantity of fuel to propel the vehicle over the highways of this state to the ~~director~~ secretary or to his or her agent, representative, or employee.

(B) At the time of payment of the tax, the ~~director~~ secretary or his or her employee or representative shall issue to the person paying the tax a receipt showing the amount of tax paid, the name and address of the owner or operator of the vehicle, a description of the vehicle, including the license number and state of registration, the point at which the vehicle entered upon the highways of this state, the destination and the place where the vehicle is to leave the highways of this state, and any other information which the ~~director~~ secretary may require, which receipt shall be signed by the ~~director~~ secretary or his or her agent or representative.

(C) The receipt shall remain in the vehicle for the remainder of the trip over the highways of this state and thereafter shall be preserved and retained by the owner or operator for a period of not less than three (3) years, and shall be produced for the inspection of the ~~director~~ secretary or his or her authorized agent or representative, at any reasonable time and place either within or without this state upon proper demand.

SECTION 842. Arkansas Code § 26-55-901(1)(B), concerning vehicle tank inspections, is amended to read as follows:

(B) Otherwise, "compartment" means any one (1) of those subdivisions of a tank designed to hold petroleum products, unless otherwise provided by the ~~Director~~ Secretary of the Department of Finance and Administration by regulations adopted pursuant to § 26-55-903.

SECTION 843. Arkansas Code § 26-55-1004(a)(1), concerning the disposition of revenues, is amended to read as follows:

(a)(1) All taxes, interest, penalties, and costs received by the ~~Director~~ Secretary 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.

SECTION 844. Arkansas Code § 26-55-1101 is amended to read as follows:

26-55-1101. Definition.

As used in this subchapter, "~~director~~ secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agent.

SECTION 845. Arkansas Code § 26-55-1102(a), concerning the authority of the Director of the Department of Finance and Administration to enter into fuel tax agreements, audits not precluded, and the identification of decal cost, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to enter into the International Fuel Tax Agreement of July 1987 with jurisdictions outside this state to provide for cooperation and assistance among member jurisdictions in the administration and collection of taxes imposed upon the consumption of all fuels used in vehicles operated or intended to operate interstate. Provided, however, that the agreement shall not be effective until stated and agreed to in writing and filed with the ~~director~~ secretary.

SECTION 846. Arkansas Code § 26-55-1102(c), concerning the authority of the Director of the Department of Finance and Administration to enter into fuel tax agreements, audits not precluded, and the identification of decal cost, is amended to read as follows:

(c) No agreement authorized by this subchapter shall preclude the ~~director~~ secretary from auditing the records of any person subject to the provisions of this chapter or the Special Motor Fuels Tax Law, § 26-56-101 et seq.

SECTION 847. Arkansas Code § 26-55-1301(1), concerning the definition of "director" under the laws governing refunds and motor fuels used by fire departments, is amended to read as follows:

(1) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or any of his or her deputies, employees, or agents;

SECTION 848. Arkansas Code § 26-55-1303(a), concerning a refund permit, is amended to read as follows:

(a) No fire department shall secure a refund of tax under this subchapter unless the fire department is the holder of an unrevoked permit which was issued by the ~~Director~~ Secretary of the Department of Finance and Administration before the purchase of the motor fuel or the distillate special fuel.

SECTION 849. Arkansas Code § 26-55-1303(c), concerning a refund permit, is amended to read as follows:

(c) An application for the permit shall be filed with the ~~director~~ secretary on forms prescribed by the ~~director~~ secretary and shall contain such information as the ~~director~~ secretary may require.

SECTION 850. Arkansas Code § 26-55-1303(e), concerning a refund permit, is amended to read as follows:

(e) The refund permit of any person who violates any provision of this subchapter shall be revoked by the ~~director~~ secretary and shall not be reissued until two (2) years have elapsed after the date of the revocation.

SECTION 851. The introductory language of Arkansas Code § 26-55-1304(a), concerning an application for a refund, is amended to read as follows:

(a) The refund permit holder shall file with the ~~Director~~ Secretary of the Department of Finance and Administration an application for refund on forms furnished by the ~~director~~ secretary which shall include, but not be limited to, the following information:

SECTION 852. Arkansas Code § 26-55-1304(a)(6), concerning an application for a refund, is amended to read as follows:

(6) Other information as the ~~director~~ secretary shall require.

SECTION 853. Arkansas Code § 26-55-1304(b)(2), concerning an application for a refund, is amended to read as follows:

(2) The application shall be notarized and made to the ~~director~~ secretary.

SECTION 854. Arkansas Code § 26-55-1304(d)(1), concerning an

application for a refund, is amended to read as follows:

(d)(1) The ~~director~~ secretary shall promulgate a rule establishing the annual date for claiming a refund pursuant to this subchapter.

SECTION 855. Arkansas Code § 26-55-1305(b)(1), concerning refunds paid from the Gasoline Tax Refund Fund, is amended to read as follows:

(b)(1)(A) The ~~Director~~ Secretary of the Department of Finance and Administration shall annually estimate the amount necessary to pay refunds to the users of distillate special fuel who are entitled to refunds with respect to distillate special fuel taxes paid in this state as authorized in this subchapter.

(B) Upon certification by the ~~director~~ secretary, the Treasurer of State shall transfer from the gross amount of distillate special fuel taxes collected each month the amount so certified and shall credit the amount to the fund.

SECTION 856. Arkansas Code § 26-55-1305(e), concerning refunds paid from the Gasoline Tax Refund Fund, is amended to read as follows:

(e) Neither the ~~director~~ secretary nor any member or employee of the Department of Finance and Administration shall be held personally liable for making any refund by reason of a fraudulent claim filed as a basis for the refund.

SECTION 857. Arkansas Code § 26-55-1306(a), concerning the inspection of records kept by a fire department, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall keep a permanent record by fire department of the amount of refund claimed and paid to each claimant.

SECTION 858. Arkansas Code § 26-55-1308 is amended to read as follows:

26-55-1308. ~~Director's powers~~ Authority of secretary.

The ~~Director~~ Secretary of the Department of Finance and Administration may make, amend, and enforce regulations, subpoena witnesses and documents, administer oaths, and do and perform all other acts necessary to carry out the purpose and intent of this subchapter.

SECTION 859. Arkansas Code § 26-56-102(1)(F), concerning special motor fuels taxes, is amended to read as follows:

(F) Such other information or forms as the ~~Director~~ Secretary of the Department of Finance and Administration by regulation may adopt or require to implement the intent of this subchapter;

SECTION 860. Arkansas Code § 26-56-102(5), concerning the definition of "director" under the laws governing special motor fuels taxes, is amended to read as follows:

(5) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or his or her duly authorized agents;

SECTION 861. Arkansas Code § 26-56-104 is amended to read as follows:

26-56-104. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized and empowered to promulgate such rules and regulations, not inconsistent with this chapter, as the ~~director~~ secretary shall deem necessary and desirable to facilitate the collection of the taxes levied in this chapter and to otherwise effectuate the purposes of this chapter, and these rules and regulations shall have the same effect as if specifically set forth in this chapter.

SECTION 862. Arkansas Code § 26-56-105(b) and (c), concerning the payment of taxes by the Arkansas Department of Transportation, are amended to read as follows:

(b) The department shall remit this tax each month to the ~~Director~~ Secretary of the Department of Finance and Administration who will distribute the tax as outlined in this chapter.

(c) For purposes of computing this tax, the department shall use its fuel consumption reports and shall file with the ~~director~~ secretary an appropriate monthly report stating the gallons used in the department's motor vehicles and the tax due and payable.

SECTION 863. Arkansas Code § 26-56-201(b)(3), concerning the imposition of taxes and exemptions, is amended to read as follows:

(3) Sales of distillate special fuel by a licensed supplier for export from the State of Arkansas when shipped by common carrier FOB destination to any other state or territory or to any foreign country, or the export of distillate special fuel by a licensed supplier from the State of Arkansas to any other state or territory or to any foreign country, if satisfactory proof of actual exportation of all the distillate special fuel is furnished at the time and in the manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 864. Arkansas Code § 26-56-204(a), concerning licenses and bonds for suppliers and users, is amended to read as follows:

(a)(1)(A) No person shall commence operations as a supplier, user, or off-road consumer of distillate special fuel without first procuring a license for that purpose from the ~~Director~~ Secretary of the Department of Finance and Administration. The license shall be issued and remain in effect until revoked as provided in this section.

(B)(i) Any person holding or applying for a supplier's license after August 1, 1987, shall make an election to operate either as a pipeline importer or first receiver. Once having made an election in writing filed with the ~~director~~ secretary, the election will remain in force until such time as the supplier makes another written election to change the supplier's status.

(ii) The election and any change therein shall take effect on the first month following filing of the election.

(iii) The ~~director~~ secretary may promulgate such forms and regulations as may be necessary to ensure uniformity with federal usage of exemption certificates issued for nonhighway diesel purchases.

SECTION 865. Arkansas Code § 26-56-204(b)(2)(B), concerning licenses and bonds for suppliers and users, is amended to read as follows:

(B) A taxable use of distillate special fuel purchased tax-free by an applicant for an annual registration as a user or off-road consumer, in addition to the penal provisions prescribed in this subchapter, at the discretion of the ~~director~~ secretary shall forfeit the right of the applicant to purchase distillate special fuel tax-free.

SECTION 866. Arkansas Code § 26-56-204(c), concerning licenses and bonds for suppliers and users, is amended to read as follows:

(c)(1) Every supplier shall file with the ~~director~~ secretary a surety bond of not less than one and one-half (1½) times or one hundred fifty percent (150%) of the prior six (6) months average distillate special fuel tax due which is based upon the gallonage of distillate special fuel to be sold or distributed as shown by the application for a license if the applicant has not previously been engaged in the business of a supplier, or as shown by sales for the previous year if the applicant previously has been engaged in the business in this state. However, no bond shall be filed for less than one thousand dollars ($1,000).

(2) If the ~~director~~ secretary deems it necessary to protect the state in the collection of distillate special fuel taxes, the ~~director~~ secretary may require any supplier to post a bond in an amount up to three (3) times or three hundred percent (300%) of the prior six (6) months average distillate special fuel tax due.

(3)(A) However, the ~~director~~ secretary is authorized to waive the posting of bond by any licensed supplier organized and operating under the laws of Arkansas and wholly owned by residents of this state who has been licensed for a period of at least three (3) years and who has not been delinquent in remitting distillate special fuel taxes during the three-year period immediately preceding application by the supplier for waiver of bond.

(B) If any supplier whose bond has been waived by the ~~director~~ secretary as authorized in subdivision (c)(3)(A) of this section, subsequently becomes delinquent in remitting distillate special fuel taxes to the ~~director~~ secretary, the ~~director~~ secretary may require that the supplier post a bond in the amount required in this section, and the supplier shall not be eligible to petition for a waiver of bond for a period of three (3) years thereafter.

SECTION 867. Arkansas Code § 26-56-204(d)(1), concerning licenses and bonds for suppliers and users, is amended to read as follows:

(d)(1) Each application of an interstate user for a license shall be accompanied by a surety bond of a surety company authorized to do business in this state, in favor of the ~~director~~ secretary, satisfactory to the ~~director~~ secretary, and in an amount to be fixed by the ~~director~~ secretary of not less

than one thousand dollars ($1,000) nor more than fifty thousand dollars ($50,000), guaranteeing the payment of any and all taxes, penalties, interest, attorney's fees, and costs levied by, accrued, or accruing under this subchapter.

SECTION 868. Arkansas Code § 26-56-204(e)(2), concerning licenses and bonds for suppliers and users, is amended to read as follows:

(2) The bond shall be conditioned upon the prompt filing of true reports and the payment by the supplier or interstate user to the ~~director~~ secretary of any and all distillate special fuel taxes which are levied or imposed by the State of Arkansas, together with any and all penalties and interest thereon, and generally upon faithful compliance with the provisions of this subchapter.

SECTION 869. Arkansas Code § 26-56-204(f)-(i), concerning licenses and bonds for suppliers and users, are amended to read as follows:

(f)(1) In the event that liability upon the bond filed pursuant to this section by the supplier or interstate user with the ~~director~~ secretary shall be discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if in the opinion of the ~~director~~ secretary any surety on the bond shall have become unsatisfactory or unacceptable, then the ~~director~~ secretary may require the filing of a new bond with a satisfactory surety in the same form and amount; failing which, the ~~director~~ secretary shall immediately cancel the license of the supplier or interstate user.

(2) If a new bond shall be furnished, the ~~director~~ secretary shall cancel the bonds for which the new bond shall be substituted.

(g) In the event that upon a hearing of which the supplier or interstate user shall be given five (5) days' notice in writing, the ~~director~~ secretary shall decide that the amount of the existing bond is insufficient to ensure payment to the State of Arkansas of the amount of the tax and any penalties and interest for which said supplier or interstate user is or may at any time become liable, then the supplier or interstate user upon written demand of the ~~director~~ secretary shall immediately file an additional bond in the same manner and form and with a surety company thereon approved by the ~~director~~ secretary in any amount determined by the ~~director~~ secretary to be necessary to secure at all times the payment to the State of Arkansas of all

taxes, penalties, and interest due under the provisions of this section, failing which, the ~~director~~ secretary shall immediately cancel the license of the supplier or interstate user.

(h)(1) Any surety on any bond furnished as provided in this section shall be released and discharged from any and all liability to the State of Arkansas accruing on the bond after the expiration of sixty (60) days from the date upon which a surety shall have lodged with the ~~director~~ secretary written request to be released and discharged. However, the request shall not operate to relieve, release, or discharge the surety from any liability already accrued or which shall accrue before the expiration of the sixty-day period.

(2) Upon receipt of notice of the request, the ~~director~~ secretary shall promptly notify the supplier or interstate user who furnished the bond, and unless the supplier or interstate user on or before the expiration of the sixty-day period files with the ~~director~~ secretary a new bond with a surety company satisfactory to the ~~director~~ secretary in the amount and form as provided in this section, the ~~director~~ secretary shall immediately cancel the license of that supplier or interstate user.

(3) If a new bond shall be furnished as provided in this section, the ~~director~~ secretary shall cancel the bond for which the new bond shall be substituted.

(i) In lieu of furnishing a bond or bonds executed by a surety company as provided in this section, any supplier or interstate user may furnish a bond or other instrument in a form prescribed by the ~~director~~ secretary of equal, full amount to the amount of the bond or bonds required by this section, which will provide security or payment of all amounts as described in this section and in compliance with all provisions of this subchapter.

SECTION 870. Arkansas Code § 26-56-204(k)(2), concerning licenses and bonds for suppliers and users, is amended to read as follows:

(2)(A) Should his or her license be revoked, any supplier or user may bring an action against the ~~director~~ secretary in the circuit court of the county of his or her domicile within fifteen (15) days of the date of revocation to determine whether or not the supplier or user has in fact violated any of the provisions of this chapter.

(B) If the circuit court determines that the provisions of

the law have been violated by the supplier or user, it shall affirm the ~~director's~~ secretary's action in revoking the license.

SECTION 871. Arkansas Code § 26-56-208(a)(1), concerning suppliers' and users' reports and the computation and remittance of taxes, is amended to read as follows:

(a)(1) On or before the twenty-fifth day of each calendar month on forms prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration, every supplier shall file with the ~~director~~ secretary a report accounting for the distillate special fuel handled during the preceding month.

SECTION 872. Arkansas Code § 26-56-208(a)(3)(D), concerning suppliers' and users' reports and the computation and remittance of taxes, is amended to read as follows:

(D) Such other documents as the ~~director~~ secretary requires.

SECTION 873. The introductory language of Arkansas Code § 26-56-208(b)(1), concerning suppliers' and users' reports and the computation and remittance of taxes, is amended to read as follows:

(b)(1) When filing the report and paying the tax to the ~~director~~ secretary as required in this section, the supplier shall be entitled to deduct from the total number of gallons upon which the tax levied under this chapter is due, the number of gallons:

SECTION 874. Arkansas Code § 26-56-208(c)(1), concerning suppliers' and users' reports and the computation and remittance of taxes, is amended to read as follows:

(c)(1) On forms prescribed by the ~~director~~ secretary, every pipeline company, water transportation company, and common carrier transporting distillate special fuel to points within Arkansas shall report under oath to the ~~director~~ secretary all deliveries of distillate special fuel so made to points within Arkansas.

SECTION 875. Arkansas Code § 26-56-208(c)(2)(C), concerning suppliers'

and users' reports and the computation and remittance of taxes, is amended to read as follows:

(C) The report shall also show such additional information relative to a shipment of distillate special fuel as the ~~director~~ secretary may require.

SECTION 876. The introductory language of Arkansas Code § 26-56-208(d)(2), concerning suppliers' and users' reports and the computation and remittance of taxes, is amended to read as follows:

(2) On or before the twenty-fifth day of each calendar month on forms prescribed by the ~~director~~ secretary, the terminal shall report to the ~~director~~ secretary all purchases or other acquisitions and sales or other disposition of distillate special fuel during the next-preceding calendar month, which report shall include the following:

SECTION 877. Arkansas Code § 26-56-208(d)(2)(D)(v), concerning suppliers' and users' reports and the computation and remittance of taxes, is amended to read as follows:

(v) The person possessing a license from the ~~director~~ secretary who requested the removal of the distillate special fuel from that storage.

SECTION 878. Arkansas Code § 26-56-208(d)(3), concerning suppliers' and users' reports and the computation and remittance of taxes, is amended to read as follows:

(3) When any terminal purchasing or otherwise acquiring distillate special fuel by pipeline and selling or otherwise disposing of the distillate special fuel for delivery in Arkansas and not required by a provision of this subchapter to register as a supplier in distillate special fuel, fails to submit the terminal's monthly report to the ~~director~~ secretary by the twenty-fifth day of each calendar month or when the terminal fails to submit in the monthly report the data required by this subchapter, the terminal shall be guilty of a violation and shall be fined an amount not greater than one hundred dollars ($100) for the first offense and shall be fined an amount not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each subsequent offense.

SECTION 879. Arkansas Code § 26-56-209(b)(2)(C)(ii), concerning required records, invoices, and the falsification of records, is amended to read as follows:

(ii) Another counterpart shall be delivered to the operator of the motor vehicle and carried in the cab compartment of the motor vehicle for inspection by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her representatives until the fuel it covers has been consumed.

SECTION 880. Arkansas Code § 26-56-209(c)(1), concerning required records, invoices, and the falsification of records, is amended to read as follows:

(c)(1) Every person who operates a motor vehicle that is equipped to use motor fuels taxable under the Motor Fuel Tax Law, § 26-55-201 et seq., and distillate special fuel interchangeably in the propulsion of the motor vehicle shall carry in the cab compartment of the motor vehicle for inspection by the ~~director~~ secretary or his or her representative, not only the counterpart of the serially-numbered invoice required under subsection (b) of this section for the delivery of distillate special fuel into the fuel supply tanks of the motor vehicle but also an invoice or receipt from the seller for each delivery into the fuel supply tanks of the motor vehicle of motor fuels taxable under the Motor Fuel Tax Law, § 26-55-201 et seq., which latter invoice or receipt shall show the same information as to date of delivery, quantity, speedometer or hub meter mileage, and motor vehicle registration number as is required for the invoice covering distillate special fuel.

SECTION 881. Arkansas Code § 26-56-214(a), concerning interstate users, reports, and the computation of taxes and refunds, is amended to read as follows:

(a) Whenever an interstate user of distillate special fuel who is a bonded user of distillate special fuel in all states in which he or she operates has exportations in excess of importations of tax-paid distillate special fuel in the fuel supply tanks of motor vehicles which distillate special fuel was delivered by a supplier into bulk storage facilities of the

user within the State of Arkansas, the supplier may make a refund or allow a credit for the amount of the tax upon the excess upon approval by the ~~Director~~ Secretary of the Department of Finance and Administration of a statement from the user to the effect that the tax-paid distillate special fuel was exported.

SECTION 882. Arkansas Code § 26-56-214(b)(2), concerning interstate users, reports, and the computation of taxes and refunds, is amended to read as follows:

(2) If it shall be determined by the quarterly report that the interstate user has used distillate special fuel in this state in excess of the number of gallons of the distillate special fuel upon which the Arkansas tax had been paid, the interstate user shall remit to the ~~director~~ secretary, at the time of filing the report, an excise tax of eighteen and one-half cents (18½¢) per gallon of the excess gallonage used.

SECTION 883. Arkansas Code § 26-56-214(c), concerning interstate users, reports, and the computation of taxes and refunds, is amended to read as follows:

(c) The quarterly report required by this subchapter shall be filed on or before the last day of the month following the end of each calendar quarter and shall be made on forms prescribed by the ~~director~~ secretary and shall include such information as the ~~director~~ secretary may require.

SECTION 884. Arkansas Code § 26-56-214(d)(1) and (2), concerning interstate users, reports, and the computation of taxes and refunds, are amended to read as follows:

(d)(1) For the purpose of determining whether a distillate special fuel user owes tax or is entitled to a credit or refund as provided in subsection (b) of this section, the distillate special fuel user shall file with the ~~director~~ secretary a report showing the quantities of special motor fuels used in this state during the preceding calendar quarter. This report shall be due on or before the last day of the month following the end of each calendar quarter.

(2) If it shall be determined by the quarterly report filed with the ~~director~~ secretary that the distillate special fuel user has used more

gallons of special motor fuel in this state than the special motor fuel tax due thereon has been paid, the distillate special fuel user shall remit to the ~~director~~ secretary an excise tax of eighteen and one-half cents (18½¢) per gallon of special motor fuel.

SECTION 885. Arkansas Code § 26-56-214(i), concerning interstate users, reports, and the computation of taxes and refunds, is amended to read as follows:

(i)(1) The ~~director~~ secretary shall prescribe the appropriate forms necessary for the administration of this subchapter.

(2) The ~~director~~ secretary may make appropriate rules and regulations necessary to ensure the accurate reporting of the special motor fuel tax.

SECTION 886. Arkansas Code § 26-56-215(a)(1), concerning interstate users and tax refund procedures, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall quarterly estimate the amount necessary to pay refunds to interstate users of special motor fuels who are entitled to refunds with respect to special motor fuel taxes paid in this state as authorized in § 26-56-214, and upon certification by the ~~director~~ secretary, the Treasurer of State shall transfer from the gross amount of special motor fuel taxes collected each month the amount so certified and shall credit the amount to the Interstate Motor Fuel Tax Refund Fund, which is established on the books of the State Treasury, from which the Department of Finance and Administration shall make refunds as provided by law.

SECTION 887. Arkansas Code § 26-56-215(c), concerning interstate users and tax refund procedures, is amended to read as follows:

(c) Neither the ~~director~~ secretary nor any member or employee of the department shall be held personally liable for making any refund by reason of a fraudulent claim being filed as a basis for the refund.

SECTION 888. The introductory language of Arkansas Code § 26-56-215(d), concerning interstate users and tax refund procedures, is amended to read as follows:

(d) The ~~director~~ secretary is authorized to promulgate rules and regulations and to prescribe the necessary forms required for the administration of claims for tax refunds from interstate users of special motor fuels in this state as authorized by law, which rules and regulations shall be in conformance with the following requirements:

SECTION 889. Arkansas Code § 26-56-215(d)(1) and (2), concerning interstate users and tax refund procedures, are amended to read as follows:

(1) The ~~director~~ secretary shall first determine, with respect to each refund claim filed, that the bond of the interstate user is adequate to compensate the State of Arkansas for any losses with respect to the recovery of any refunds illegally claimed by the interstate user, and the ~~director~~ secretary may require the increase of the bond if the ~~director~~ secretary determines it to be inadequate before approving any claim for refund;

(2) Each interstate user of motor fuels and special motor fuels claiming refunds shall maintain adequate records to substantiate each claim for refund, and the ~~director~~ secretary may reject any claim for refund if the ~~director~~ secretary determines the applicant has not maintained adequate records or has not conformed to the rules and regulations of the department in filing the claim therefor;

SECTION 890. Arkansas Code § 26-56-216 is amended to read as follows:

26-56-216. Power to stop, investigate, and impound vehicles — Assessment of tax.

(a) In order to enforce the provisions of this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized representative is empowered to stop any motor vehicle which appears to be operating with distillate special fuel for the purpose of examining the invoices and for other investigative purposes reasonably necessary to determine whether the taxes imposed by this subchapter have been paid, or whether the motor vehicle is being operated in compliance with the provisions of this subchapter.

(b) If after examination or investigation it is determined by the ~~director~~ secretary or his or her authorized representative that the tax imposed by this subchapter has not been paid with respect to the fuels being

used in the motor vehicle, the ~~director~~ secretary or his or her representative shall immediately assess the tax due, together with the penalty hereinafter provided, to the owner of the motor vehicle, and give the owner written notice of the assessment by handing it to the driver of the motor vehicle.

(c) The ~~director~~ secretary or his or her representative is empowered to impound any motor vehicle found to be operating in violation of this chapter by a person other than one who has furnished the bond required of users by § 26-56-204(c) until such time as any tax assessed as provided herein has been paid.

SECTION 891. Arkansas Code § 26-56-217(b)(2)(C) and (D), concerning the separate storage tanks for taxable distillate special fuel and for tax-free storage, are amended to read as follows:

(C) Each city or county shall file a report with the ~~Director~~ Secretary of the Department of Finance and Administration accounting for the taxable and nontaxable distillate special fuel used and miles driven by each motor vehicle which requires taxable distillate special fuel in such a manner, at such time, and on such forms as shall be prescribed by the ~~director~~ secretary.

(D) The ~~director~~ secretary may promulgate regulations to establish a system to periodically reconcile the taxable distillate special fuel purchased and actual taxable distillate special fuel used by the city or county.

SECTION 892. Arkansas Code § 26-56-218(c), concerning bulk sales of distillate special fuels, is amended to read as follows:

(c) When a user, dealer, or off-road consumer registration has been revoked and written notice of the revocation has been received by the supplier from the ~~Director~~ Secretary of the Department of Finance and Administration, it shall be unlawful for the supplier to make bulk sales or deliveries to the user, dealer, or off-road consumer of distillate special fuel on which the tax has not been paid.

SECTION 893. Arkansas Code § 26-56-219(b)(2), concerning cargo tank-to-carburetor connection being unlawful and penalties, is amended to read as

follows:

(2) This penalty shall be assessed by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her representative and shall be collected in the same manner as is provided for the collection of tax in § 26-56-216.

SECTION 894. Arkansas Code § 26-56-220(d)(2), concerning unlawful activities regarding the operation of motor vehicles, is amended to read as follows:

(2) This penalty shall be assessed by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her representative and shall be collected in the same manner as is provided for the collection of tax in § 26-56-216.

SECTION 895. Arkansas Code § 26-56-224(f), concerning fuel used for off-road purposes and the imposition of tax on dyed distillate special fuel, is amended to read as follows:

(f) The excise taxes levied by subsection (b) of this section shall be reported and paid on or before the twentieth day of each month by electronic funds transfer as authorized pursuant to § 26-19-101 et seq. on forms to be prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 896. The introductory language of Arkansas Code § 26-56-226(a)(1), concerning the penalty for improper use of dyed distillate special fuel, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration upon finding a motor vehicle using or utilizing dyed distillate special fuel for the purpose of operating that motor vehicle not excepted in § 26-56-225, shall:

SECTION 897. The introductory language of Arkansas Code § 26-56-226(a)(2), concerning the penalty for improper use of dyed distillate special fuel, is amended to read as follows:

(2) Further, if any dyed distillate special fuel is found in any fuel storage tank or fuel storage facility outside of the terminal utilized

by the operator of that motor vehicle, or any other person, for the purpose of fueling that motor vehicle, the ~~director~~ secretary shall:

SECTION 898. Arkansas Code § 26-56-226(b)(2), concerning the penalty for improper use of dyed distillate special fuel, is amended to read as follows:

(2) The assessments shall be made against the operator or any other person the ~~director~~ secretary deems responsible for the usage or utilization of the dyed distillate special fuel in that motor vehicle.

SECTION 899. The introductory language of Arkansas Code § 26-56-227(b)(1), concerning mixed dyed and undyed distillate special fuel and additional penalties, is amended to read as follows:

(b)(1) The ~~Director~~ Secretary 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:

SECTION 900. Arkansas Code § 26-56-227(b)(3), concerning mixed dyed and undyed distillate special fuel and additional penalties, is amended to read as follows:

(3) The assessments shall be made against the operator of any motor vehicle, or owner or operator of the fuel storage tank or fuel storage facility outside of the terminal, or any other person the ~~director~~ secretary deems responsible for the usage or utilization of the distillate special fuel in any motor vehicle involved in the assessment.

SECTION 901. The introductory language of Arkansas Code § 26-56-228(a)(1), concerning the authority of the Director of the Department of Finance and Administration, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to:

SECTION 902. The introductory language of Arkansas Code § 26-56-

228(a)(2), concerning the authority of the Director of the Department of Finance and Administration, is amended to read as follows:

(2) The ~~director~~ secretary shall have the authority to:

SECTION 903. Arkansas Code § 26-56-228(b)(1)(A), concerning the authority of the Director of the Department of Finance and Administration, is amended to read as follows:

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

SECTION 904. Arkansas Code § 26-56-228(b)(2)(B), concerning the authority of the Director of the Department of Finance and Administration, is amended to read as follows:

(B) The ~~director~~ secretary shall add a penalty of twenty percent (20%) of the total amount of the assessed taxes excluding the ten-dollar-per-gallon penalty to the total amount assessed for willful refusal to allow the sampling, measuring, or testing, which penalty shall be in addition to all other penalties provided in this section, this chapter, and in the Arkansas Tax Procedure Act, § 26-18-101 et seq.

SECTION 905. Arkansas Code § 26-56-228(b)(3), concerning the authority of the Director of the Department of Finance and Administration, is amended to read as follows:

(3) The assessments shall be made against the operator of any motor vehicle, fuel storage tank, or fuel storage facility outside of the terminal involved in the assessment or against any other person the ~~director~~ secretary deems responsible for the use or utilization of the fuel in any motor vehicle involved in the assessment.

SECTION 906. Arkansas Code § 26-56-229(a)(1), concerning multiple violations of special motor fuels taxes, is amended to read as follows:

(a)(1) In the event that assessments are made by the ~~Director~~ Secretary of the Department of Finance and Administration against the same operator or the same person for violating the provisions of § 26-56-226, § 26-56-227, or § 26-56-228 within three (3) years of any assessment made by the ~~director~~ secretary for previous violations of any of those provisions, the ~~director~~ secretary shall assess a penalty of twenty dollars ($20.00) per gallon on all the fuel assessed, and for third and subsequent violations within a three-year period by the same operator or the same person, the ~~director~~ secretary shall assess a penalty of thirty dollars ($30.00) per gallon on all the fuel assessed.

SECTION 907. Arkansas Code § 26-56-231 is amended to read as follows:

26-56-231. Rules and regulations.

(a) The ~~Director~~ Secretary 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.

(b) Provisions shall be included in the rules and regulations to allow any user enumerated in § 26-56-225, upon proper notice and certification to the ~~Director~~ Secretary of the Department of Finance and Administration that dyed distillate special fuel is unavailable to that user at that time, to utilize untaxed, undyed distillate special fuel in motor vehicles belonging to the users.

SECTION 908. The introductory language of Arkansas Code § 26-56-232(a), concerning electronic reports and electronic funds transfer, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall make all necessary preparations in order that all reports submitted beginning July 1, 1997, and thereafter, or beginning before that date, if possible, by:

SECTION 909. Arkansas Code § 26-56-232(a)(4), concerning electronic reports and electronic funds transfer, is amended to read as follows:

(4) All other persons required to submit any type of reports to

the ~~director~~ secretary pursuant to those tax laws,
shall be submitted by electronic means and to ensure that the reports shall be processed electronically by the Department of Finance and Administration.

SECTION 910. Arkansas Code § 26-56-232(b), concerning electronic reports and electronic funds transfer, is amended to read as follows:

(b) The ~~director~~ secretary shall also make and promulgate rules and regulations to ensure that the distributors, suppliers, and alternative fuel suppliers, beginning July 1, 1997, and thereafter, or beginning before that date, if possible, remit all taxes due the state pursuant to those tax laws by electronic funds transfer.

SECTION 911. Arkansas Code § 26-56-301(b), concerning the levying and imposition of tax and alternative payment of fees, is amended to read as follows:

(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~~ Secretary 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.

SECTION 912. Arkansas Code § 26-56-303(b)-(d), concerning suppliers, dealers, licenses, and bonds for liquefied gas special fuel, are amended to read as follows:

(b)(1) Application for licenses shall be filed on a form prescribed by ~~Director~~ the Secretary of the Department of Finance and Administration and verified by affidavit, and shall show the name, address, and kind of business of the applicant, a designation of the applicant's principal place of business, and such other pertinent information as the ~~director~~ secretary may require.

(2) The application must also contain as a condition to the issuance of the license an agreement under oath by the applicant to comply with the requirements of this subchapter and the rules and regulations of the ~~director~~ secretary.

(c)(1) Before an application may be approved by the ~~director~~ secretary, the applicant shall file a bond with surety satisfactory to the ~~director~~ secretary, payable to the State of Arkansas, and conditioned upon the applicant's compliance with the provisions of this subchapter and the rules and regulations of the ~~director~~ secretary.

(2) The bond is to be in the sum of not less than five hundred dollars ($500) and not more than twenty thousand dollars ($20,000), the amount to be in each case fixed by the ~~director~~ secretary. However, the amount of the bond may be increased or decreased within the aforementioned limits by the ~~director~~ secretary at any time.

(3) No bond shall be cancelled by the sureties thereon until the expiration of sixty (60) days after receipt of notice of the cancellation by the ~~director~~ secretary, and the cancellation shall have no retroactive effect.

(d) Upon approval of the application and bond, the ~~director~~ secretary shall issue to the applicant a nontransferable liquefied gas special fuels supplier's license or dealer's license, as the case may be, bearing a distinctive number.

SECTION 913. Arkansas Code § 26-56-303(f)(2) and (3), concerning suppliers, dealers, licenses, and bonds for liquefied gas special fuel, are amended to read as follows:

(2) The application shall be made on a form prescribed by the ~~director~~ secretary showing the name, address, and the supplier or dealer license number of the applicant, the location of the station or facility for which the duplicate is applied, and such other pertinent information as the ~~director~~ secretary may require.

(3) Upon approval of the application, the ~~director~~ secretary shall issue to the applicant a nontransferable duplicate of the liquefied gas special fuels supplier's or dealer's license.

SECTION 914. Arkansas Code § 26-56-304(b) and (c), concerning users' permits for liquefied gas special fuels, are amended to read as follows:

(b) The application must be made on a form prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration, showing the name, address, and user license number or supplier or dealer license number of the

applicant, the make, model, and motor number of the vehicle involved, the type of fuel used therein, and such other pertinent information as the ~~director~~ secretary may require.

(c) The fuel user's permit shall be obtained annually before the ~~director~~ secretary shall register and issue a motor vehicle license for the vehicle.

SECTION 915. The introductory language of Arkansas Code § 26-56-304(d), concerning users' permits for liquefied gas special fuels, is 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~~ secretary, 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:

SECTION 916. Arkansas Code § 26-56-304(d)(2) and (3), concerning users' permits for liquefied gas special fuels, is amended to read as follows:

(2) If the ~~director~~ secretary determines that the flat fee provided herein in lieu of the gallonage 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 gallonage tax, the ~~director~~ secretary 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.

(3) The ~~director~~ secretary shall establish regulations for computing the fees and for the enforcement of the collection thereof.

SECTION 917. Arkansas Code § 26-56-305 is amended to read as follows:

26-56-305. Users' permits — Transfer.

When a motor vehicle permitted to use liquefied gas special fuels under

this subchapter is altered to operate on a fuel other than liquefied gas special fuels or destroyed prior to the expiration of the permit period, the ~~Director~~ Secretary of the Department of Finance and Administration upon the request of the motor vehicle owner within ten (10) days of the conversion or destruction and the payment of a two-dollar transfer fee shall transfer the permit for the remainder of the permit period to another motor vehicle operating on liquefied gas special fuels owned by the person.

SECTION 918. Arkansas Code § 26-56-306(a), concerning users' permits and window decals for liquefied gas special fuel, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate special serially numbered window decals to be issued for motor vehicles for which liquefied gas special fuels user's permits are issued, except motor vehicles of licensed liquefied gas special fuels suppliers, which distinctive window decals shall evidence not only the registration of the motor vehicle but shall evidence the fact that the special permit fee charged under § 26-56-304 has been paid.

SECTION 919. The introductory language of Arkansas Code § 26-56-308(a), concerning reports and payments of tax by suppliers of liquefied gas special fuels, is amended to read as follows:

(a) On or before the twenty-fifth day of each calendar month next following the calendar month for which the report is made, each liquefied gas special fuels supplier shall report to the ~~Director~~ Secretary of the Department of Finance and Administration:

SECTION 920. Arkansas Code § 26-56-308(a)(6), concerning reports and payments of tax by suppliers of liquefied gas special fuels, is amended to read as follows:

(6) Such other information as the ~~director~~ secretary may require by regulation.

SECTION 921. Arkansas Code § 26-56-308(c), concerning reports and payments of tax by suppliers of liquefied gas special fuels, is amended to read as follows:

(c) Each liquefied gas special fuels supplier at the time of filing the monthly report required by this section shall remit to the ~~director~~ secretary any and all taxes due on liquefied gas special fuels covered by the report.

SECTION 922. The introductory language of Arkansas Code § 26-56-309, concerning reports by dealers of liquefied gas special fuels, is amended to read as follows:

Every liquefied gas special fuels dealer on or before the twenty-fifth day of the month shall monthly file a report with the ~~Director~~ Secretary of the Department of Finance and Administration for the preceding calendar month showing:

SECTION 923. Arkansas Code § 26-56-310(a), concerning the discontinuance of a business and the surrender of a license or permit, is amended to read as follows:

(a) Whenever any person to whom a liquefied gas special fuels supplier's license, dealer's license, or liquefied gas special fuels user's permit has been issued, discontinues to supply, sell, or use liquefied gas special fuels within the state, the person shall notify the ~~Director~~ Secretary of the Department of Finance and Administration in writing of that fact within thirty (30) days thereafter and surrender his or her license or permit to the ~~director~~ secretary.

SECTION 924. Arkansas Code § 26-56-311 is amended to read as follows:

26-56-311. Revocation of supplier's or dealer's license.

(a) If a licensed liquefied gas special fuels supplier or dealer fails to file any report required by this subchapter, or falsely or fraudulently files a report, or fails to pay the full amount of the tax levied by this subchapter, or if at any time the surety on the licensee's bond becomes unsatisfactory or inaccessible to the ~~Director~~ Secretary of the Department of Finance and Administration or the bond is discharged or cancelled, and a new bond is not furnished by the licensee within five (5) days after the demand of the ~~director~~ secretary, the ~~director~~ secretary may give notice to the licensee of an intention to revoke his or her license.

(b) The licensee shall be entitled to a period of ten (10) days after

the mailing of the notice within which to apply for a hearing on the question of having his or her license revoked, and the ~~director~~ secretary shall designate a time and place for the hearing, giving the licensee five (5) days' notice thereof.

(c) After the hearing at which the licensee shall be entitled to present evidence and be represented by counsel, the ~~director~~ secretary shall determine whether the licensee's license shall be revoked.

(d)(1) Upon the issuance of an order revoking the license, the licensee shall be entitled to appeal to the circuit court in any county in which the licensee may do business, where the question shall be tried de novo, but the ~~director's~~ secretary's order shall be affirmed if supported by substantial evidence.

(2) An appeal may be had from the judgment of the circuit court as in other cases as provided by law.

(e)(1) If the licensee fails to apply for a hearing within the prescribed time, the ~~director~~ secretary may immediately revoke the license of the licensee and notify the licensee by registered mail, addressed to the last known address of the licensee appearing in the files of the ~~director~~ secretary.

(2) The ~~director~~ secretary shall also notify the surety company on the licensee's bond in like manner.

SECTION 925. Arkansas Code § 26-56-312(b), concerning the importation or use of liquefied gas special fuels by an unlicensed person, 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~~ Secretary of the Department of Finance and Administration the tax levied by this subchapter on each gallon 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 926. Arkansas Code § 26-56-313(b)(2), concerning purchase of liquefied gas special fuels by an unlicensed person and the payment of taxes,

is amended to read as follows:

(2) The supplier or dealer shall deliver the original copy to the purchaser and shall retain the duplicate copy for a period of two (2) years for inspection by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her designated agents.

SECTION 927. Arkansas Code § 26-56-314 is amended to read as follows:

26-56-314. Nonresident users.

If the ~~Director~~ Secretary of the Department of Finance and Administration deems it necessary for the proper enforcement and collection of the tax on liquefied gas special fuels used in this state against nonresident users, other than occasional nonresident users, the ~~director~~ secretary may require the nonresident users to obtain a permit, post bond, and report and remit the tax in the same manner as is required in this subchapter for liquefied gas special fuels suppliers.

SECTION 928. Arkansas Code § 26-56-315 is amended to read as follows:

26-56-315. Conversion of vehicles for use of liquefied gas special fuels.

(a)(1) Any liquefied gas special fuels dealer, garage, mechanic, owner, or operator of a motor vehicle who converts or causes a vehicle to be converted to enable the vehicle to be operated on liquefied gas special fuels shall report the conversion to the ~~Director~~ Secretary of the Department of Finance and Administration on forms prescribed by the ~~director~~ secretary within ten (10) days after the conversion.

(2) If any owner or operator fails to report a conversion to the ~~director~~ secretary within the time prescribed above, the person shall be assessed a penalty of fifty dollars ($50.00) which shall be in addition to any criminal penalty provided in this chapter.

(b) No person shall convert or equip any motor vehicle for the use of liquefied gas special fuels unless the person is licensed to do so by the Liquefied Petroleum Gas Board and has also made application for and obtained a license as a liquefied gas special fuels converter from the ~~director~~ secretary and posted a bond in an amount determined by the ~~director~~ secretary conditioned that the person will report to the ~~director~~ secretary all vehicles so converted by the person as required by this section.

(c) It shall be unlawful for any person to operate any vehicle which has been converted or equipped to use liquefied gas special fuels unless the vehicle has been reported to the ~~director~~ secretary and a liquefied gas special fuels user's permit has been obtained therefor as required.

SECTION 929. Arkansas Code § 26-56-405(b) and (c), concerning the payment of tax by the Arkansas Department of Transportation, are amended to read as follows:

(b) For purposes of computing this tax, the department shall use its fuel consumption reports and shall file with the ~~Director~~ Secretary of the Department of Finance and Administration an appropriate monthly report stating the gallons used in the department's motor vehicles and the tax due and payable.

(c) The department shall remit the tax due each month to the ~~director~~ secretary.

SECTION 930. Arkansas Code § 26-56-504(a)(1), concerning the disposition of revenues, is amended to read as follows:

(a)(1) All taxes, interest, penalties, and costs received by the ~~Director~~ Secretary 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.

SECTION 931. Arkansas Code § 26-56-701(1), concerning the definition of "director" under the laws regarding refunds and motor fuel used by fire departments, is amended to read as follows:

(1) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or any of his or her deputies, employees, or agents;

SECTION 932. Arkansas Code § 26-56-703(a), concerning a refund permit, is amended to read as follows:

(a) No fire department shall secure a refund of tax under this subchapter unless the fire department is the holder of an unrevoked permit which was issued by the ~~Director~~ Secretary of the Department of Finance and Administration before the purchase of the motor fuel or the distillate

special fuel.

SECTION 933. Arkansas Code § 26-56-703(c), concerning a refund permit, is amended to read as follows:

(c) An application for the permit shall be filed with the ~~director~~ secretary on forms prescribed by the ~~director~~ secretary and shall contain such information as the ~~director~~ secretary may require.

SECTION 934. Arkansas Code § 26-56-703(e), concerning a refund permit, is amended to read as follows:

(e) The refund permit of any person who violates any provision of this subchapter shall be revoked by the ~~director~~ secretary and shall not be reissued until two (2) years have elapsed after the date of the revocation.

SECTION 935. The introductory language of Arkansas Code § 26-56-704(a), concerning applications for a refund, is amended to read as follows:

(a) The refund permit holder shall file with the ~~Director~~ Secretary of the Department of Finance and Administration an application for refund on forms furnished by the ~~director~~ secretary which shall include, but not be limited to, the following information:

SECTION 936. Arkansas Code § 26-56-704(a)(6), concerning applications for a refund, is amended to read as follows:

(6) Other information as the ~~director~~ secretary shall require.

SECTION 937. Arkansas Code § 26-56-704(b)(2), concerning applications for a refund, is amended to read as follows:

(2) The application shall be notarized and made to the ~~director~~ secretary.

SECTION 938. Arkansas Code § 26-56-704(d)(1), concerning applications for a refund, is amended to read as follows:

(d)(1) The ~~director~~ secretary shall promulgate a rule establishing the annual date for claiming a refund pursuant to this subchapter.

SECTION 939. Arkansas Code § 26-56-705(b)(1), concerning a refund paid

from the Gasoline Tax Refund Fund, is amended to read as follows:

(b)(1)(A) The ~~Director~~ Secretary of the Department of Finance and Administration shall annually estimate the amount necessary to pay refunds to the users of distillate special fuel who are entitled to refunds with respect to distillate special fuel taxes paid in this state as authorized in this subchapter.

(B) Upon certification by the ~~director~~ secretary, the Treasurer of State shall transfer from the gross amount of distillate special fuel taxes collected each month the amount so certified and shall credit the amount to the fund.

SECTION 940. Arkansas Code § 26-56-705(e), concerning a refund paid from the Gasoline Tax Refund Fund, is amended to read as follows:

(e) Neither the ~~director~~ secretary nor any member or employee of the Department of Finance and Administration shall be held personally liable for making any refund by reason of a fraudulent claim filed as a basis for the refund.

SECTION 941. Arkansas Code § 26-56-706(a), concerning the inspection and records of fire department refunds, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall keep a permanent record by fire department of the amount of refund claimed and paid to each claimant.

SECTION 942. Arkansas Code § 26-56-708 is amended to read as follows:

26-56-708. ~~Director's powers~~ Authority of secretary.

The ~~Director~~ Secretary of the Department of Finance and Administration may make, amend, and enforce regulations, subpoena witnesses and documents, administer oaths, and do and perform all other acts necessary to carry out the purpose and intent of this subchapter.

SECTION 943. Arkansas Code § 26-57-206 is amended to read as follows:

26-57-206. Rules.

The ~~Director~~ Secretary of the Department of Finance and Administration, the Director of Arkansas Tobacco Control, and the Arkansas Tobacco Control Board may promulgate rules for the proper enforcement of their powers and

duties as specifically prescribed by this subchapter.

SECTION 944. Arkansas Code § 26-57-211(b), concerning the wholesalers payment of taxes, reports, and remittance of taxes in regards to the Arkansas Tobacco Products Tax Act, is amended to read as follows:

(b)(1) On or before the fifteenth day of each month, every wholesaler shall file a report for the previous month's tax collections with the ~~Director~~ Secretary of the Department of Finance and Administration.

(2) The report shall provide the information prescribed by the ~~director~~ secretary.

SECTION 945. Arkansas Code § 26-57-211(c)(1)(A)(i), concerning the wholesalers payment of taxes, reports, and remittance of taxes in regards to the Arkansas Tobacco Products Tax Act, is amended to read as follows:

(c)(1)(A)(i) When the report under subsection (b) of this section is filed, the wholesaler shall remit to the ~~director~~ secretary with the report ninety-eight percent (98%) of the tax due for the previous month.

SECTION 946. Arkansas Code § 26-57-211(c)(1)(B), concerning the wholesalers payment of taxes, reports, and remittance of taxes in regards to the Arkansas Tobacco Products Tax Act, is amended to read as follows:

(B) If the stamps deputy fails to remit the tax on or before the twentieth day of each applicable month, the wholesaler forfeits his or her claim to the discount described in subdivision (c)(1)(A) of this section, and the wholesaler shall remit to the ~~director~~ secretary one hundred percent (100%) of the amount of tax due, plus any penalty or interest due.

SECTION 947. Arkansas Code § 26-57-211(d), concerning the wholesalers payment of taxes, reports, and remittance of taxes in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(d)(1) The ~~director~~ secretary may add a penalty of ten percent (10%) of the tax due to the tax due for the failure to file a report or for the failure to remit the taxes at the time required, or for both.

(2) If the ~~director~~ secretary determines there has been an attempt to evade the tax, a penalty of not more than fifty percent (50%) of the tax due shall be added to the tax due.

SECTION 948. Arkansas Code § 26-57-212(a)(1), concerning wholesalers, warehousemen, reports, payment of taxes, and records in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(a)(1) Every licensed wholesaler and warehouse that handles, receives, stores, sells, and disposes of tobacco products in any manner in this state shall file a report with the ~~Director~~ Secretary of the Department of Finance and Administration on or before the fifteenth day of each month.

SECTION 949. Arkansas Code § 26-57-212(b)(3), concerning wholesalers, warehousemen, reports, payment of taxes, and records in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(3) Any other information about the purchases and sales as may be prescribed by the ~~director~~ secretary.

SECTION 950. Arkansas Code § 26-57-212(c), concerning wholesalers, warehousemen, reports, payment of taxes, and records in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(c) All taxes due for the preceding month shall be remitted to the ~~director~~ secretary at the time the report is filed.

SECTION 951. Arkansas Code § 26-57-213(b), concerning invoices in regards to the Arkansas Cigarette or Tobacco Products Excise Tax, is amended to read as follows:

(b) Copies of all invoices for the purchase or sale of any tobacco products, vapor products, alternative nicotine products, or e-liquid products shall be retained by each manufacturer, wholesaler, vendor, and retailer for a period of three (3) years subject to examination by the ~~Director~~ Secretary of the Department of Finance and Administration and the Director of Arkansas Tobacco Control or their authorized agents upon demand at any time during regular business hours.

SECTION 952. Arkansas Code § 26-57-215(b)(1), concerning the types of permits and licenses in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(b)(1) In addition to securing a permit or license under subsection

(a) of this section, a manufacturer whose products are sold in this state shall register with the ~~Director~~ Secretary of the Department of Finance and Administration. A manufacturer whose products are sold in this state is not required to obtain a dealer's license for an employee operating as the manufacturer's sales representative if the manufacturer holds a license or permit under subsection (a) of this section.

SECTION 953. Arkansas Code § 26-57-219(c), concerning permits, licenses, and annual privilege tax in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(c) A permit or license issued under this subchapter shall not be renewed for a permit or license holder who is delinquent more than ninety (90) days on a privilege fee, tax relating to the sale or dispensing of cigarettes or tobacco products, or any other state and local tax due the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 954. Arkansas Code § 26-57-224(b), concerning a vendor's bond in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(b) The bond shall be conditioned upon the faithful performance of the duties and obligations imposed by this subchapter and the regulations promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 955. Arkansas Code § 26-57-224(d), concerning a vendor's bond in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(d) This bond shall be executed by a solvent surety company authorized to do business in this state or other responsible surety approved by the ~~director~~ secretary.

SECTION 956. Arkansas Code § 26-57-229(c), concerning a licensee as a wholesaler and retailer, is amended to read as follows:

(c) Records shall be kept on forms prescribed by the ~~Director~~

Secretary of the Department of Finance and Administration.

SECTION 957. Arkansas Code § 26-57-230(a), concerning common carriers in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(a) Common carriers transporting tobacco products, vapor products, alternative nicotine products, or e-liquid products may be required by the ~~Director~~ Secretary of the Department of Finance and Administration or the Director of Arkansas Tobacco Control to give a statement of all consignments of tobacco products, vapor products, alternative nicotine products, or e-liquid products showing date, point of origin, point of delivery, and to whom delivered.

SECTION 958. Arkansas Code § 26-57-230(b) and (c), concerning common carriers in regards to the Arkansas Tobacco Products Tax Act of 1977, are amended to read as follows:

(b) All common carriers shall permit their records relating to shipment or receipt of tobacco products, vapor products, alternative nicotine products, or e-liquid products to be examined by the ~~Director~~ Secretary of the Department of Finance and Administration, the Director of Arkansas Tobacco Control, or their agents.

(c) A person who fails or refuses to give the statement, reports, or invoices required by this section or who refuses to permit the ~~Director~~ Secretary of the Department of Finance and Administration or the Director of Arkansas Tobacco Control to examine the person's records is guilty of a Class C misdemeanor.

SECTION 959. Arkansas Code § 26-57-232(a)(3), concerning wholesalers, restrictions, and criminal violations in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(3) The wholesaler before selling, delivering, or otherwise disposing of cigarettes to retailers in this state shall affix stamps of the proper denominations to show that the tax has been paid. The stamp shall be affixed in the manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration; and

SECTION 960. Arkansas Code § 26-57-232(b), concerning wholesalers, restrictions, and criminal violations in regards to the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

(b) Any wholesaler who fails or refuses to affix or cancel the stamps or who fails or refuses to keep the records or who fails or refuses to furnish the statements and information or make the reports as required by this subchapter or as prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration and the Director of Arkansas Tobacco Control, or who violates any of the requirements of §§ 26-57-212, 26-57-229, and 26-57-242 is guilty of a violation for the first offense and a Class C misdemeanor for each additional offense.

SECTION 961. Arkansas Code § 26-57-234(a)(4)(A), concerning retailers, vendors, restrictions, and violations, is amended to read as follows:

(4)(A) The retailer shall keep records showing the description and date of the receipt of each lot of tobacco products, vapor products, alternative nicotine products, or e-liquid products, from whom purchased, and when received on the premises, or any other requirements prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 962. Arkansas Code § 26-57-234(a)(5), concerning retailers, vendors, restrictions, and violations, is amended to read as follows:

(5) The ~~Director~~ Secretary of the Department of Finance and Administration may require retailer reports covering receipts and sales of tobacco products monthly or for any other period; and

SECTION 963. Arkansas Code § 26-57-234(c), concerning retailers, vendors, restrictions, and violations, is amended to read as follows:

(c) A retailer or vendor who fails or refuses to retain in his or her files invoices of tobacco products, vapor products, alternative nicotine products, or e-liquid products, and stamps, or who fails or refuses to furnish the statements and information or make the reports concerning receipts and sales of tobacco products, vapor products, alternative nicotine products, or e-liquid products, as required by this subchapter or prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration, or who violates any of the requirements of this section, is guilty of a

violation.

SECTION 964. Arkansas Code § 26-57-235(b), concerning cigarette stamps, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall prescribe the kind of stamps to be used in the administration of this subchapter.

SECTION 965. Arkansas Code § 26-57-235(c)(1) and (2), concerning cigarette stamps, are amended to read as follows:

(c)(1) The ~~director~~ secretary shall prepare and maintain an adequate supply of cigarette stamps.

(2) The ~~director~~ secretary shall require a printer's certificate with each set of stamps delivered.

SECTION 966. Arkansas Code § 26-57-235(c)(4)(A), concerning cigarette stamps, is amended to read as follows:

(4)(A) All stamps prescribed by the ~~director~~ secretary for affixation to cigarette packages shall be designed and furnished in such a fashion as to permit identification of the person that affixed the stamp to the particular package of cigarettes by means of a number or other mark on the stamp.

SECTION 967. Arkansas Code § 26-57-236(a), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall furnish tax stamps to licensed wholesalers through stamp deputies.

SECTION 968. Arkansas Code § 26-57-236(b)(1), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(b)(1) The ~~director~~ secretary may appoint and commission stamp deputies to handle the stamps and collect the tax on cigarettes before sales of cigarettes are made to the retailers.

SECTION 969. The introductory language of Arkansas Code § 26-57-236(b)(2), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(2) The ~~director~~ secretary shall not appoint and commission a person as a stamp deputy unless the person:

SECTION 970. Arkansas Code § 26-57-236(b)(2)(B), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(B) Certifies each calendar quarter on a form prescribed by the ~~director~~ secretary that the person has and will comply with the requirements of this subchapter;

SECTION 971. The introductory language of Arkansas Code § 26-57-236(b)(2)(E), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(E) Waives the confidentiality laws necessary to permit the ~~director~~ secretary to:

SECTION 972. Arkansas Code § 26-57-236(b)(2)(E)(ii), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(ii) Share information reported under this subchapter and other laws with the taxing authorities or law enforcement authorities of other states or with any other entity permitted by the ~~director~~ secretary to aggregate the data;

SECTION 973. Arkansas Code § 26-57-236(b)(2)(F), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(F) Has furnished a bond in an amount and in the form prescribed by the ~~director~~ secretary; and

SECTION 974. Arkansas Code § 26-57-236(b)(3) and (4), concerning the appointment, revocation, and reporting of stamp deputies, are amended to read as follows:

(3) An appointment and commission as a stamp deputy by the ~~director~~ secretary is effective for one (1) year.

(4) A stamp deputy acting within the scope of the stamp deputy's authority is an agent of the ~~director~~ secretary and is accountable as such for any wrongful acts.

SECTION 975. Arkansas Code § 26-57-236(b)(6)(A), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(6)(A) The ~~director~~ secretary shall list on the website of the Department of Finance and Administration the names of all persons appointed and commissioned as stamp deputies under this section.

SECTION 976. The introductory language of Arkansas Code § 26-57-236(c)(4)(A), concerning the appointment, revocation, and reporting of stamp deputies, are amended to read as follows:

(4)(A) The ~~director~~ secretary shall:

SECTION 977. Arkansas Code § 26-57-236(e)(1)(A), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(e)(1)(A) By the fifteenth day of each month, a stamp deputy shall file a report in the form prescribed by the ~~director~~ secretary, and the stamp deputy shall certify to the state that the report is complete and accurate.

SECTION 978. Arkansas Code § 26-57-236(e)(1)(B)(v), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(v) Any additional information required by the ~~director~~ secretary to assist in the enforcement of this chapter, §§ 26-57-260 and 26-57-261, and §§ 26-57-1301 – 26-57-1308.

SECTION 979. Arkansas Code § 26-57-236(e)(2) and (3), concerning the appointment, revocation, and reporting of stamp deputies, are amended to read as follows:

(2) In addition to the reports submitted under this section, the

stamp deputy shall submit any information required by the ~~director~~ secretary, including without limitation the manufacturer, brand family, and number of the cigarettes on which the reports are submitted.

(3) The ~~director~~ secretary may share the information reported under this section with the taxing authorities or law enforcement authorities of Arkansas or another state or with any other entity permitted by the ~~director~~ secretary to aggregate the data.

SECTION 980. Arkansas Code § 26-57-236(f)(1), concerning the appointment, revocation, and reporting of stamp deputies, is amended to read as follows:

(f)(1) The ~~director~~ secretary shall pay a commission to each stamp deputy for the sale of cigarette tax stamps, the affixing of a cigarette tax stamp to each package of cigarettes, and the collection of cigarette taxes.

SECTION 981. Arkansas Code § 26-57-237(a), concerning cigarette stamps, sale, and delivery, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration or the ~~director's~~ secretary's stamp deputy may sell or deliver cigarette stamps only to licensed wholesalers.

SECTION 982. Arkansas Code § 26-57-237(c)(1), concerning cigarette stamps, sale, and delivery, is amended to read as follows:

(c)(1) Any cigarette or tobacco products wholesaler or any other person required by law to affix cigarette tax stamps to cigarettes sold or offered for sale in this state shall have the option to receive the stamps directly from the ~~director~~ secretary or to request that the stamps be shipped to the person in a manner to be selected by the ~~director~~ secretary.

SECTION 983. Arkansas Code § 26-57-237(c)(4), concerning cigarette stamps, sale, and delivery, is amended to read as follows:

(4) A wholesaler or other person who chooses a method of shipment other than the method selected by the ~~director~~ secretary shall pay the ~~director~~ secretary for the stamps prior to shipment.

SECTION 984. Arkansas Code § 26-57-238 is amended to read as follows:

26-57-238. Cigarette stamps — Refund on unsold, returned cigarettes.

When cigarettes to which stamps have been affixed are unsold and are returned by the retailer or the wholesaler who paid tax on them to the wholesaler or manufacturer from whom they were originally purchased, refund of the tax paid on the cigarettes may be made in the manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 985. Arkansas Code § 26-57-244(a), concerning the possession of untaxed, unstamped products, notice, and prima facie evidence, is amended to read as follows:

(a) It is unlawful for a person to receive or have in the person's possession for sale, consumption, or any other purpose, any untaxed tobacco products or unstamped cigarettes unless the tax prescribed by this subchapter has been paid directly to the ~~Director~~ Secretary of the Department of Finance and Administration by the person in possession of the untaxed tobacco products or unstamped cigarettes.

SECTION 986. Arkansas Code § 26-57-244(c), concerning the possession of untaxed, unstamped products, notice, and prima facie evidence, is amended to read as follows:

(c) If tax has been paid to the ~~director~~ secretary on any untaxed tobacco products or unstamped cigarettes, a consumer may establish proof of the payment by providing a receipt or any other documentation that clearly indicates that the tax was paid.

SECTION 987. Arkansas Code § 26-57-244(f)(2)-(4), concerning the possession of untaxed, unstamped products, notice, and prima facie evidence, are amended to read as follows:

(2) The tax due shall be reported on forms provided by the ~~director~~ secretary on or before the fifteenth day of the month following the month in which the untaxed purchase was made.

(3) The report shall provide the information prescribed by the ~~director~~ secretary.

(4) When a report is filed, the consumer shall remit the full amount of tax due on the untaxed purchase to the ~~director~~ secretary.

SECTION 988. Arkansas Code § 26-57-244(g), concerning the possession of untaxed, unstamped products, notice, and prima facie evidence, are amended to read as follows:

(g) The ~~director~~ secretary is authorized to directly assess the excise tax due on any untaxed tobacco products or unstamped cigarettes against a consumer who purchases the items and fails to report and remit the excise tax due in a timely manner.

SECTION 989. The introductory language of Arkansas Code § 26-57-244(i)(1)(B), concerning the possession of untaxed, unstamped products, notice, and prima facie evidence, are amended to read as follows:

(B) Provides on at least a monthly basis and on the form prescribed by the ~~director~~ secretary a report indicating the following for each brand family:

SECTION 990. The introductory language of Arkansas Code § 26-57-244(i)(2)(C), concerning the possession of untaxed, unstamped products, notice, and prima facie evidence, are amended to read as follows:

(C) Provides on at least a monthly basis and on the form prescribed by the ~~director~~ secretary a report indicating the following for each brand family:

SECTION 991. Arkansas Code § 26-57-244(i)(3)(A)(iii), concerning the possession of untaxed, unstamped products, notice, and prima facie evidence, are amended to read as follows:

(iii) If the wholesaler's facility to which the cigarettes are transferred is located outside of Arkansas, the wholesaler shall report the quantity and brand of the cigarettes to the ~~director~~ secretary, the Attorney General, and the taxing authority of the other state within fifteen (15) days following the end of the month in which the transfer was made.

SECTION 992. Arkansas Code § 26-57-247(b)(1), concerning the seizure, forfeiture, and disposition of tobacco products and other property, is amended to read as follows:

(1) Prima facie evidence exists that the full amount of excise

tax due on the tobacco products has not been paid to the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 993. Arkansas Code § 26-57-250(a), concerning party defendants in a civil action to recover tax and penalties, is amended to read as follows:

(a) When the ~~Director~~ Secretary of the Department of Finance and Administration finds from investigation that the state has lost tax revenue because of the evasion of any provision of this subchapter, the ~~director~~ secretary may bring suit in the proper court to recover the tax and penalties.

SECTION 994. Arkansas Code § 26-57-251(a), concerning criminal actions and civil actions brought in the name of the Director of the Department of Finance and Administration, is amended to read as follows:

(a) All civil actions arising under this subchapter shall be brought by and in the name of the ~~Director~~ Secretary of the Department of Finance and Administration or the Director of Arkansas Tobacco Control, whichever is appropriate under the provisions of this subchapter.

SECTION 995. Arkansas Code § 26-57-256(a)(4)(C)(i), concerning the powers of the Arkansas Tobacco Control Board, is amended to read as follows:

(C)(i) Each year the board shall provide a list of all applicants for the issuance or renewal of all tobacco, vapor product, alternative nicotine product, or e-liquid product permits and licenses to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 996. Arkansas Code § 26-57-257(c), concerning the Director of Arkansas Tobacco Control, is amended to read as follows:

(c) The Director of Arkansas Tobacco Control, in consultation with the Secretary of the Department of Finance and Administration, may employ other personnel as he or she deems necessary and as authorized by the General Assembly.

SECTION 997. Arkansas Code § 26-57-257(p), concerning the Director of Arkansas Tobacco Control, is amended to clarify the duties of the director to

read as follows:

(p) The Director of Arkansas Tobacco Control shall have other powers, functions, and duties pertaining to the issuance, suspension, and revocation of the permits and licenses enumerated in § 26-57-219 ~~that previously were granted to the Director of the Department of Finance and Administration~~, except those that are specifically delegated to the Department of Finance and Administration by this subchapter.

SECTION 998. Arkansas Code § 26-57-257(q)(1)(C), concerning the Director of Arkansas Tobacco Control, is amended to read as follows:

(C) Failure to timely and fully pay any other state and local taxes as reported by the ~~Director~~ Secretary of the Department of Finance and Administration shall also constitute grounds for the nonissuance, suspension, revocation, or nonrenewal of any permits or licenses issued by the board.

SECTION 999. Arkansas Code § 26-57-257(q)(2)(A), concerning the Director of Arkansas Tobacco Control, is amended to read as follows:

(2)(A) Each year the ~~Director~~ Secretary of the Department of Finance and Administration shall report to the Director of Arkansas Tobacco Control all permit and license holders who are more than ninety (90) days delinquent on any state and local taxes.

SECTION 1000. Arkansas Code § 26-57-257(q)(3)(B), concerning the Director of Arkansas Tobacco Control, is amended to read as follows:

(B) This notice shall inform the permit or license holder that he or she is delinquent on payment of state and local taxes due the ~~Director~~ Secretary of the Department of Finance and Administration and that the permit or license holder will be unable to obtain or renew the permit or license that he or she holds until such time as the person becomes current in the payment of the tax due the ~~Director~~ Secretary of the Department of Finance and Administration, or until such time as the person enters into a valid repayment agreement with the department for the payment of the delinquent tax.

SECTION 1001. Arkansas Code § 26-57-262(c)(6), concerning the sale of

export cigarettes, is amended to read as follows:

(6) On or before the fifteenth business day of each month, each person licensed to affix the state tax stamp to cigarettes shall file with the ~~Director~~ Secretary of the Department of Finance and Administration for all cigarettes imported into the United States to which the person has affixed the tax stamp in the preceding month copies of the customs certificates with respect to the cigarettes required to be submitted by 19 U.S.C. § 1681a(c).

SECTION 1002. Arkansas Code § 26-57-263(b)(2)(B)(i), concerning cigarette inputs and cigarette rolling machines, is amended to read as follows:

(B)(i) A civil penalty of up to fifty thousand dollars ($50,000) in any action brought by the ~~Director~~ Secretary of the Department of Finance and Administration, the Director of Arkansas Tobacco Control, or the Attorney General.

SECTION 1003. Arkansas Code § 26-57-264(a), concerning information to be provided to the Attorney General, is amended to read as follows:

(a) Upon request of the Attorney General, any information provided to the ~~Director~~ Secretary of the Department of Finance and Administration or the Director of Arkansas Tobacco Control shall be provided to the Attorney General.

SECTION 1004. Arkansas Code § 26-57-404(b), concerning privilege taxes on amusement devices, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall collect for each amusement device the full annual license fee when paid during the first six (6) months of the fiscal year, but any license fee paid during the last six (6) months of the fiscal year shall be upon the basis of one-half (½) of the annual tax.

SECTION 1005. Arkansas Code § 26-57-405(a), concerning the license tag for machines, is amended to read as follows:

(a) Upon payment of the tax provided for in § 26-57-404, the ~~Director~~ Secretary of the Department of Finance and Administration will issue a

license tag.

SECTION 1006. Arkansas Code § 26-57-406 is amended to read as follows:

26-57-406. Unlicensed games a public nuisance — Seizure and sale — Redemption.

Every amusement device as defined in § 26-57-402 upon which the individual privilege tax of five dollars ($5.00) has not been paid is declared to be a public nuisance and may be seized by any authorized agent of the Department of Finance and Administration and sold by the ~~Director~~ Secretary of the Department of Finance and Administration on an order of the Pulaski County Circuit Court. However, the owner of the amusement device shall have the privilege of redeeming the amusement device within ten (10) days by paying the tax due and costs.

SECTION 1007. Arkansas Code § 26-57-411(a), concerning the requirement for a surety bond for a license, is amended to read as follows:

(a) Prior to the issuance or renewal of any license under this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall require the applicant to procure a suitable surety bond in the principal sum of six thousand dollars ($6,000) to insure the faithful and prompt payment of all sales taxes, use taxes, or privilege taxes which may become due in connection with the operation of the licensed business and to secure the faithful performance of all duties and obligations imposed by this subchapter.

SECTION 1008. Arkansas Code § 26-57-412(a) and (b), concerning the issuance of a license for a coin-operated amusement device, are amended to read as follows:

(a) Licenses for the privilege of owning, operating, or leasing coin-operated amusement devices shall be issued by the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) Applications for the licenses shall be on a form prescribed by the ~~director~~ secretary.

SECTION 1009. Arkansas Code § 26-57-413(a), concerning licenses, revocation, or suspension in regards to coin-operated amusement devices, is

amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration may revoke or suspend the license authorized under this subchapter for cause.

SECTION 1010. Arkansas Code § 26-57-413(c), concerning licenses, revocation, or suspension in regards to coin-operated amusement devices, is amended to read as follows:

(c) The licensee shall have fifteen (15) days in which to notify the ~~director~~ secretary that a hearing is desired, after which time a hearing shall be had not less than fifteen (15) days subsequent to the expiration of the fifteen-day period of notice.

SECTION 1011. Arkansas Code § 26-57-413(d)(1), concerning licenses, revocation, or suspension in regards to coin-operated amusement devices, is amended to read as follows:

(d)(1) Any licensee whose license has been revoked or suspended may appeal to the Pulaski County Circuit Court within twenty (20) days after revocation or suspension by filing a copy of the notice of the revocation or suspension with the clerk of the circuit court and causing a summons to be served on the ~~director~~ secretary.

SECTION 1012. Arkansas Code § 26-57-414(b)(1), concerning a coin-operated amusement device, is amended to read as follows:

(b)(1) A coin-operated amusement device owned, operated, or leased without first obtaining the license prescribed in § 26-57-412 shall be seized by an authorized agent of the Revenue Division of the Department of Finance and Administration and sold by the ~~Director~~ Secretary of the Department of Finance and Administration at public auction on an order of the Pulaski County Circuit Court.

SECTION 1013. Arkansas Code § 26-57-415(a), concerning the notification of purchase or lease of an amusement device, is amended to read as follows:

(a) All licensees under this subchapter within ten (10) days of the date of purchase or lease of any amusement device upon which an annual

privilege tax is levied by the state shall furnish the ~~Director~~ Secretary of the Department of Finance and Administration with a copy of the invoice or lease agreement, showing the description and serial number of the amusement device and evidence that the Arkansas sales tax has been paid.

SECTION 1014. Arkansas Code § 26-57-416(c), concerning a lessor's records and sales taxes, is amended to read as follows:

(c) All records required to be kept by the licensee under the provision of this subchapter shall be made available to the ~~Director~~ Secretary of the Department of Finance and Administration within a reasonable time after request or the license of the offending licensee may be revoked as provided in this subchapter.

SECTION 1015. Arkansas Code § 26-57-419(a) and (b), concerning a licenses to sell coin-operated amusement devices, are amended to read as follows:

(a) Licenses to sell coin-operated amusement devices shall be issued by the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) Applications for the licenses shall be on a form prescribed by the ~~director~~ secretary.

SECTION 1016. Arkansas Code § 26-57-419(f)(1), concerning a licenses to sell coin-operated amusement devices, are amended to read as follows:

(f)(1) The ~~director~~ secretary may revoke or suspend the licenses for cause.

SECTION 1017. Arkansas Code § 26-57-419(f)(3), concerning a licenses to sell coin-operated amusement devices, is amended to read as follows:

(3) The licensee shall have fifteen (15) days in which to notify the ~~director~~ secretary that a hearing is desired, after which time a hearing shall be held not less than fifteen (15) days subsequent to the expiration of the fifteen-day period of notice.

SECTION 1018. Arkansas Code § 26-57-419(f)(4)(A), concerning a licenses to sell coin-operated amusement devices, is amended to read as follows:

(4)(A) Any licensee whose license has been revoked or suspended may appeal to the Pulaski County Circuit Court by filing a copy of the notice of revocation or suspension with the clerk of the court within twenty (20) days of receipt thereof and causing the issuance of a summons to be served on the ~~director~~ secretary. The hearing shall be de novo in the Pulaski County Circuit Court.

SECTION 1019. Arkansas Code § 26-57-502 is amended to read as follows:

26-57-502. Regulation and licensing.

The regulation and licensing of the business conducted in this state by what is known as travel bureaus or travel services operating for the purpose of securing transportation in private automobiles from one (1) destination to another on the share-expense basis both within and without the State of Arkansas is placed in the Revenue Division of the Department of Finance and Administration, and the ~~Director~~ Secretary of the Department of Finance and Administration is authorized to license and collect the fees therefor and enforce this subchapter in its entirety by due process of law.

SECTION 1020. Arkansas Code § 26-57-503 is amended to read as follows:

26-57-503. Notice of engaging in business.

(a) Any person, firm, partnership, limited liability company, or corporation in this state who shall enter into or conduct such a business as is described in § 26-57-502 immediately upon engaging in or commencing the business shall notify the ~~Director~~ Secretary of the Department of Finance and Administration by letter of that fact, setting forth the date of commencement and stating his or her intention to abide by all the provisions of this subchapter.

(b) The notice shall be filed by the ~~director~~ secretary in such manner as will enable the ~~director~~ secretary to properly inspect and record the latter compliance of the person with the provisions of this subchapter.

SECTION 1021. Arkansas Code § 26-57-506 is amended to read as follows:

26-57-506. Disposition of tax.

The ~~Director~~ Secretary of the Department of Finance and Administration shall remit the funds so collected to the State Treasury, and the Treasurer of State is directed to credit all the moneys to the Old Age Pension Fund.

SECTION 1022. Arkansas Code § 26-57-801(c) and (d), concerning excise taxes, are amended to read as follows:

(c) The tax shall be remitted to the ~~Director~~ Secretary of the Department of Finance and Administration at the same time and in the same manner as prescribed by the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq.

(d) The ~~director~~ secretary shall promulgate such regulations as the ~~director~~ secretary deems necessary for the implementation of this section.

SECTION 1023. Arkansas Code § 26-57-802(e), concerning additional taxes, applicability, reporting, and remitting, is amended to read as follows:

(e) As provided in § 26-57-244, the ~~Director~~ Secretary of the Department of Finance and Administration may make a direct assessment of excise tax against any person in possession of an untaxed tobacco product or unstamped cigarettes.

SECTION 1024. Arkansas Code § 26-57-804(e), concerning an additional tax of twelve dollars and fifty cents on cigarettes, is amended to read as follows:

(e) The ~~Director~~ Secretary of the Department of Finance and Administration shall pay the commission authorized by § 26-57-236 with respect to the tax levied by this section.

SECTION 1025. Arkansas Code § 26-57-804(g), concerning an additional tax of twelve dollars and fifty cents on cigarettes, is amended to read as follows:

(g) As provided in § 26-57-244, the ~~director~~ secretary may make a direct assessment of excise tax against any person in possession of unstamped cigarettes.

SECTION 1026. Arkansas Code § 26-57-805(e), concerning an additional tax of seven percent on tobacco products other than cigarettes, is amended to read as follows:

(e) As provided in § 26-57-244, the ~~Director~~ Secretary of the

Department of Finance and Administration may make a direct assessment of excise tax against any person in possession of an untaxed tobacco product.

SECTION 1027. Arkansas Code § 26-57-806(f), concerning an additional tax of twenty-eight dollars on cigarettes, is amended to read as follows:

(f) As provided in § 26-57-244, the ~~Director~~ Secretary of the Department of Finance and Administration may make a direct assessment of excise tax against any person in possession of unstamped cigarettes.

SECTION 1028. Arkansas Code § 26-57-807(f), concerning an additional tax of thirty-six percent on tobacco products other than cigarettes, is amended to read as follows:

(f) As provided in § 26-57-244, the ~~Director~~ Secretary of the Department of Finance and Administration may make a direct assessment of excise tax against any person in possession of an untaxed tobacco product.

SECTION 1029. Arkansas Code § 26-57-902(3), concerning the definition of "director" under the Arkansas Soft Drink Tax Act, is repealed.

~~(3) "Director" means the Director of the Department of Finance and Administration or his or her authorized agent;~~

SECTION 1030. Arkansas Code § 26-57-905(6), concerning exemptions from certain taxes, is amended to read as follows:

(6) Syrups, simple syrups, powders or base products, or soft drinks sold by one distributor, wholesaler, or manufacturer to another distributor, wholesaler, or manufacturer who holds a license issued by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of § 26-57-909 as a distributor, wholesaler, or manufacturer, provided that the license number of the distributor, wholesaler, or manufacturer to whom the soft drink is sold is clearly shown on the invoice for the sale which is claimed to be exempt. This exemption shall not apply to any sale to a retailer;

SECTION 1031. Arkansas Code § 26-57-906(b) and (c), concerning the reporting of taxes, are amended to read as follows:

(b) The distributor, wholesaler, or manufacturer and any retailer

subject to this tax shall file a monthly return and remit the tax for the month to the ~~Director~~ Secretary of the Department of Finance and Administration on or before the fifteenth day of the month next following the month in which the sale or purchase was made.

(c)(1) The returns shall be made upon forms prescribed and furnished by the ~~director~~ secretary and signed by the person required to collect and remit the tax or the person's agent.

(2) The return shall contain such information as the ~~director~~ secretary shall require for the proper administration of this subchapter.

SECTION 1032. Arkansas Code § 26-57-909(a) and (b), concerning licenses for soft drinks, are amended to read as follows:

(a) All distributors, wholesalers, or manufacturers of soft drinks, whether located within or without the State of Arkansas, who sell or offer syrups, simple syrups, powders, or base products, or soft drinks for sale to retail dealers within the State of Arkansas shall obtain a license for the privilege of conducting such business within Arkansas from the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) Any retailer who purchases syrups, simple syrups, powders, or base products, or soft drinks from an unlicensed manufacturer, wholesaler, or distributor shall obtain a license for the privilege of conducting such business from the ~~director~~ secretary.

SECTION 1033. Arkansas Code § 26-57-1001(1), concerning sales taxes for vending devices, is amended to read as follows:

(1) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agents;

SECTION 1034. Arkansas Code § 26-57-1002(a) and (b), concerning registration, records, and amount of taxes, are amended to read as follows:

(a) Any person who sells tangible personal property through vending devices may elect to register with the ~~Director~~ Secretary of the Department of Finance and Administration as a vending device operator and pay the state and local sales and use taxes as provided in this section.

(b) Any person who elects to register as a vending device operator shall obtain a gross receipts tax permit from the ~~director~~ secretary as

provided in § 26-52-201 et seq.

SECTION 1035. Arkansas Code § 26-57-1003(a)(1), concerning an election not to register, is amended to read as follows:

(1) Surrender any gross receipts tax permits issued by the ~~Director~~ Secretary of the Department of Finance and Administration, unless the permit is needed to report taxable sales other than sales through a vending device; and

SECTION 1036. Arkansas Code § 26-57-1003(a)(2)(B)(i), concerning an election not to register, is amended to read as follows:

(B)(i) The sale for resale exemption provided in § 26-52-401(12) shall not apply to purchases of tangible personal property for resale through vending devices unless the purchaser is registered with the ~~director~~ secretary as a vending device operator.

SECTION 1037. Arkansas Code § 26-57-1004(b)(1)(B), concerning the identification of a taxpayer and presumption of nonpayment, is amended to read as follows:

(B) The ~~Director~~ Secretary of the Department of Finance and Administration shall seal any vending device subject to this presumption in such a manner as to prevent any further sales through the vending device and shall assess and collect a penalty of fifty dollars ($50.00) per vending device against the person selling tangible personal property through the vending device.

SECTION 1038. Arkansas Code § 26-57-1101(b), concerning an additional tax on cigarettes, is amended to read as follows:

(b) As provided in § 26-57-244, the ~~Director~~ Secretary of the Department of Finance and Administration may make a direct assessment of excise tax against any person in possession of unstamped cigarettes.

SECTION 1039. Arkansas Code § 26-57-1102(c), concerning an additional tax on tobacco products other than cigarettes, is amended to read as follows:

(c) As provided in § 26-57-244, the ~~Director~~ Secretary of the Department of Finance and Administration may make a direct assessment of

excise tax against any person in possession of untaxed tobacco products.

SECTION 1040. Arkansas Code § 26-57-1202 is amended to read as follows:

26-57-1202. Administration of law.

The provisions of this subchapter will be subject to the provisions of the Arkansas Tax Procedure Act, § 26-18-101 et seq., as those provisions shall apply to the administration of this subchapter by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1041. Arkansas Code § 26-57-1204(b) and (c), concerning the application, issuance, and display of a vending device decal, are amended to read as follows:

(b) The operator of a vending device who makes the election to pay the decal fees provided by this subchapter shall be responsible for applying to the ~~Director~~ Secretary of the Department of Finance and Administration for the issuance of an annual or special vending device decal for the vending device and at the same time shall pay to the ~~director~~ secretary the annual or special vending device decal fee provided for by this subchapter, before the vending device is made available for use and operation by the general public.

(c) The ~~director~~ secretary, upon receipt of full payment of the applicable decal fee, and upon approval of the application, shall issue to the person making the application an annual or special vending device decal for the type of vending device or devices covered by the application and payment.

SECTION 1042. Arkansas Code § 26-57-1204(d)(1), concerning the application, issuance, and display of a vending device decal, is amended to read as follows:

(d)(1) The annual or special vending device decals and the application provided for herein shall be in such form as prescribed by the ~~director~~ secretary. These decals and applications shall contain on their faces such information and descriptions as shall be required by regulations adopted by the ~~director~~ secretary to properly and reasonably implement the provisions of this subchapter.

SECTION 1043. Arkansas Code § 26-57-1205(2), concerning the requirements to obtain a vending device decal, is amended to read as follows:

(2) Must have obtained from the ~~Director~~ Secretary of the Department of Finance and Administration an Arkansas gross receipts tax permit.

SECTION 1044. The introductory language of Arkansas Code § 26-57-1206(a)(1), concerning the annual decal fee, special decals, and in lieu of sales tax, is amended to read as follows:

(a)(1) Every person who is the operator of a vending device, who elects to have the operation of the vending device covered by the provisions of this subchapter, and who makes available to the general public for use and operation vending devices described in this subchapter shall pay to the ~~Director~~ Secretary of the Department of Finance and Administration for the benefit of the state and its municipalities and counties the following annual vending device decal fee for each vending device before the vending device may be placed in service within the state for use by members of the public:

SECTION 1045. Arkansas Code § 26-57-1206(a)(3), concerning the annual decal fee, special decals, and in lieu of sales tax, is amended to read as follows:

(3) The annual vending device decal shall not be transferred from one (1) vending device to another, unless the person who is the operator of the vending device shall establish to the satisfaction of the ~~director~~ secretary that the vending device to which the annual vending device decal is to be transferred is a vending device that is replacing the vending device to which the annual vending device decal was originally affixed.

SECTION 1046. The introductory language of Arkansas Code § 26-57-1206(b), concerning the annual decal fee, special decals, and in lieu of sales tax, is amended to read as follows:

(b) In those instances in which it is shown to the satisfaction of the ~~director~~ secretary that a vending device upon which an annual vending device decal fee is otherwise due will be placed in service for use by members of the general public for a definite period of time that is less than one (1) year, such as when the vending device shall be placed for public use in

connection with fairs, carnivals, and places of amusement that operate only during certain seasons of the year, the ~~director~~ secretary shall issue for those vending devices a special vending device decal and collect a special vending device decal fee computed as follows:

SECTION 1047. Arkansas Code § 26-57-1206(e), concerning the annual decal fee, special decals, and in lieu of sales tax, is amended to read as follows:

(e)(1) For all vending devices that the operator does not elect to have covered by the decal fee provided by this section, the operator of that vending device shall acquire from the ~~director~~ secretary an identifying decal that the operator shall affix to the vending device in a prominent place so as to establish to the consuming public that the vending device is not covered by the provisions of this subchapter.

(2) By reasonable regulations the ~~director~~ secretary shall establish the amount to be charged for an identifying decal, and the amount shall not exceed the cost of producing the identifying decals.

SECTION 1048. Arkansas Code § 26-57-1207(a)(2), concerning the taxable year, a decal for a remainder of years, and first year payment options, is amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration shall in each instance issue annual vending device decals for the remainder of the decal year upon payment of the annual vending device decal fee on the basis of the full amount of the annual decal applied for between July 1 and December 31 of the decal fee year, and in return for the payment of an amount of one-half (½) of the annual vending device decal fee, for any annual decal applied for between January 1 and June 30 of the decal fee year.

SECTION 1049. Arkansas Code § 26-57-1207(b), concerning the taxable year, a decal for a remainder of years, and first year payment options, is amended to read as follows:

(b) For the first taxable year that the annual or special vending device decal fee is applicable, the person who is the operator of the vending devices that are subject to registration and payment of the decal fees shall

register all vending devices with the ~~director~~ secretary, but for the first one-half year, after March 31, 1997, the operator shall pay one-half (½) of the decal fee for each vending device on or before January 1, 1998. Thereafter, the entire annual or special vending device decal fee shall be due from the person who is the owner, lessor, renter, or operator of the vending devices on or before July 1 of the applicable taxable year.

SECTION 1050. Arkansas Code § 26-57-1208(a)(2), concerning the distribution of revenue, is amended to read as follows:

(2) For that purpose and to that end, it is expressly provided that the revenue derived by the ~~Director~~ Secretary of the Department of Finance and Administration from the sale of annual or special vending device decal fees, including penalties, shall be deposited by the ~~director~~ secretary into the State Treasury and credited as provided in subsection (b) of this section.

SECTION 1051. Arkansas Code § 26-57-1209(a)(1), concerning penalties in regards to vending devices, is amended to read as follows:

(a)(1) Any person who is the operator of a vending device who places a vending device in use and operation, or in a place available to members of the general public for use and operation, without a valid and current annual or special vending device decal having been affixed thereto as required by §§ 26-57-1204 and 26-57-1206, shall be liable for the decal fee on the vending device in the full amount of the applicable annual vending device decal fee, as levied by this subchapter, and the annual vending device decal fee shall be collected by the ~~Director~~ Secretary of the Department of Finance and Administration in accordance with the provisions of § 26-57-1204.

SECTION 1052. Arkansas Code § 26-57-1209(a)(2)(A), concerning penalties in regards to vending devices, is amended to read as follows:

(2)(A) In addition to the annual vending device decal fee that is due on the vending device, the operator of the vending device which was responsible for failing to apply for and pay for the applicable annual vending device decal fee shall also be liable to pay the ~~director~~ secretary a penalty which the person shall pay to the ~~director~~ secretary and which the ~~director~~ secretary shall assess against the person.

SECTION 1053. Arkansas Code § 26-57-1210(b), concerning prohibited devices not legalized and fees not refunded, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration may assume that any vending device described in any application made under this subchapter and for which an annual or special vending device decal fee is paid is lawful, and no claim for refund of any annual or special vending device decal fee shall be allowed based upon the inability of the operator of the coin-operated device to operate the vending device because of any other applicable law of this state.

SECTION 1054. Arkansas Code § 26-57-1211(b) and (c), concerning vending devices without a decal affixed, seizure and forfeiture, are amended to read as follows:

(b) The vending device may be seized and sealed on site at its location by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agent, and the vending device shall not be removed from the location by any person until the vending device is released from seizure by the ~~director~~ secretary or his or her authorized agent.

(c) The vending device may be seized by any authorized agent of the ~~director~~ secretary, or by any sheriff or other law enforcement officer of this state acting upon the request and at the direction of the ~~director~~ secretary.

SECTION 1055. Arkansas Code § 26-57-1212(a) and (b), concerning the procedure upon forfeiture of a vending device, are amended to read as follows:

(a) Upon the seizure of the vending device, the vending device shall forthwith be delivered, together with the cash, if any, contained in the receptacle of the vending device, to the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The ~~director~~ secretary or his or her authorized agent shall then proceed to make an administrative determination of whether or not the vending device and cash, if any, that have been seized should in fact be forfeited to the State of Arkansas.

SECTION 1056. Arkansas Code § 26-57-1213(a), concerning the sale of devices upon forfeiture, is amended to read as follows:

(a) In the event the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agent finds that the vending device, including the cash contents, if any, should be forfeited to the State of Arkansas, the ~~director~~ secretary or his or her authorized agent shall make a written determination of forfeiture of the vending device to the State of Arkansas, and the ~~director~~ secretary shall direct the sale of the vending device.

SECTION 1057. The introductory language of Arkansas Code § 26-57-1213(b), concerning the sale of devices upon forfeiture, is amended to read as follows:

(b) The vending device shall be sold by the ~~director~~ secretary, his or her authorized agent, the sheriff in the county where it was seized, or the sheriff of Pulaski County after thirty-days' written notice of sale, which notice of sale shall be given:

SECTION 1058. Arkansas Code § 26-57-1213(c), concerning the sale of devices upon forfeiture, is amended to read as follows:

(c) At the discretion of the ~~director~~ secretary, notice of sale of the vending device may be given, alternatively to posting, by publishing the notice of sale in a newspaper of general circulation in the county at least thirty (30) days prior to the sale.

SECTION 1059. Arkansas Code § 26-57-1216 is amended to read as follows:

26-57-1216. Forfeiture determination — Appeal.

(a) The written determination of the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agent declaring a forfeiture of the vending device, including the cash contents thereof, if any, and directing the sale of the vending device shall be a final determination of the ~~director~~ secretary and shall be treated for purposes of the owner's or operator's appeal of the ~~director's~~ secretary's determination as a final assessment, subject to the provisions of the

Arkansas Tax Procedure Act, § 26-18-101 et seq.

(b) Judicial review of the final determination by the ~~director~~ secretary shall be available pursuant to the provisions of § 26-18-406.

SECTION 1060. Arkansas Code § 26-57-1303(b)(4)(A), concerning certifications, directory, and tax stamps, is amended to read as follows:

(A) The tobacco product manufacturer knowingly sold cigarettes to a stamp deputy whose appointment and commission has been revoked by the ~~Director~~ Secretary of the Department of Finance and Administration under § 26-57-236;

SECTION 1061. Arkansas Code § 26-57-1502 is amended to read as follows:

26-57-1502. Administration of law.

The provisions of this subchapter are subject to the provisions of the Arkansas Tax Procedure Act, § 26-18-101 et seq., as those provisions apply to the administration of this subchapter by the ~~Director~~ Secretary of the Department of Finance and Administration, including without limitation the provisions regarding interest and penalty on delinquent taxes.

SECTION 1062. Arkansas Code § 26-57-1504 is amended to read as follows:

26-57-1504. Levy of tax.

A cultivation facility, dispensary, or other marijuana business shall collect and remit a special privilege tax of four percent (4%) from the gross receipts or gross proceeds derived from each sale of usable marijuana on forms and in a manner specified by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1063. Arkansas Code § 26-57-1505(b), concerning the remittance of tax, is amended to read as follows:

(b) The cultivation facility, dispensary, or other marijuana business subject to this tax shall file a monthly return and remit the tax for the month to the ~~Director~~ Secretary of the Department of Finance and Administration on or before the twentieth day of the month next following the month in which the sale or purchase was made.

SECTION 1064. Arkansas Code § 26-57-1505(c)(2), concerning the remittance of tax, is amended to read as follows:

(2) The return shall contain such information as the ~~director~~ secretary requires for the proper administration of this subchapter.

SECTION 1065. Arkansas Code § 26-58-101(5), concerning the definition of "director" under severance tax law, is amended to read as follows:

(5) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or any of his or her duly appointed deputies or agents;

SECTION 1066. Arkansas Code § 26-58-105 is amended to read as follows:

26-58-105. Regulations and forms regarding severance taxes on timber.

The ~~Director~~ Secretary of the Department of Finance and Administration with the advice and approval of the Arkansas Forestry Commission shall develop and adopt appropriate regulations and forms to carry out the intent and purposes of this subchapter with respect to severance taxes on timber.

SECTION 1067. Arkansas Code § 26-58-106(a), concerning permits to engage in business, is amended to read as follows:

(a)(1) Any individual or firm desiring to engage in the business of severing natural resources or timber before entering the business shall make application to the ~~Director~~ Secretary of the Department of Finance and Administration for a license or permit.

(2) In a form of application to be prescribed by the ~~director~~ secretary, the applicant shall state under oath his or her name and address, the business in which he or she desires to engage, and the counties in which he or she will carry on the proposed severing.

SECTION 1068. Arkansas Code § 26-58-106(b)(3), concerning permits to engage in business, is amended to read as follows:

(3) That the severance tax imposed by this subchapter shall constitute and remain a lien on each unit of production until the severance tax is paid to the ~~director~~ secretary.

SECTION 1069. Arkansas Code § 26-58-106(c), concerning permits to engage in business, is amended to read as follows:

(c) Upon the filing of the application, the ~~director~~ secretary shall issue a permit for which no charge shall be made.

SECTION 1070. Arkansas Code § 26-58-107(b), concerning the levying of taxes, is amended to read as follows:

(b) The severance tax is to be paid to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1071. Arkansas Code § 26-58-111(6)(C), concerning the rate of tax, is amended to read as follows:

(C) The ~~Director~~ Secretary of the Department of Finance and Administration shall have the power to promulgate such reasonable rules and regulations as shall be necessary to effectively enforce the foregoing provisions;

SECTION 1072. Arkansas Code § 26-58-111(7)(C)(ii), concerning the rate of tax, is amended to read as follows:

(ii) If the above conversion factors are not appropriate for conversion of any particular measurement of timber to weight, the ~~director~~ secretary, with the advice and approval of the Arkansas Forestry Commission, shall develop an appropriate conversion procedure to produce equivalent rates;

SECTION 1073. Arkansas Code § 26-58-113(b), concerning an additional tax on stone and crushed stone, as well as deposit and allocation of funds, is amended to read as follows:

(b) The additional severance tax is to be paid to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1074. Arkansas Code § 26-58-113(e)(1), concerning an additional tax on stone and crushed stone, as well as deposit and allocation of funds, is amended to read as follows:

(e)(1) All taxes, penalties, and costs collected by the ~~director~~ secretary under the provisions of this section shall be deposited into the

State Treasury to the credit of the State Apportionment Fund.

SECTION 1075. Arkansas Code § 26-58-113(e)(2)(B)(i)(b), concerning an additional tax on stone and crushed stone, as well as deposit and allocation of funds, is amended to read as follows:

(b) On or before the tenth of the month following the end of each calendar quarter, the Treasurer of State shall remit by state warrants to the various county treasurers all such funds received by the Treasurer of State during such quarterly period and transferred to the County Aid Fund in the proportions thereof as between the respective counties that, as certified by the ~~director~~ secretary to the Treasurer of State, the total severance tax produced from each such county bears to the total of such taxes produced from all counties.

SECTION 1076. The introductory language of Arkansas Code § 26-58-114(a)(1), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to read as follows:

(a)(1) Each producer of natural resources, excluding natural gas, and each primary processor of timber, whether or not he or she shall have actually severed natural resources, excluding natural gas, or processed timber during the preceding month, shall file a report within twenty-five (25) days after the end of each month with the ~~Director~~ Secretary of the Department of Finance and Administration in a form prescribed by the ~~director~~ secretary that states:

SECTION 1077. Arkansas Code § 26-58-114(a)(1)(E), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to read as follows:

(E) Any other information as the ~~director~~ secretary may reasonably require for the enforcement of this subchapter.

SECTION 1078. Arkansas Code § 26-58-114(a)(2)(A), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to

read as follows:

(2)(A) When the average amount of severance tax for which the taxpayer is liable for the previous fiscal year beginning on July 1 and ending on June 30 does not exceed one hundred dollars ($100) per month, the ~~director~~ secretary may notify the taxpayer that a quarterly report and remittance in lieu of a monthly report may be made.

SECTION 1079. Arkansas Code § 26-58-114(a)(3), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to read as follows:

(3) When the average amount of severance tax for which the taxpayer is liable for the previous fiscal year beginning on July 1 and ending on June 30 does not exceed twenty-five dollars ($25.00) per month, the ~~director~~ secretary may notify the taxpayer that an annual report and remittance in lieu of a monthly report may be made on or before January 25 of each year for the preceding calendar year.

SECTION 1080. The introductory language of Arkansas Code § 26-58-114(b)(1)(A), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to read as follows:

(b)(1)(A) A producer of natural gas shall file with the ~~director~~ secretary a report, in a form or forms prescribed by the ~~director~~ secretary, that states:

SECTION 1081. Arkansas Code § 26-58-114(b)(1)(A)(v), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to read as follows:

(v) Any other information as the ~~director~~ secretary may reasonably require for the enforcement of this subchapter.

SECTION 1082. Arkansas Code § 26-58-114(b)(1)(C), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to

read as follows:

(C) The producer is required to file a report with the ~~director~~ secretary for each month whether or not the producer has actually severed natural gas during the month.

SECTION 1083. Arkansas Code § 26-58-114(b)(2)(A), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to read as follows:

(2)(A) When the average amount of severance tax for which the taxpayer is liable for the previous fiscal year beginning on July 1 and ending on June 30 does not exceed one hundred dollars ($100) per month, the ~~director~~ secretary may notify the taxpayer that a quarterly report and remittance in lieu of a monthly report may be made.

SECTION 1084. Arkansas Code § 26-58-114(b)(3), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to read as follows:

(3) When the average amount of severance tax for which the taxpayer is liable for the previous fiscal year beginning on July 1 and ending on June 30 does not exceed twenty-five dollars ($25.00) per month, the ~~director~~ secretary may notify the taxpayer that an annual report and remittance in lieu of a monthly report may be made on or before February 25 of each year for the preceding calendar year.

SECTION 1085. Arkansas Code § 26-58-114(e), concerning reports, payment of taxes by producers, primary processors, cancellation of permit upon cessation of business, and the penalty for noncompliance, is amended to read as follows:

(e)(1) Within ten (10) days after any producer or primary processor ceases operation with the intention of no longer engaging in the business of severing or processing natural resources or timber, the permit issued shall be returned by him or her to the ~~director~~ secretary for cancellation.

(2) A producer or processor whose permit is cancelled under subdivision (e)(1) of this section may reengage in the business of severing

or processing natural resources or timber after filing a new application with the ~~director~~ secretary and receiving a new permit by the ~~director~~ secretary.

SECTION 1086. Arkansas Code § 26-58-116(a)-(d), concerning reporting and payment of tax, are amended to read as follows:

(a) Unless a purchaser of natural resources, excluding natural gas, is excused in writing by the ~~Director~~ Secretary of the Department of Finance and Administration in advance of the report filing deadline from filing a report, a purchaser of natural resources, excluding natural gas, shall file with the ~~director~~ secretary a verified report within twenty (20) days after the end of each reporting period in a form or forms prescribed by the ~~director~~ secretary that states:

(1) The names and addresses of all producers from whom the purchaser has acquired natural resources during the respective reporting period;

(2) The types and total quantity of each type of the natural resources acquired and the purchase price; and

(3) Any other information as the ~~director~~ secretary reasonably may require for the proper enforcement of this subchapter.

(b)(1) Unless a purchaser of natural gas is excused in writing by the ~~director~~ secretary in advance of the report filing deadline from filing a report, a purchaser of natural gas shall file with the ~~director~~ secretary a report in a form or forms prescribed by the ~~director~~ secretary that states:

(A) The names, addresses, and severance tax permit numbers of all producers from whom the purchaser has purchased natural gas during each reporting period;

(B) The total quantity of natural gas acquired and the purchase price; and

(C) Any other information as the ~~director~~ secretary may reasonably require for the proper enforcement of this subchapter.

(2) The purchaser of natural gas shall file each report required under this subsection on or before the twenty-fifth day of the second month following the reporting period that is covered by the report.

(c)(1) It is the duty of each purchaser of natural resources, excluding natural gas, to ascertain in advance of permitting the natural resources so purchased to be processed or otherwise changed from the natural

state thereof at the time of severance or to be transported for the purpose of such processing or other change that the severance tax upon the natural resources has been paid.

(2) Each purchaser of natural gas shall determine in advance of filing the report under subsection (b) of this section that each producer from whom the purchaser has purchased natural gas has been issued a severance tax permit number and furnish the ~~director~~ secretary the severance tax permit number of each producer under subsection (b) of this section.

(3)(A) The purchaser of natural resources, excluding natural gas, is primarily liable for any unpaid severance tax in the event of failure to make such advance ascertainment.

(B) Each purchaser of natural gas is primarily liable for any unpaid severance tax that is attributable to a producer from whom the purchaser purchased natural gas if the purchaser fails to furnish the ~~director~~ secretary with all of the information required in subsection (b) of this section.

(4) However, the purchaser as a condition to permitting the processing or other change of such natural resources, excluding natural gas, as to which the severance tax shall not have been paid by the producer may himself or herself pay such tax either in advance or, with the advance written approval of the ~~director~~ secretary for cause shown to the ~~director~~ secretary, within twenty (20) days after commencing the processing or other change of the natural resources or the transportation thereof for such purpose.

(d)(1) Unless the ~~director~~ secretary has given advance written approval for the removal under subsection (a) of this section, the removal by the purchaser of natural resources, excluding natural gas, to any point of concentration or assembly, either inside or outside the state, without the severance tax having been previously paid by the producer or the purchaser is a fraudulent concealment of the location of the natural resources with the intent to avoid the payment of the severance tax.

(2) Unless the ~~director~~ secretary has given advance written approval for the removal, the removal by the producer, purchaser, or primary processor of any timber to any point outside the state without the severance tax having been paid on the timber is unlawful.

SECTION 1087. The introductory language of Arkansas Code § 26-58-118(a), concerning reports and transporters, is amended to read as follows:

(a) All transporters of natural resources, save and except only pipeline transporters, whenever and as often as requested by the ~~Director~~ Secretary of the Department of Finance and Administration shall furnish a report under oath and upon forms prescribed by ~~director~~ secretary setting forth:

SECTION 1088. Arkansas Code § 26-58-118(a)(5), concerning reports and transporters, is amended to read as follows:

(5) All such further information relating to the transportation of the natural resources as the ~~director~~ secretary may reasonably require for the proper enforcement of the provisions of this subchapter.

SECTION 1089. Arkansas Code § 26-58-119 is amended to read as follows:

26-58-119. Procedure upon failure to file reports or pay tax, filing inaccurate reports — Penalties — Subpoenas.

(a)(1) In the event any producer or purchaser of natural resources or any primary processor of timber fails within the time provided for in this subchapter to file the verified reports required of them respectively, or in the event that the ~~Director~~ Secretary of the Department of Finance and Administration is not satisfied of the correctness of the reports as filed with the ~~director~~ secretary, or in the event any such producer or purchaser of natural resources or any primary processor of timber fails to pay all taxes due as provided in §§ 26-58-114 and 26-58-116, it shall be the duty of the ~~director~~ secretary to ascertain the true amount and value of the natural resources or timber severed and to assess the severance tax based thereon.

(2) For the purposes thereof the ~~director~~ secretary is authorized to require either the producer or purchaser or both of them, or the primary processor, to furnish the ~~director~~ secretary with such information, or further information, as the ~~director~~ secretary may deem necessary and to require the production, at such place as the ~~director~~ secretary may designate, of the books, records, and files of the producer and the purchaser or primary processor and to examine them and to take testimony of witnesses.

(3)(A) The ~~director~~ secretary shall assess a penalty equal to

fifty percent (50%) of the amount of the severance tax, including the cost and expense of assessing the penalty, and shall make demand for payment of the penalty upon both the producer of natural resources and the purchaser of natural resources to the extent liability for the tax may be imposed on the purchaser under § 26-58-116 or the primary processor of timber, as the case may be.

(B) The penalty assessment under subdivision (a)(3)(A) of this section shall not apply to any estimated severance tax payment that is made in good faith by a producer of natural gas or a purchaser of natural gas.

(b)(1) If the producer, purchaser, or primary processor or any other such witness willfully fails to appear or to produce such books, records, and files before the ~~director~~ secretary, in obedience to the ~~director's~~ secretary's request, the ~~director~~ secretary shall certify the name of the reluctant producer, purchaser, primary processor, or other witness, with a statement of the circumstances to the circuit court of the county having jurisdiction over the person.

(2) The court shall thereupon issue a subpoena commanding the producer, purchaser, primary processor, or other witness to appear before the ~~director~~ secretary, at a place designated, on a day fixed, to be continued as occasion may require, and to give such evidence, and to produce for inspection such books and papers as may be required by the ~~director~~ secretary for a proper determination of the amount of taxes due.

(3) The court may hear and punish any contempt of such subpoena brought to the court's attention by the ~~director~~ secretary.

SECTION 1090. Arkansas Code § 26-58-120(a)(1) and (2), concerning the Arkansas Forestry Commission and their access to information and investigations, are amended to read as follows:

(a)(1) The Arkansas Forestry Commission and the authorized representatives of the commission shall have access to all tax returns and other information and records of the ~~Director~~ Secretary of the Department of Finance and Administration related to the reporting and payment of taxes levied upon timber by this subchapter.

(2) The commission shall furnish the ~~director~~ secretary in writing the names of the forestry personnel who are authorized to have access

to the timber tax records.

SECTION 1091. Arkansas Code § 26-58-120(d), concerning the Arkansas Forestry Commission and their access to information and investigations, are amended to read as follows:

(d) If after completion of the inspection or investigation of a timber processor the commission finds that a timber processor is not collecting or remitting all taxes due under the provisions of this subchapter, the commission shall so advise the ~~director~~ secretary and shall furnish the ~~director~~ secretary the information upon which such finding is based.

SECTION 1092. Arkansas Code § 26-58-121 is amended to read as follows:

26-58-121. Information provided to Arkansas Forestry Commission.

The ~~Director~~ Secretary of the Department of Finance and Administration is directed to release any and all information requested by the Arkansas Forestry Commission which is related to the collection of timber severance taxes. This information shall include, but not be limited to, names, addresses, and amounts paid.

SECTION 1093. Arkansas Code § 26-58-122 is amended to read as follows:

26-58-122. Procedures followed upon failure to pay severance taxes due the Arkansas Forestry Commission.

(a)(1) In the event that the Arkansas Forestry Commission determines that any individual or corporation has failed to pay all severance taxes due to the commission, the commission shall certify the commission's findings to the Revenue Division of the Department of Finance and Administration.

(2) Upon receipt thereof, the ~~Director~~ Secretary of the Department of Finance and Administration shall immediately conduct an investigation of such matter.

(3) Within thirty (30) days of receipt of the certification, the ~~director~~ secretary shall report all findings to the commission.

(b) If the ~~director~~ secretary determines that all severance taxes due the commission are not being or have not been paid, the ~~director~~ secretary shall immediately proceed to institute any legal action necessary to collect such tax.

(c)(1) In the event the ~~director~~ secretary fails to report to the

commission within the time specified or the commission disagrees with the findings of the ~~director~~ secretary, the State Forester shall file with the Governor, the Legislative Council, and the House Interim Committee on Revenue and Taxation and the Senate Interim Committee on Revenue and Taxation a report of the matter.

(2) The Governor shall then conduct an investigation into such failure to report by the ~~director~~ secretary or disagreement as to tax liability with the commission, take whatever measures the Governor deems necessary to rectify the situation, and shall notify the Legislative Council and the House Interim Committee on Revenue and Taxation and the Senate Interim Committee on Revenue and Taxation of the Governor's decision.

SECTION 1094. Arkansas Code § 26-58-124(a), concerning the distribution of severance taxes, is amended to read as follows:

(a) All taxes, penalties, and costs collected by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of this subchapter, except for the taxes, penalties, and costs collected on natural gas, shall be deposited into the State Treasury to the credit of the State Apportionment Fund.

SECTION 1095. Arkansas Code § 26-58-124(b)(2)(D)(ii), concerning the distribution of severance taxes, is amended to read as follows:

(ii) On or before the tenth of the month following the end of each calendar quarter, the Treasurer of State shall remit by state warrants to the various county treasurers all funds under subdivision (b)(2)(D)(i) of this section then received by him or her during the quarterly period and transferred to the County Aid Fund in the proportions of the funds as between the respective counties that, as certified by the ~~director~~ secretary to the Treasurer of State, the total severance tax produced from each respective county bears to the total of the taxes produced from all counties.

SECTION 1096. The introductory language of Arkansas Code § 26-58-124(c), concerning the distribution of severance taxes, is amended to read as follows:

(c) All taxes, penalties, and costs collected by the ~~director~~

secretary on natural gas shall be deposited into the State Treasury as follows:

SECTION 1097. Arkansas Code § 26-58-201(2), concerning tax credits for certain oil and gas producers, is amended to read as follows:

(2) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or any of his or her duly appointed deputies or agents;

SECTION 1098. Arkansas Code § 26-58-206(a), concerning a permit for tax credit, is amended to read as follows:

(a) A producer in this state wishing to obtain the benefits of the provisions for this subchapter shall make application to the ~~Director~~ Secretary of the Department of Finance and Administration for a permit to obtain credit on severance taxes due on all oil or natural gas produced in salt-water-producing wells of the producer as provided in this subchapter.

SECTION 1099. Arkansas Code § 26-58-206(c), concerning a permit for tax credit, is amended to read as follows:

(c) If the ~~director~~ secretary determines that the producer has complied with the provisions of this subchapter and the rules established by the ~~director~~ secretary, the ~~director~~ secretary shall issue a permit to the producer.

SECTION 1100. Arkansas Code § 26-58-208(b)(2), concerning tax credits and the maximum annual credits allowed, is amended to read as follows:

(2) If for any calendar year the total severance tax credits of all oil producers operating, utilizing, or maintaining approved underground saltwater disposal systems exceed the total maximum allowable severance tax credits provided in subdivision (b)(1) of this section, the ~~Director~~ Secretary of the Department of Finance and Administration shall prorate the allowable severance tax credits among the respective oil producers in the proportion that the severance tax credits due each oil producer bear to the total of all severance tax credits due all qualifying oil producers.

SECTION 1101. Arkansas Code § 26-58-208(c)(2), concerning tax credits

and the maximum annual credits allowed, is amended to read as follows:

(2) If for any calendar year the total severance tax credits of all natural gas producers operating, utilizing, or maintaining approved underground saltwater disposal systems exceed the total maximum allowable severance tax credits provided in subdivision (c)(1) of this section, the ~~director~~ secretary shall prorate the allowable severance tax credits among the respective natural gas producers in the proportion that the severance tax credits due each natural gas producer bear to the total of all severance tax credits due all qualifying natural gas producers.

SECTION 1102. Arkansas Code § 26-58-208(d)(1), concerning tax credits and the maximum annual credits allowed, is amended to read as follows:

(d)(1) A claim for a severance tax credit shall be filed with the ~~director~~ secretary on forms prescribed by the ~~director~~ secretary on or before April 1 of the calendar year following the calendar year in which the costs of maintaining the underground saltwater disposal system were incurred.

SECTION 1103. Arkansas Code § 26-58-208(g), concerning tax credits and the maximum annual credits allowed, is amended to read as follows:

(g) The ~~director~~ secretary may promulgate rules to administer this section.

SECTION 1104. Arkansas Code § 26-58-209(1), concerning the cost of maintaining a saltwater disposal system, is amended to read as follows:

(1) An allowance, to be spread equally over each severance tax reporting period, for depreciation of the actual cash investment of the producer in the constructing, equipping, and improving of an approved underground saltwater disposal system, which depreciation period shall not be less than five (5) years nor more than ten (10) years as may be approved by the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 1105. Arkansas Code § 26-58-210 is amended to read as follows:

26-58-210. Records.

A producer obtaining the benefits of the provisions of this subchapter shall maintain for a period of not less than three (3) years such records as may be required by the ~~Director~~ Secretary of the Department of Finance and

Administration that may be necessary to justify the cost credits allowed by this subchapter.

SECTION 1106. Arkansas Code § 26-58-301(b)(2) and (3), concerning a levy for the benefit of the Arkansas Museum of Natural Resources Fund, are amended to read as follows:

(2) The taxes levied in this subsection shall be reported and remitted monthly to the ~~Director~~ Secretary of the Department of Finance and Administration on such forms and in such manner as the ~~director~~ secretary shall prescribe by regulations.

(3) All revenues collected by the ~~director~~ secretary under the tax levied in this subsection shall be deposited into the State Treasury as special revenues, and the Treasurer of State after deducting from these special revenues the three percent (3%) provided by law for credit to the Constitutional Officers Fund and the State Central Services Fund shall credit the net amount to the Arkansas Museum of Natural Resources Fund to be used for the construction, maintenance, operation, and improvement of the Arkansas Museum of Natural Resources.

SECTION 1107. Arkansas Code § 26-58-302(a)(2), concerning an additional levy for the benefit of the Arkansas Museum of Natural Resources Fund, is amended to read as follows:

(2) The taxes shall be reported and paid monthly to the ~~Director~~ Secretary of the Department of Finance and Administration by each producer of oil in such manner and upon such forms as the ~~director~~ secretary shall prescribe.

SECTION 1108. Arkansas Code § 26-58-302(b)(2), concerning an additional levy for the benefit of the Arkansas Museum of Natural Resources Fund, is amended to read as follows:

(2) The tax shall be reported and paid monthly to the ~~director~~ secretary by each producer of brine and oil in such manner and upon such forms as the ~~director~~ secretary may prescribe.

SECTION 1109. Arkansas Code § 26-58-302(c)(1), concerning an additional levy for the benefit of the Arkansas Museum of Natural Resources

Fund, is amended to read as follows:

(c)(1) Funds collected by the ~~director~~ secretary under this section are classified as cash fund receipts, and the full amount of the funds shall be deposited into one (1) or more accounts in one (1) or more banks in this state, which account or accounts shall be designated "Arkansas Museum of Natural Resources Fund".

SECTION 1110. Arkansas Code § 26-58-303(a)(2), concerning the levy for benefit of the Arkansas Museum of Natural Resources Bond Redemption Fund, is amended to read as follows:

(2) The fee shall be reported and paid monthly to the ~~Director~~ Secretary of the Department of Finance and Administration by each producer of oil in such manner and upon such forms as the ~~director~~ secretary shall prescribe.

SECTION 1111. Arkansas Code § 26-58-303(b)(2), concerning the levy for benefit of the Arkansas Museum of Natural Resources Bond Redemption Fund, is amended to read as follows:

(2) The fee shall be reported and paid monthly to the ~~director~~ secretary by each producer of brine and oil in such manner and upon such forms as the ~~director~~ secretary shall prescribe.

SECTION 1112. Arkansas Code § 26-59-102(2), concerning definition of "director" under estate tax law, is repealed.

~~(2) "Director" means the Director of the Department of Finance and Administration;~~

SECTION 1113. Arkansas Code § 26-59-105 is amended to read as follows:

26-59-105. Administration and enforcement of chapter.

Except as otherwise provided in this chapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall have jurisdiction and be charged with the administration and enforcement of the provisions of this chapter.

SECTION 1114. Arkansas Code § 26-59-109(b), concerning estate tax returns, is amended to read as follows:

(b) Returns by Beneficiaries. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he or she shall include in his or her return a description of such part and the name of every person holding a legal or beneficial interest therein. Upon notice from the ~~Director~~ Secretary of the Department of Finance and Administration, such person shall in like manner make a return as to such part of the gross estate.

SECTION 1115. Arkansas Code § 26-59-109(d), concerning estate tax returns, is amended to read as follows:

(d) Place of Filing. Estate tax returns shall be filed with the ~~director~~ secretary at his or her office in Little Rock, Arkansas.

SECTION 1116. The introductory language of Arkansas Code § 26-59-110, concerning the contents of estate tax returns, is amended to read as follows:

The executor at such times and in such manner as may be required by regulations made pursuant to law shall also file with the ~~Director~~ Secretary of the Department of Finance and Administration a return under oath, setting forth:

SECTION 1117. Arkansas Code § 26-59-111(b) and (c), concerning an estate tax return and an extension of filing time, are amended to read as follows:

(b) This request for extension of time in which to file shall be granted by the timely filing of a copy of the federal application form with the ~~Director~~ Secretary of the Department of Finance and Administration and then attaching to the Arkansas estate tax return, when actually filed with the ~~director~~ secretary, a copy of the document granting such federal extension.

(c) The ~~director~~ secretary shall assess interest at the rate of ten percent (10%) per annum on the amount of estate tax finally determined to be due from the date the estate tax return was originally due to be filed.

SECTION 1118. Arkansas Code § 26-59-112 is amended to read as follows:

26-59-112. ~~Director~~ Secretary to make return when no return filed.

If any executor, administrator, fiduciary, trustee, person,

corporation, company, or association fails to make and file a return or list at the time prescribed by law or by regulation made under authority of law, or makes, willfully or otherwise, a false or fraudulent return or list, the ~~Director~~ Secretary of the Department of Finance and Administration shall make the return or list from the ~~director's~~ secretary's own knowledge and from such information as the ~~director~~ secretary can obtain through testimony or otherwise. Any return or list so made by the ~~director~~ secretary shall be prima facie good and sufficient for all legal purposes.

SECTION 1118. Arkansas Code § 26-59-113(a), concerning payment, time limitations, and federal elections, is amended to read as follows:

26-59-113. Payment — Time limitations — Federal election.

(a) The tax imposed by this chapter shall be due and payable nine (9) months after a decedent's death and shall be paid by the executor to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1120. Arkansas Code § 26-59-113(b)(1)(A), concerning payment, time limitations, and federal elections, is amended to read as follows:

(b)(1)(A) When the ~~director~~ secretary finds that the payment on the due date of the tax or any part of the tax would impose undue hardship upon the estate, the ~~director~~ secretary may extend the time for any payment of any such part.

SECTION 1121. Arkansas Code § 26-59-114(a) and (b), concerning the payment of tax and discharge of executors, are amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue to the executor upon payment of the tax imposed by this chapter receipts in triplicate any of which shall be sufficient evidence of the payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle the executor's accounts.

(b) If the executor files a complete return and makes written application to the ~~director~~ secretary for determination of the amount of the tax and discharge from personal liability, the ~~director~~ secretary as soon as possible, and in any event within one (1) year after receipt of such application, shall notify the executor of the amount of the tax and, upon

payment thereof, the executor shall be discharged from personal liability for any additional tax thereafter found to be due and shall be entitled to receive from the ~~director~~ secretary a receipt in writing showing such discharge.

SECTION 1122. Arkansas Code § 26-59-116(b), concerning the payment of taxes and reimbursement to a person paying taxes, is amended to read as follows:

(b) It is the purpose and intent of this section that insofar as is practical and unless otherwise directed by the will of the decedent, the tax shall be paid out of the estate before its distribution. However, the ~~Director~~ Secretary of the Department of Finance and Administration shall not be charged with enforcing contribution from any person.

SECTION 1123. Arkansas Code § 26-59-119 is amended to read as follows:

26-59-119. Executor — Notice of appointment.

The executor within two (2) months after the decedent's death or within a like period after qualifying as executor, shall give written notice of his or her qualification as executor to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1124. Arkansas Code § 26-59-122(a), concerning the disposition and allocation of funds, is amended to read as follows:

(a) All taxes, fees, penalties, and costs received by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of this chapter shall be general revenues and shall be deposited into the State Treasury to the credit of the State Apportionment Fund, except that the amount of estate taxes collected in a calendar year that exceeds ten percent (10%) of the average annual estate taxes collected for a five-year period immediately preceding the calendar year or fifteen million dollars ($15,000,000), whichever is greater, shall be deposited into the State Treasury as special revenues and credited to the General Improvement Fund.

SECTION 1125. Arkansas Code § 26-60-103 is amended to read as follows:

26-60-103. Enforcement and regulations by ~~Director~~ Secretary of the Department of Finance and Administration.

The enforcement of the provisions of this chapter shall be the responsibility of the ~~Director~~ Secretary of the Department of Finance and Administration under regulations to be promulgated by the ~~director~~ secretary.

SECTION 1126. Arkansas Code § 26-60-107(a)(1), concerning a Real Property Transfer Tax Affidavit of Compliance Form, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall design a "Real Property Transfer Tax Affidavit of Compliance" form.

SECTION 1127. Arkansas Code § 26-60-107(b)(2), concerning a Real Property Transfer Tax Affidavit of Compliance Form, is amended to read as follows:

(2) The ~~director~~ secretary shall furnish the "Real Property Transfer Tax Affidavit of Compliance" forms to each revenue office in each county of this state and may make these forms available to the county recorder or any other interested persons in each county upon request to the ~~director~~ secretary.

SECTION 1128. Arkansas Code § 26-60-107(d)(1), concerning a Real Property Transfer Tax Affidavit of Compliance Form, is amended to read as follows:

(d)(1) The affidavits in the files of the ~~director~~ secretary are public records governed by the same rules as are applied to the disclosure of motor vehicle titling and registration information.

SECTION 1129. The introductory language of Arkansas Code § 26-60-107(f), concerning a Real Property Transfer Tax Affidavit of Compliance Form, is amended to read as follows:

(f) The ~~director~~ secretary may:

SECTION 1130. Arkansas Code § 26-60-107(f)(1)(B) and (C), concerning a Real Property Transfer Tax Affidavit of Compliance Form, are amended to read as follows:

(B) The ~~director~~ secretary shall collaborate with

attorneys at law, representatives of title companies, county recorders, and other interested parties to recommend an alternative method of providing proof of compliance with the real property transfer tax.

(C) If an investigation is undertaken, the ~~director~~ secretary shall complete the investigation by July 1, 2012; and

SECTION 1131. Arkansas Code § 26-60-107(f)(2)(B), concerning a Real Property Transfer Tax Affidavit of Compliance Form, is amended to read as follows:

(B) Before promulgating any rules, the ~~director~~ secretary shall report the finding of the investigation authorized under subdivision (f)(1) of this section to the Speaker of the House of Representatives and the President Pro Tempore of the Senate if the General Assembly is in session or to the Legislative Council during an interim.

SECTION 1132. Arkansas Code § 26-60-108, concerning Real Property Transfer Tax Affidavit of Compliance, receipt, completion, storage, and audit, is amended to read as follows:

26-60-108. Real Property Transfer Tax Affidavit of Compliance and Receipt — Completion, storage, audit, etc.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration or his or her agent before accepting payment of the real property transfer tax shall require that the affidavit portion of the Real Property Transfer Tax Affidavit of Compliance form and receipt be completed, including the statement of the full amount of the consideration for the transaction and the amount of tax to be reflected on the receipt portion thereof in evidence that such information was furnished by the person signing the affidavit before the ~~director~~ secretary shall receive payment of the tax, and sign the receipt. The ~~director~~ secretary shall attach the stamps to the face of the instrument.

(b)(1) The original copy of the affidavit and receipt shall be retained by the ~~director~~ secretary or his or her agent and shall be treated as a confidential tax record in the same manner as required by law for confidentiality of state income tax returns.

(2) The information shall be released to duly elected county assessors and become a public document.

(c) If authorized by the ~~director~~ secretary, an electronic copy of an affidavit described in this section may be used and retained in the same manner as other electronic documents.

SECTION 1133. The introductory language of Arkansas Code § 26-60-109(a), concerning documentary stamps or symbols, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall:

SECTION 1134. The introductory language of Arkansas Code § 26-60-109(b), concerning documentary stamps or symbols, is amended to read as follows:

(b) The ~~director~~ secretary may:

SECTION 1135. Arkansas Code § 26-60-109(b)(1)(B) and (C), concerning documentary stamps or symbols, are amended to read as follows:

(B) The ~~director~~ secretary shall collaborate with attorneys at law, representatives of title companies, county recorders, and other interested parties to recommend possible alternative methods of providing proof of payment of the real property transfer tax.

(C) If an investigation is undertaken, the ~~director~~ secretary shall complete the investigation by July 1, 2012; and

SECTION 1136. Arkansas Code § 26-60-109(b)(2)(B), concerning documentary stamps or symbols, is amended to read as follows:

(B) Before promulgating any rules, the ~~director~~ secretary shall report the finding of the investigation authorized under § 26-60-107(f)(1) to the Speaker of the House of Representatives and the President Pro Tempore of the Senate if the General Assembly is in session or to the Legislative Council during the interim.

SECTION 1137. The introductory language of Arkansas Code § 26-60-112(b), concerning the disposition of funds collected from taxes, is amended to read as follows:

(b) The revenues derived from the tax levied by § 26-60-105(a) shall

be deposited by the ~~Director~~ Secretary of the Department of Finance and Administration into the State Treasury, and the Treasurer of State after deducting three percent (3%) of the revenues for distribution to the Constitutional Officers Fund and the State Central Services Fund to be used for the purposes as provided by law shall distribute the net amount of the revenues as follows:

SECTION 1138. Arkansas Code § 26-62-102, concerning the definitions under the alternative fuels tax laws, are amended to read as follows:

(4) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or his or her duly authorized agents;

(5) "Gallon equivalent" or "equivalent gallon" means a quantity of alternative fuels which is the equivalent of one United States gallon (1 U.S. gal.) of gasoline as determined by the ~~director~~ secretary based on United States standards or industry standards, provided that one United States gallon (1 U.S. gal.) of gasoline shall be the equivalent of one hundred cubic feet (100 c.f.) of natural gas fuels;

SECTION 1139. Arkansas Code § 26-62-104 is amended to read as follows:

26-62-104. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized and empowered in consultation with the Director of State Highways and Transportation of the Arkansas Department of Transportation to make and promulgate such rules and regulations not inconsistent with this chapter as they shall deem necessary and desirable to facilitate the collection of the taxes levied in this chapter and to otherwise effectuate the purposes of this chapter, and these rules and regulations shall have the same effect as if specifically set forth in this chapter.

SECTION 1140. Arkansas Code § 26-62-105(a), concerning the failure or refusal to report or pay taxes, is amended to read as follows:

(a) Once an alternative fuels supplier, user, interstate user, or IFTA carrier user of alternative fuels has become liable to file a report with the ~~Director~~ Secretary of the Department of Finance and Administration, he or she must continue to file a report, even though no tax is due, until such time as

he or she notifies the ~~director~~ secretary in writing that he or she is no longer liable for those reports.

SECTION 1141. Arkansas Code § 26-62-111 is amended to read as follows:

26-62-111. Audits.

In all audits conducted by the Arkansas Department of Transportation under this chapter, the Arkansas Department of Transportation may call upon the ~~Director~~ Secretary of the Department of Finance and Administration for assistance.

SECTION 1142. Arkansas Code § 26-62-201(a)(2), concerning the imposition of taxes and exemptions, is amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration shall determine the various types of alternative fuels being utilized in this state and the applicable rates to be imposed for each type fuel in accordance with the following provisions of this section, provided that the ~~Director~~ Secretary of the Department of Finance and Administration in his or her initial determination at a minimum shall find at least one (1) type of alternative fuels, specifically, natural gas fuels.

SECTION 1143. Arkansas Code § 26-62-201(c)(1), concerning the imposition of taxes and exemptions, is amended to read as follows:

(c)(1)(A)~~(i) The tax rate set forth in subsection (b) of this section for each type of alternative fuels from July 1, 1993, through March 31, 1994, shall be determined and published by the Director of the Department of Finance and Administration prior to June 1, 1993, and such rates shall be effective for each type of alternative fuels through March 31, 1994.~~

~~(ii)~~ The tax rate set forth in subsection (b) of this section for each type of alternative fuels shall be adjusted if necessary by the ~~Director~~ Secretary of the Department of Finance and Administration to be effective ~~on April 1, 1994, and~~ on April 1 of each year ~~thereafter~~ based upon the number of vehicles utilizing alternative fuels, by each type of alternative fuels, licensed in this state, as determined by the ~~Director~~ Secretary of the Department of Finance and Administration, as of December 31 of the preceding calendar year.

(B) If a change in the tax rate in accordance with

subsection (b) of this section for any type of alternative fuels is required, the ~~Director~~ Secretary of the Department of Finance and Administration shall include this in the report required by this section, and the ~~Director~~ Secretary of the Department of Finance and Administration shall also notify each alternative fuels supplier of the new tax rate not later than thirty (30) days prior to the effective date of such change.

SECTION 1144. Arkansas Code § 26-62-201(e) and (f), concerning the imposition of taxes and exemptions, are amended to read as follows:

(e)(1) The ~~Director~~ Secretary of the Department of Finance and Administration may develop a procedure in which the type of alternative fuels or other type of fuel is noted on the certificate of title or certificate of registration of an alternative fuels vehicle.

(2) It is the intention of this subsection to develop a system for the ~~Director~~ Secretary of the Department of Finance and Administration and other officials of the State of Arkansas to know the precise number of vehicles using alternative fuels and other fuels licensed in this state, both in the aggregate and by the type of fuel propelling the vehicles.

(f) Not later than February 15 each year, the ~~Director~~ Secretary of the Department of Finance and Administration shall file a written report with the Director of State Highways and Transportation setting forth the number of vehicles using alternative fuels and other types of fuels licensed in this state as of the end of the preceding calendar year, both in the aggregate and by each type of fuel, and the amount of tax revenue received by the State of Arkansas on the tax levied by this chapter. The ~~Director~~ Secretary of the Department of Finance and Administration shall also state the tax rate for the next twelve (12) months, beginning as of the first day of April of each year for each type of alternative fuel.

SECTION 1145. Arkansas Code § 26-62-202(a)(3), concerning the collection and payment of tax, is amended to read as follows:

(3) Used in any motor vehicle owned or operated by that alternative fuels supplier. The ~~Director~~ Secretary of the Department of Finance and Administration shall make and promulgate rules and regulations for a system for recordkeeping requirements to be kept by such suppliers in fulfilling this subdivision (a)(3).

SECTION 1146. Arkansas Code § 26-62-203(c)(1), concerning separate meters for taxable natural gas fuels and residential or other tax-free natural gas, is amended to read as follows:

(c)(1) Such users shall be licensed and bonded only if required by § 26-62-204 but shall remit all taxes to the alternative fuels supplier upon billing by that supplier, which supplier shall further remit such taxes to the ~~Director~~ Secretary of the Department of Finance and Administration as provided in § 26-62-206.

SECTION 1147. The introductory language of Arkansas Code § 26-62-203(c)(2), concerning separate meters for taxable natural gas fuels and residential or other tax-free natural gas, is amended to read as follows:

(2) Such user, however, at the time of the installation of the separate meter shall report to the ~~director~~ secretary the:

SECTION 1148. Arkansas Code § 26-62-203(c)(2)(E), concerning separate meters for taxable natural gas fuels and residential or other tax-free natural gas, is amended to read as follows:

(E) Any other information required by the ~~director~~ secretary pursuant to rules and regulations of the ~~director~~ secretary.

SECTION 1149. Arkansas Code § 26-62-204(a), concerning licenses and bonds for alternative fuels suppliers, interstate users, and IFTA carrier users, is amended to read as follows:

(a) No person shall commence operations as an alternative fuels supplier, interstate user, or IFTA carrier user of alternative fuels without first procuring a license for that purpose from the ~~Director~~ Secretary of the Department of Finance and Administration. This license shall be issued and remain in effect until revoked as provided in this section.

SECTION 1150. Arkansas Code § 26-62-204(c), concerning licenses and bonds for alternative fuels suppliers, interstate users, and IFTA carrier users, is amended to read as follows:

(c)(1)(A) Every alternative fuels supplier shall file with the ~~director~~ secretary a surety bond of not less than one and one-half (1½) times

or one hundred fifty percent (150%) of the prior six-months' average alternative fuels tax due which is based upon the gallon equivalent of alternative fuels to be sold or distributed:

(i) As shown by the application for a license if the applicant has not previously been engaged in the business of an alternative fuels supplier; or

(ii) As shown by sales for the previous year if the applicant previously has been engaged in such business in this state.

(B) However, no bond shall be filed for less than one thousand dollars ($1,000).

(2) If the ~~director~~ secretary deems it necessary to protect the state in the collection of alternative fuels taxes, the ~~director~~ secretary may require any alternative fuels supplier to post a bond in an amount up to three (3) times or three hundred percent (300%) of the prior six (6) months' average alternative fuels tax due.

(3)(A) However, the ~~director~~ secretary is authorized to waive the posting of bond by any licensed alternative fuels supplier organized and operating under the laws of Arkansas and wholly owned by residents of this state who has been licensed for a period of at least three (3) years and who has not been delinquent in remitting alternative fuels taxes during the three-year period immediately preceding application by the alternative fuels supplier for waiver of bond.

(B) If any alternative fuels supplier whose bond has been waived by the ~~director~~ secretary as authorized in subdivision (c)(3)(A) of this section subsequently becomes delinquent in remitting alternative fuels taxes to the ~~director~~ secretary, the ~~director~~ secretary may require that the alternative fuels supplier post a bond in the amount required in this section, and the alternative fuels supplier shall not be eligible to petition for a waiver of bond for a period of three (3) years thereafter.

SECTION 1151. Arkansas Code § 26-62-204(d)(1), concerning licenses and bonds for alternative fuels suppliers, interstate users, and IFTA carrier users, is amended to read as follows:

(d)(1) Each application of an interstate user or IFTA carrier user for a license shall be accompanied by a surety bond of a surety company authorized to do business in this state, in favor of the ~~director~~ secretary,

satisfactory to the ~~director~~ secretary, and in an amount to be fixed by the ~~director~~ secretary of not less than one thousand dollars ($1,000) nor more than fifty thousand dollars ($50,000), guaranteeing the payment of any and all taxes, penalties, interest, attorney's fees, and costs levied by, accrued, or accruing under this chapter.

SECTION 1152. Arkansas Code § 26-62-204(e)(2), concerning licenses and bonds for alternative fuels suppliers, interstate users, and IFTA carrier users, is amended to read as follows:

(2) The bond shall be conditioned upon the prompt filing of true reports and the payment by the alternative fuels supplier, interstate user, or IFTA carrier user to the ~~director~~ secretary of any and all alternative fuels taxes which are levied or imposed by the State of Arkansas, together with any and all penalties and interest thereon, and generally, upon faithful compliance with the provisions of this chapter.

SECTION 1153. Arkansas Code § 26-62-204(f)-(i), concerning licenses and bonds for alternative fuels suppliers, interstate users, and IFTA carrier users, are amended to read as follows:

(f)(1) In the event that liability upon the bond filed pursuant to this section by the alternative fuels supplier, interstate user, or IFTA carrier user with the ~~director~~ secretary shall be discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if, in the opinion of the ~~director~~ secretary, any surety on the bond shall have become unsatisfactory or unacceptable, then the ~~director~~ secretary may require the filing of a new bond with a satisfactory surety in the same form and amount; failing which, the ~~director~~ secretary shall immediately cancel the license of the alternative fuels supplier, interstate user, or IFTA carrier user.

(2) If a new bond shall be furnished, the ~~director~~ secretary shall cancel the bonds for which the new bond shall be substituted.

(g) In the event that upon hearing of which the alternative fuels supplier, interstate user, or IFTA carrier user shall be given five (5) days' notice in writing, the ~~director~~ secretary shall decide that the amount of the existing bond is insufficient to ensure payment to the State of Arkansas of the amount of the tax and any penalties and interest for which said alternative fuels supplier, interstate user, or IFTA carrier user is or may

at any time become liable, then the alternative fuels supplier, interstate user, or IFTA carrier user upon written demand of the ~~director~~ secretary shall immediately file an additional bond in the same manner and form and with a surety company thereon approved by the ~~director~~ secretary in any amount determined by the ~~director~~ secretary to be necessary to secure at all times the payment to the State of Arkansas of all taxes, penalties, and interest due under the provisions of this chapter; failing which, the ~~director~~ secretary shall immediately cancel the license of the alternative fuels supplier, interstate user, or IFTA carrier user.

(h)(1)(A) Any surety on any bond furnished as provided in this section shall be released and discharged from any and all liability to the State of Arkansas accruing on the bond after the expiration of sixty (60) days from the date upon which a surety shall have lodged with the ~~director~~ secretary a written request to be released and discharged.

(B) However, the request shall not operate to relieve, release, or discharge the surety from any liability already accrued, or which shall accrue, before the expiration of the sixty-day period.

(2) Upon receipt of notice of such request, the ~~director~~ secretary shall promptly notify the alternative fuels supplier, interstate user, or IFTA carrier user who furnished the bond, and unless the alternative fuels supplier, interstate user, or IFTA carrier user, on or before the expiration of the sixty-day period, files with the ~~director~~ secretary a new bond with a surety company satisfactory to the ~~director~~ secretary in the amount and form as provided in this section, the ~~director~~ secretary shall immediately cancel the license of that alternative fuels supplier, interstate user, or IFTA carrier user.

(3) If a new bond shall be furnished as provided in this section, the ~~director~~ secretary shall cancel the bond for which the new bond shall be substituted.

(i) In lieu of furnishing a bond or bonds executed by a surety company as provided in this section, any alternative fuels supplier, interstate user, or IFTA carrier user may furnish a bond or other instrument, in form prescribed by the ~~director~~ secretary, equal to the amount of the bond or bonds required by this section which will provide security or payment of all amounts as described in this section and in compliance with all provisions of this chapter.

SECTION 1154. Arkansas Code § 26-62-204(j)(2), concerning licenses and bonds for alternative fuels suppliers, interstate users, and IFTA carrier users, are amended to read as follows:

(2)(A) Should his or her license be revoked, any alternative fuels supplier, interstate user, or IFTA carrier user may bring an action against the ~~director~~ secretary in the Pulaski County Circuit Court within fifteen (15) days of the date of revocation to determine whether or not the alternative fuels supplier, interstate user, or IFTA carrier user has in fact violated any of the provisions of this chapter.

(B) If the court determines that the provisions of the law have been violated by the alternative fuels supplier, interstate user, or IFTA carrier user, it shall affirm the ~~director's~~ secretary's action in revoking the license.

SECTION 1155. Arkansas Code § 26-62-205(a)(2)(F), concerning sales tickets in regards to alternative fuels, is amended to read as follows:

(F) Such other information as the ~~Director~~ Secretary of the Department of Finance and Administration may require.

SECTION 1156. Arkansas Code § 26-62-205(b)(2), concerning sales tickets in regards to alternative fuels, is amended to read as follows:

(2) The remaining copy shall be retained by the alternative fuels supplier as a record for a period of at least three (3) years, during which period it shall be subject to inspection by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her representative at all reasonable times.

SECTION 1157. Arkansas Code § 26-62-205(c), concerning sales tickets in regards to alternative fuels,is amended to read as follows:

(c) The sales tickets as described in subsections (a) and (b) of this section shall be the only evidence accepted for tax credit by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of § 26-62-209.

SECTION 1158. Arkansas Code § 26-62-205(e)(1), concerning sales

tickets in regards to alternative fuels, is amended to read as follows:

(e)(1) The ~~Director~~ Secretary of the Department of Finance and Administration, in consultation with the Director of State Highways and Transportation shall promulgate rules and regulations regarding an alternative to the required usage of sales tickets for all sales of natural gas fuels made by alternative fuels suppliers by separate meter as provided in § 26-62-203.

SECTION 1159. Arkansas Code § 26-62-206(a)(1), concerning alternative fuels suppliers' and users' reports and computation and remittance of tax, is amended to read as follows:

(a)(1) Every alternative fuels supplier on or before the twenty-fifth day of each calendar month shall file with the ~~Director~~ Secretary of the Department of Finance and Administration on forms prescribed by the ~~director~~ secretary a report accounting for the alternative fuels taxable under this chapter during the preceding month and shall remit all taxes as reflected by the report to the ~~director~~ secretary at the time of filing such report.

SECTION 1160. Arkansas Code § 26-62-206(a)(2)(D), concerning alternative fuels suppliers' and users' reports and computation and remittance of tax, is amended to read as follows:

(D) Such other documents as the ~~director~~ secretary requires.

SECTION 1161. Arkansas Code § 26-62-206(b), concerning alternative fuels suppliers' and users' reports and computation and remittance of tax, is amended to read as follows:

(b) Every interstate user and IFTA carrier user, on or before the twenty-fifth day of the month following the end of each calendar quarter, shall file with the ~~director~~ secretary on forms prescribed by the ~~director~~ secretary an itemized report showing the quantities of alternative fuels purchased and used in this state during the preceding calendar quarter, together with payments of the tax due thereon.

SECTION 1162. Arkansas Code § 26-62-207(b)(3)(B), concerning the requirement of records, invoices, and the falsification of records in regards

to the Arkansas Tax Procedure Act, is amended to read as follows:

(B) Another counterpart shall be delivered to the operator of the motor vehicle and carried in the cab compartment of the motor vehicle for inspection by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her representatives until the fuel it covers has been consumed.

SECTION 1163. Arkansas Code § 26-62-207(c)(1), concerning the requirement of records, invoices, and the falsification of records in regards to the Arkansas Tax Procedure Act, is amended to read as follows:

(c)(1) Every person who operates a motor vehicle that is equipped to use motor fuels taxable under the Motor Fuel Tax Law, § 26-55-201 et seq., or equipped to use distillate special fuels taxable under the Special Motor Fuels Tax Law, § 26-56-101 et seq., and alternative fuels interchangeably in the propulsion of the motor vehicle shall carry in the cab compartment of the motor vehicle for inspection by the ~~director~~ secretary or his or her representative not only the counterpart of the serially-numbered invoice required under subsection (b) of this section for the delivery of alternative fuels into the fuel supply tanks of the motor vehicle but also an invoice or receipt from the seller for each delivery into the fuel supply tanks of the motor vehicle of motor fuels taxable under the Motor Fuel Tax Law, § 26-55-201 et seq., or of distillate special fuels taxable under the Special Motor Fuels Tax Law, § 26-56-101 et seq., which latter invoices or receipts shall show the same information as to date of delivery, quantity, odometer or hub meter mileage, and motor vehicle registration number as is required for the invoice covering alternative fuels.

SECTION 1164. Arkansas Code § 26-62-207(e), concerning the requirement of records, invoices, and the falsification of records in regards to the Arkansas Tax Procedure Act, is amended to read as follows:

(e) All sales to users made pursuant to § 26-62-203 shall not require the carriage of an invoice by the user, provided that the ~~director~~ secretary shall provide by regulation another means of providing an indication that the tax on the fuel being utilized to propel the motor vehicle will ultimately be paid by the user to the alternative fuels supplier, who is required to remit such tax to the ~~director~~ secretary.

SECTION 1165. Arkansas Code § 26-62-208(a), concerning prima facie presumptions, failure to keep records, issuing of invoices or file reports, taxes, penalties, and interest in regards to alternate fuel suppliers, is amended to read as follows:

(a) Any alternative fuels supplier, user, interstate user, or IFTA carrier user who fails to keep the records, issue the invoices, or file the reports required by this chapter shall be prima facie presumed to have sold, delivered, or used for taxable purposes all alternative fuels shown by a verified audit by the Arkansas Department of Transportation, the ~~Director~~ Secretary of the Department of Finance and Administration, or any authorized representative.

SECTION 1166. Arkansas Code § 26-62-208(b)(1), concerning prima facie presumptions, failure to keep records, issuing of invoices or file reports, taxes, penalties, and interest in regards to alternate fuel suppliers, is amended to read as follows:

(b)(1) The ~~director~~ secretary is authorized to fix or establish the amount of taxes, penalties, and interest due the State of Arkansas from any record or information available to the ~~director~~ secretary, or to the Arkansas Department of Transportation, and if the tax claim as developed from that procedure is not paid, the claim and any audit made by the Arkansas Department of Transportation, the ~~director~~ secretary, or an authorized representative, or any report filed by such alternative fuels supplier, user, interstate user, or IFTA carrier user shall be admissible in evidence in any suit or judicial proceedings filed by the ~~director~~ secretary and shall be prima facie evidence of the correctness of said claim or audit.

SECTION 1167. Arkansas Code § 26-62-209(a) and (b), concerning interstate users and IFTA carrier users, reports, and computation of tax and refunds, are amended to read as follows:

(a) For the purpose of determining whether an interstate user or IFTA carrier user owes alternative fuels tax or is entitled to a credit or refund, the licensed interstate user or licensed IFTA carrier user shall file a quarterly report on or before the twenty-fifth day of the month following the end of each calendar quarter, which shall be made on forms prescribed by the

~~Director~~ Secretary of the Department of Finance and Administration, which forms shall include such information as the ~~director~~ secretary may require.

(b) If it shall be determined by the quarterly report that the licensed interstate user or licensed IFTA carrier user has used alternative fuels in this state in excess of the number of equivalent gallons of the fuel upon which the Arkansas tax had been paid, the interstate user or IFTA carrier user shall remit to the ~~director~~ secretary at the time of filing the report an excise tax at the rate as previously determined in accordance with § 26-62-201 per equivalent gallon for the taxable quarter multiplied by the number of equivalent gallons used on which the tax has not been paid.

SECTION 1168. Arkansas Code § 26-62-209(h)(2), concerning interstate users and IFTA carrier users, reports, and computation of tax and refunds, are amended to read as follows:

(2) A licensed interstate user or licensed IFTA carrier user who has a total tax liability for alternative fuels tax during the previous calendar year of less than one hundred dollars ($100) upon application to the ~~director~~ secretary may obtain permission to report his or her alternative fuels tax liability on an annual basis. The annual report shall be due on or before the twenty-fifth day of the month following the end of each fiscal year.

SECTION 1169. Arkansas Code § 26-62-209(i), concerning interstate users and IFTA carrier users, reports, and computation of tax and refunds, are amended to read as follows:

(i) The ~~director~~ secretary shall prescribe the appropriate forms necessary for the administration of this chapter. The ~~director~~ secretary may make appropriate rules and regulations necessary to ensure the accurate reporting of the alternative fuels tax.

SECTION 1170. Arkansas Code § 26-62-210(a)(1), concerning interstate users and IFTA carrier users as well as tax refund procedure, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall quarterly estimate the amount necessary to pay refunds to licensed interstate users and licensed IFTA carrier users of alternative

fuels who are entitled to refunds with respect to alternative fuels taxes paid in this state as authorized in § 26-62-209, and upon certification by the ~~Director~~ Secretary of the Department of Finance and Administration, the Treasurer of State shall transfer from the gross amount of alternative fuels taxes collected each month the amount to the Interstate Alternative Fuels Refund Fund, which is established on the books of the State Treasury, from which the Department of Finance and Administration shall make refunds as provided by law.

SECTION 1171. Arkansas Code § 26-62-210(c), concerning interstate users and IFTA carrier users as well as tax refund procedure, is amended to read as follows:

(c) Neither the ~~Director~~ Secretary of the Department of Finance and Administration nor any member or employee of the Department of Finance and Administration shall be held personally liable for making any refund by reason of a fraudulent claim's being filed as a basis for such refund.

SECTION 1172. The introductory language of Arkansas Code § 26-62-210(d), concerning interstate users and IFTA carrier users as well as tax refund procedure, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration in consultation with the Director of State Highways and Transportation is authorized to promulgate rules and regulations and to prescribe the necessary forms required for the administration of claims for tax refunds from licensed interstate users or licensed IFTA carrier users of alternative fuels in this state as authorized by law, which rules and regulations shall be in conformance with the following requirements:

SECTION 1173. Arkansas Code § 26-62-210(d)(1) and (2), concerning interstate users and IFTA carrier users as well as tax refund procedure, are amended to read as follows:

(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall first determine with respect to each refund claim filed that the bond of the interstate user or IFTA carrier user is adequate to compensate the State of Arkansas for any losses with respect to the recovery of any refunds illegally claimed by such user, and the ~~Director~~ Secretary of

the Department of Finance and Administration may require the increase of the bond if the ~~Director~~ Secretary of the Department of Finance and Administration determines it to be inadequate before approving any such claim for refund;

(2) Each licensed interstate user or licensed IFTA carrier user of alternative fuels claiming refunds shall maintain adequate records to substantiate each claim for refund, and the ~~Director~~ Secretary of the Department of Finance and Administration may reject any claim for refund if the ~~Director~~ Secretary of the Department of Finance and Administration determines the applicant has not maintained adequate records or has not conformed to the rules and regulations of the Department of Finance and Administration in filing the claim therefor;

SECTION 1174. Arkansas Code § 26-62-210(d)(5), concerning interstate users and IFTA carrier users as well as tax refund procedure, is amended to read as follows:

(5) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate any such rules or regulations the ~~Director~~ Secretary of the Department of Finance and Administration deems desirable in consultation with the Director of State Highways and Transportation regarding refunds to licensed interstate users and IFTA carrier users.

SECTION 1175. Arkansas Code § 26-62-211(a) and (b), concerning entry slips, tax on out-of-state motor vehicle use, and penalties, are amended to read as follows:

(a) Any unlicensed alternative fuels user, unless exempt from the tax levied herein, operating an out-of-state motor vehicle, upon entering the State of Arkansas, at the point of entry shall secure a copy of an entry slip from the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized agent or employee.

(b) The entry slip shall be signed by the ~~director~~ secretary or his or her authorized agent or employee, and the entry slip shall also be signed by the driver of the vehicle.

SECTION 1176. Arkansas Code § 26-62-211(d), concerning entry slips,

tax on out-of-state motor vehicle use, and penalties, are amended to read as follows:

(d) The entry slip shall remain in the vehicle for the remainder of the trip over the highways of this state and shall be produced for the inspection of the ~~director~~ secretary or his or her authorized employee or representative, at any point within the state and shall also be produced at the port of exit to the ~~director~~ secretary or his or her authorized agent or employee, for determination of any alternative fuels taxes due the state.

SECTION 1177. The introductory language of Arkansas Code § 26-62-211(g)(1)(B), concerning entry slips, tax on out-of-state motor vehicle use, and penalties, are amended to read as follows:

(B) At the time of the purchase of the fuels, the owner or operator of such vehicle shall obtain from the alternative fuels supplier from whom purchased an invoice or sales ticket, on forms approved by the ~~director~~ secretary, which shall contain the:

SECTION 1178. Arkansas Code § 26-62-211(g)(1)(C), concerning the content of invoices, is amended to read as follows:

(C) The invoice or sales ticket shall remain in the vehicle for the remainder of the trip over the highways of this state. The invoice or sales ticket shall be preserved and retained by the owner or operator for a period of not less than three (3) years and shall be produced for the inspection and examination of the ~~director~~ secretary or his or her authorized agent or employee, at any reasonable time and place, either within or without this state, upon proper demand therefor;

SECTION 1179. Arkansas Code § 26-62-211(g)(2)(A), concerning entry slips, tax on out-of-state motor vehicle use, and penalties, are amended to read as follows:

(2)(A) By the payment to the ~~director~~ secretary or to his or her agent, representative, or employee of the amount of tax which would be due upon a sufficient quantity, as determined above, of alternative fuels to propel the vehicle over the highways of this state.

SECTION 1180. The introductory language of Arkansas Code § 26-62-

211(g)(2)(B), concerning entry slips, tax on out-of-state motor vehicle use, and penalties, are amended to read as follows:

(B) At the time of payment of the tax, the ~~director~~ secretary or his or her employee or representative shall issue to the person paying the tax a receipt showing:

SECTION 1181. Arkansas Code § 26-62-211(g)(2)(B)(vi), concerning entry slips, tax on out-of-state motor vehicle use, and penalties, are amended to read as follows:

(vi) Any other information which the ~~director~~ secretary may require,

which receipt shall be signed by the ~~director~~ secretary or his or her agent or representative.

SECTION 1182. Arkansas Code § 26-62-211(g)(2)(C), concerning entry slips, tax on out-of-state motor vehicle use, and penalties, are amended to read as follows:

(C) The receipt shall remain in the vehicle for the remainder of the trip over the highways of this state and thereafter shall be preserved and retained by the owner or operator for a period of not less than three (3) years and shall be produced for the inspection of the ~~director~~ secretary or his or her authorized agent or representative, at any reasonable time and place, either within or without this state, upon proper demand.

SECTION 1183. Arkansas Code § 26-62-212 is amended to read as follows:

26-62-212. Power to stop, investigate, and impound vehicles — Assessment of tax.

(a) In order to enforce the provisions of this chapter, the ~~Director~~ Secretary of the Department of Finance and Administration or his or her authorized representative is empowered to stop any motor vehicle which appears to be operating with alternative fuels for the purpose of examining the invoices or other documents required by this chapter, or by regulation, and for such other investigative purposes reasonably necessary to determine whether the taxes imposed by this chapter have been paid or whether the vehicle is being operated in compliance with the provisions of this chapter.

(b) If after examination or investigation it is determined by the

~~director~~ secretary or his or her authorized representative that the tax imposed by this chapter has not been paid with respect to the alternative fuels being used in the vehicle, the ~~director~~ secretary or his or her representative shall immediately assess the tax due, together with the penalty hereinafter provided, to the owner of the vehicle and give the owner written notice of the assessment by handing it to the driver of the vehicle.

(c) The ~~director~~ secretary or his or her representative is empowered to impound any vehicle found to be operating in violation of this chapter by a person other than a person who has furnished the bond required of users by § 26-62-204 until such time as any tax assessed as provided herein has been paid.

SECTION 1184. Arkansas Code § 26-62-213(c)(2), concerning the unlawful activities regarding the operation of motor vehicles, is amended to read as follows:

(2) This penalty shall be assessed by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her representative and shall be collected in the same manner as is provided for the collection of tax in § 26-62-212.

SECTION 1185. Arkansas Code § 26-62-214 is amended to read as follows:

26-62-214. Conversion of vehicles for use of alternative fuels.

(a) Any alternative fuels supplier, garage, mechanic, owner, or operator of a motor vehicle who converts or causes a vehicle to be converted to enable the vehicle to be operated on any type of alternative fuels shall report the conversion to the ~~Director~~ Secretary of the Department of Finance and Administration on forms prescribed by the ~~director~~ secretary, which shall include, but not be limited to, the model, make, license number, and vehicle identification number of the converted vehicle within ten (10) days after the conversion.

(b) The converting or equipping of a vehicle for natural gas propulsion shall be in compliance with rules and regulations to be made and promulgated by the ~~director~~ secretary.

(c)(1) It shall be unlawful for any person to operate any motor vehicle which has been converted or equipped to use alternative fuels unless the vehicle has been reported to the ~~director~~ secretary and any permit, if

required by this chapter of that person, has been obtained.

(2) If any owner or operator fails to report a conversion of a vehicle to the ~~director~~ secretary within the time prescribed above, such person shall be assessed a penalty of two hundred fifty dollars ($250) which shall be in addition to any criminal penalty in this chapter.

SECTION 1186. Arkansas Code § 26-63-102(2), concerning Arkansas special excise taxes, is amended to read as follows:

(2) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration or any of his or her authorized agents;

SECTION 1187. Arkansas Code § 26-63-104(a) and (b), concerning administration, rules, and regulations to be promulgated by the Director of the Department of Finance and Administration, are amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall administer this chapter.

(b) The ~~director~~ secretary shall prescribe forms and promulgate rules for the proper enforcement of this chapter, including without limitation the manner and time the taxes levied by this chapter shall be collected, reported, and paid and how a sale will be sourced.

SECTION 1188. Arkansas Code § 26-63-105(b), concerning the cost of administration and the distribution of surplus annually, is amended to read as follows:

(b) If any funds appropriated for the administration of this chapter remain in the possession of the ~~Director~~ Secretary of the Department of Finance and Administration at the end of each fiscal year that have not been actually used in the administration of this chapter, then the funds shall be remitted by the ~~director~~ secretary to the Treasurer of State for distribution in the same manner and for the same purposes provided for in § 26-63-106.

SECTION 1189. Arkansas Code § 26-63-106(a), concerning the disposition of taxes, interest, and penalties, is amended to read as follows:

(a) Except as otherwise provided in this chapter, all taxes, interest, penalties, and costs received by the ~~Director~~ Secretary of the Department of

Finance and Administration under this chapter are general revenues and shall be deposited into the State Treasury to the credit of the State Apportionment Fund.

SECTION 1190. Arkansas Code § 26-63-107 is amended to read as follows:

26-63-107. Changes in law — Notice.

The ~~Director~~ Secretary of the Department of Finance and Administration shall give each special excise tax registrant under § 26-63-201 written notice of any change in the state law pertaining to the taxes levied by this chapter within thirty (30) days after the adjournment of the General Assembly.

SECTION 1191. Arkansas Code § 26-63-201 is amended to read as follows:

26-63-201. Registration required.

(a) It is unlawful for any taxpayer to transact business within this state prior to registering with the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The ~~director~~ secretary may promulgate rules to implement this section.

SECTION 1192. Arkansas Code § 26-63-204 is amended to read as follows:

26-63-204. Discontinuance of business — Unpaid taxes.

(a)(1) Upon discontinuance of a business by sale or otherwise, any taxpayer registered to operate under this chapter shall notify the ~~Director~~ Secretary of the Department of Finance and Administration in writing and remit any unpaid or accrued taxes due under this chapter.

(2) Failure to pay any unpaid or accrued taxes due under this chapter is sufficient cause for the ~~director~~ secretary to refuse to allow the taxpayer to engage in or transact any other business in this state.

(3) In the case of a sale of any business, the tax levied by this chapter is due at the time of the sale of the fixtures and equipment incident to the business, and any tax due under this chapter constitutes a lien against the stock and the fixtures and equipment in the possession of the purchaser of the fixtures and equipment or any other third party until the tax due under this chapter is paid.

(b) The ~~director~~ secretary shall not register a taxpayer to continue

to conduct a business until all tax due under this chapter has been settled and paid.

SECTION 1193. Arkansas Code § 26-63-302(b)(3)(A), concerning rental vehicle tax, is amended to read as follows:

(3)(A) The rental vehicle tax shall be remitted to the ~~Director~~ Secretary of the Department of Finance and Administration and, except for the amount equal to any municipal or county taxes, shall be deposited into the State Treasury as general revenues.

SECTION 1194. Arkansas Code § 26-63-302(c)(2)(A)(i), concerning rental vehicle tax, is amended to read as follows:

(2)(A)(i) The additional rental vehicle tax shall be remitted to the ~~director~~ secretary, who shall deposit seventy-five percent (75%) of the net revenues derived from the additional rental vehicle tax into the Arkansas Public Transit Trust Fund.

SECTION 1195. Arkansas Code § 26-63-304(c), concerning long-term rental vehicle tax, is amended to read as follows:

(c) The long-term rental vehicle tax shall be remitted to the ~~Director~~ Secretary of the Department of Finance and Administration and shall be deposited into the State Treasury as general revenues.

SECTION 1196. Arkansas Code § 26-73-102(3), concerning the definition of "director" under the laws governing local taxes, is amended to read as follows:

(3) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration in the exercise of those powers, functions, and duties formerly vested in the Commissioner of Revenues of the State of Arkansas which were merged into the Department of Finance and Administration under the provisions of § 25-8-101 et seq., or any of his or her authorized agents;

SECTION 1197. Arkansas Code § 26-73-105 is amended to read as follows:

26-73-105. Collection of taxes.

(a) The ~~Director~~ Secretary of the Department of Finance and

Administration shall collect the tax levied under this subchapter and shall perform all functions incident to the administration, collection, enforcement, and operation of the taxes in the manner and following the procedures that are prescribed for the corresponding state taxes.

(b) The ~~director~~ secretary shall deduct from all revenues collected pursuant to this subchapter up to three percent (3%) as a cost of collection.

SECTION 1198. Arkansas Code § 26-73-106 is amended to read as follows:

26-73-106. Revenue Local Tax Revolving Fund — Revenue Local Tax Operating Fund.

(a) There are created on the books of the Treasurer of State, the Auditor of State, and the ~~Director~~ Secretary of the Department of Finance and Administration a Revenue Local Tax Revolving Fund and a Revenue Local Tax Operating Fund.

(b) All taxes collected by the ~~director~~ secretary under this subchapter shall be deposited into the State Treasury and credited to the Revenue Local Tax Revolving Fund and transmitted at least quarterly in each state fiscal year to the local government levying the tax.

SECTION 1199. Arkansas Code § 26-73-107 is amended to read as follows:

26-73-107. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate reasonable rules and regulations not inconsistent with the provisions of this subchapter to implement the enforcement, administration, and collection of the taxes authorized in this subchapter.

SECTION 1200. Arkansas Code § 26-73-109(a)(1)(A)(ii), concerning tax information exchange agreements, is amended to read as follows:

(ii) ~~Director~~ Secretary of the Department of Finance and Administration; or

SECTION 1201. Arkansas Code § 26-73-109(a)(2), concerning tax information exchange agreements, is amended to read as follows:

(2) In all other matters concerning the release of tax information, including its release to law enforcement agencies, the local government shall be governed by state law in the same manner as is the

~~director~~ secretary.

SECTION 1202. Arkansas Code § 26-74-203(), concerning the definition of "director" under the laws governing sales and use taxes for capital improvements, is amended to read as follows:

(5) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration, or any successor of the ~~director~~ secretary, or any authorized agent of the ~~director~~ secretary;

SECTION 1203. Arkansas Code § 26-74-204(c), concerning the issuance of bonds, is amended to read as follows:

(c) There may be successive bond issues for the purpose of financing the same project, and there may be successive bond issues for financing the cost of reconstructing, replacing, constructing additions to, extending, improving, and equipping projects already in existence, whether or not originally financed by bonds issued under this subchapter, and with each successive issue to be authorized as provided by this subchapter. Priority between and among issues and successive issues as to security of the pledge of revenues and lien on the project facilities involved may be controlled by the ordinance authorizing the issuance of bonds under this subchapter. Subject to the provisions of this subchapter pertaining to registration, the bonds shall have all the qualities of negotiable instruments under the laws of the State of Arkansas. A copy of the ordinance authorizing bonds under this subchapter, certified by the county clerk of the county, shall be filed with the ~~Director~~ Secretary of the Department of Finance and Administration and with the Treasurer of State.

SECTION 1204. Arkansas Code § 26-74-208(b)(3)(D)(i), concerning the form of a ballot for a sales and use tax, is amended to read as follows:

(D)(i) To extend the sales and use tax levied under this subchapter to a new expiration date, the county shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the new expiration date that was approved by the voters after publication of the proclamation has occurred and at least ninety (90) days before the current expiration date of the sales and use tax.

SECTION 1205. Arkansas Code § 26-74-209(d)(1), concerning the conduct of elections, results, and challenges, is amended to read as follows:

(d)(1) The county court shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the countywide tax after publication of the proclamation has occurred and ninety (90) days before the effective date of the tax.

SECTION 1206. Arkansas Code § 26-74-209(d)(2)(A)(i), concerning the conduct of elections, results, and challenges, is amended to read as follows:

(2)(A)(i) Except as provided in subdivision (d)(2)(A)(ii) of this section, if an election challenge is not timely filed, the countywide tax shall be levied, effective on the first day of the first month of the calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers and after the expiration of the thirty-day challenge period, on the gross receipts from the sale at retail within the county of all items and services that are subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

SECTION 1207. Arkansas Code § 26-74-211 is amended to read as follows:

26-74-211. Notification of results.

(a) Within ten (10) days after the certification of the votes of any election resulting in the adoption or abolition of a tax levied pursuant to this subchapter and ninety (90) days before its effective date, the county court shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the results.

(b) A rate change will be effective only on the first day of a calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers.

(c) A rate change on a purchase from a printed catalog in which the purchaser computed the tax based upon local tax rates published in the catalog will be applicable on the first day of a calendar quarter after a minimum of one hundred twenty (120) days' notice by the ~~director~~ secretary to the sellers.

(d) For sales and use tax purposes only, a local boundary change will become effective on the first day of a calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers.

SECTION 1208. Arkansas Code § 26-74-213(b)(1), concerning county tax rebates, is amended to read as follows:

(b)(1) If a rebate would be due pursuant to the provisions of this subchapter as a result of the purchase of a new or used motor vehicle and if the tax on the new or used motor vehicle is collected directly from the purchaser pursuant to the provisions of § 26-52-510, then the ~~Director~~ Secretary of the Department of Finance and Administration shall collect only the amount of tax due less the amount to which the purchaser would be entitled under the rebate provisions of this subchapter.

SECTION 1209. Arkansas Code § 26-74-214(a)(1), concerning the disposition of county sales and use taxes, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall maintain a record of the total amount of tax collected pursuant to this subchapter and other subchapters authorizing county sales and use taxes in each county and shall deposit all such revenues with the Treasurer of State.

SECTION 1210. The introductory language of Arkansas Code § 26-74-214(e)(1), concerning the disposition of county sales and use taxes, is amended to read as follows:

(e)(1) When any tax adopted by a county pursuant to this subchapter is abolished, the ~~director~~ secretary shall retain in the account of that county in the Local Sales and Use Tax Trust Fund for a period of one (1) year an amount equal to five percent (5%) of the final remittance to the county and municipalities in the county at the time of termination of the collection of the tax to:

SECTION 1211. Arkansas Code § 26-74-214(e)(2), concerning the disposition of county sales and use taxes, is amended to read as follows:

(2) After one (1) year has elapsed after the effective date of the abolition of the tax in any county, the ~~director~~ secretary shall transfer the balance in that county's account to the county and municipalities in the county and shall close the account.

SECTION 1212. Arkansas Code § 26-74-214(f), concerning the disposition of county sales and use taxes, is amended to read as follows:

(f)(1) As indicated by a certified copy of an ordinance of the quorum court of the county previously filed with the ~~director~~ secretary and the Treasurer of State, any moneys collected that are pledged to secure lease rentals or the payment of bonds authorized by this subchapter shall not be deposited into the State Treasury but shall be deposited by the Treasurer of State into a bank or banks designated by the county, as cash funds, and transmitted to the county subject to the charges payable and retainage authorized in this section.

(2) Charges deducted shall be transmitted to the Treasurer of State, and amounts retained shall be retained by the ~~director~~ secretary as cash funds.

SECTION 1213. Arkansas Code § 26-74-215 is amended to read as follows:

26-74-215. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate reasonable rules and regulations not inconsistent with the provisions of this subchapter to implement the administration, collection, enforcement, and operation of the taxes authorized in this subchapter.

SECTION 1214. Arkansas Code § 26-74-216 is amended to read as follows:

26-74-216. Procedures and penalties for enforcement.

(a) The procedures and penalties used by the ~~Director~~ Secretary of the Department of Finance and Administration in enforcing any local tax imposed pursuant to this subchapter shall be the same as for the state gross receipts tax and compensating tax, as set out in the Arkansas Tax Procedure Act, § 26-18-101 et seq., except as specifically set out in this subchapter.

(b)(1) When property is seized by the ~~director~~ secretary under the provisions of any law authorizing seizure of property of a taxpayer who is delinquent in payment of the taxes imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and when the taxpayer is also delinquent in payment of any tax imposed by this subchapter, the ~~director~~ secretary shall sell sufficient property to pay the delinquent taxes and penalty due to any city or county under this subchapter in addition to that required to pay any amount due to

the state under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(2) The proceeds from such sale shall first be applied to all sums due to the state, and the remainder, if any, shall be applied to all sums due to the city or county.

SECTION 1215. Arkansas Code § 26-74-220(v), concerning the maximum tax limitation for county general sales or use taxes. is amended to read as follows:

(c) This section applies only to a tax collected by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1216. Arkansas Code § 26-74-303(5), concerning the definition of "director" under the laws governing sales taxes for capital improvements, is amended to read as follows:

(5) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration, any successor of the ~~director~~ secretary, or any authorized agent of the ~~director~~ secretary;

SECTION 1217. Arkansas Code § 26-74-304(c), concerning the issuance of bonds by counties, is amended to read as follows:

(c) There may be successive bond issues for the purpose of financing the same project, and there may be successive bond issues for financing the cost of reconstructing, replacing, constructing additions to, extending, improving, and equipping projects already in existence, whether or not originally financed by bonds issued under this subchapter, and with each successive issue to be authorized as provided by this subchapter. Priority between and among issues and successive issues as to security of the pledge of revenues and lien on the project facilities involved may be controlled by the ordinance authorizing the issuance of bonds under this subchapter. Subject to the provisions of this subchapter pertaining to registration, the bonds shall have all the qualities of negotiable instruments under the laws of the State of Arkansas. A copy of the ordinance authorizing bonds under this subchapter, certified by the county clerk of the county, shall be filed with the ~~Director~~ Secretary of the Department of Finance and Administration and with the Treasurer of State.

SECTION 1218. Arkansas Code § 26-74-308(b)(3)(D)(i), concerning the form of a ballot for a county sales and use tax, is amended to read as follows:

(D)(i) To extend the sales and use tax levied under this subchapter to a new expiration date, the county shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the new expiration date that was approved by the voters after publication of the proclamation has occurred and at least ninety (90) days before the current expiration date of the sales and use tax.

SECTION 1219. Arkansas Code § 26-74-309(d), concerning challenges, results, and conduct of elections, is amended to read as follows:

(d)(1) The county court shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the countywide tax after publication of the proclamation has occured and ninety (90) days before the effective date of the tax.

(2)(A) Except as provided in subdivision (d)(2)(B) of this section, if an election challenge is not timely filed, the countywide tax shall be levied, effective on the first day of the first month of the calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers and after the expiration of the thirty-day challenge period, on the gross receipts from the sale at retail within the county of all items and services that are subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(B) The effective date of the levy of the countywide tax may be delayed under § 26-74-308(d).

SECTION 1220. Arkansas Code § 26-74-311 is amended to read as follows:

26-74-311. Notification of results.

(a) Within ten (10) days after the certification of the votes of any election resulting in the adoption or abolition of a tax levied pursuant to this subchapter and ninety (90) days before the effective date, the county court shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the results.

(b) A rate change will become effective only on the first day of a calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers.

(c) A rate change on a purchase from a printed catalog in which the purchaser computed the tax based upon local tax rates published in the catalog will be applicable beginning on the first day of a calendar quarter after a minimum of one hundred twenty (120) days' notice by the ~~director~~ secretary to the sellers.

(d) For sales and use tax purposes only, a local boundary change will become effective only on the first day of a calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers.

SECTION 1221. Arkansas Code § 26-74-312 is amended to read as follows:

26-74-312. Administration, collection, etc., of tax.

(a) On and after the effective date of any tax imposed under the provisions of this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall perform all functions incidental to the administration, collection, enforcement, and operation of the tax.

(b) In addition to the state gross receipts tax, the ~~director~~ secretary shall collect an additional tax under the authority of this subchapter on the gross receipts from the sale of all items and services that are subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(c)(1) The tax imposed under this subchapter and the tax imposed under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the ~~director~~ secretary not inconsistent with the provisions of this subchapter.

(2)(A) Each vendor who is liable for one (1) or more city sales or use taxes shall report a combined city sales tax and a combined city use tax on his or her sales and use tax report.

(B) The combined city sales tax is equal to the sum of all sales taxes levied by a city under this subchapter or any other provision of the Arkansas Code.

(C) The combined city use tax is equal to the sum of all use taxes levied by a city under this subchapter or any other provision of

the Arkansas Code.

(3) This subsection only applies to a tax collected by the ~~director~~ secretary.

(d) On and after the effective date of any proposition to abolish a tax levied pursuant to this subchapter, the ~~director~~ secretary shall comply with the proposition as provided in this subchapter.

SECTION 1222. Arkansas Code § 26-74-313(a)-(c), concerning the disposition of funds, are amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall maintain a record of the total amount of tax collected pursuant to this subchapter and other subchapters authorizing county sales and use taxes in each county. The ~~director~~ secretary shall determine the population of the unincorporated area of each of the counties and shall furnish the information to the Treasurer of State.

(b) Except as set forth in subsections (c), (e), and (f) of this section, any tax collected by the ~~director~~ secretary under this subchapter on behalf of any county shall be deposited with the Treasurer of State in trust and shall be kept in a separate suspense account.

(c) Any moneys collected by the ~~director~~ secretary, as indicated by a certified copy of an ordinance of the quorum court of the county, previously filed with the ~~director~~ secretary and the Treasurer of State, which are pledged to secure the payment of lease rentals or bonds authorized by this subchapter shall not be deposited into the State Treasury but shall be deposited by the Treasurer of State into banks designated by the county, as cash funds, and transmitted to the county subject to the charges payable to the State of Arkansas set forth in subsection (d) of this section. Charges deducted shall be transmitted to the Treasurer of State.

SECTION 1223. Arkansas Code § 26-74-313(d)(1), concerning the disposition of funds, is amended to read as follows:

(d)(1) The Treasurer of State shall transmit to the treasurer or financial officer of each city and county its per capita share, after deducting the amount required for claims, overpayments, and bad checks, as certified by the ~~director~~ secretary.

SECTION 1224. Arkansas Code § 26-74-313(d)(4)-(6), concerning the disposition of funds, are amended to read as follows:

(4) The ~~director~~ secretary is authorized to retain in the suspense account a balance not to exceed five percent (5%) of the amount remitted to the local governments. The ~~director~~ secretary is authorized to make refunds from the suspense account of any overpayments made and to redeem dishonored checks and drafts deposited to the credit of the suspense account.

(5) When any tax adopted pursuant to this subchapter is thereafter abolished, the ~~director~~ secretary shall retain in the suspense account for a period of one (1) year five percent (5%) of the final remittance to the local governments at the time of termination of collection of the tax to:

(A) Cover possible refunds for overpayment of the tax; and

(B) Redeem dishonored checks and drafts deposited to the credit of the suspense account.

(6) After one (1) year has elapsed after the effective date of the abolishment of the tax, the ~~director~~ secretary shall remit the balance of the account to the governing bodies of the cities and counties and close the account.

SECTION 1225. Arkansas Code § 26-74-314 is amended to read as follows:

26-74-314. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate reasonable rules and regulations not inconsistent with the provisions of this subchapter to implement the enforcement, administration, and collection of the taxes authorized in this subchapter.

SECTION 1226. Arkansas Code § 26-74-320(c), concerning maximum tax limitation for county general sales or use taxes, is amended to read as follows:

(c) This section applies only to taxes collected by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1227. Arkansas Code § 26-74-321(a), concerning the procedures and penalties for enforcement of a local tax, is amended to read as follows:

(a) The procedures and penalties used by the ~~Director~~ Secretary of the

Department of Finance and Administration in enforcing any local tax imposed pursuant to this subchapter shall be the same as for the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., as set out in the Arkansas Tax Procedure Act, § 26-18-101 et seq., except as specifically set out in this subchapter.

SECTION 1228. Arkansas Code § 26-74-321(b)(1), concerning the procedures and penalties for enforcement of a local tax, is amended to read as follows:

(b)(1) When property is seized by the ~~director~~ secretary under the provisions of any law authorizing seizure of property of a taxpayer who is delinquent in payment of the taxes imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and when the taxpayer is also delinquent in payment of any tax imposed by this subchapter, the ~~director~~ secretary shall sell sufficient property to pay the delinquent taxes and penalty due to any city or county under this subchapter in addition to that required to pay any amount due to the state under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

SECTION 1229. Arkansas Code § 26-74-401(2), concerning the definition of "director" under the laws governing sales and use tax for counties without existing tax, is amended to read as follows:

(2) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration, or any successor thereof, or any authorized agent thereof.

SECTION 1230. Arkansas Code § 26-74-404(d)(1), concerning election challenges and results, is amended to read as follows:

(d)(1) The county court shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the tax after publication of the proclamation has occurred and ninety (90) days before the effective date of the tax.

SECTION 1231. Arkansas Code § 26-74-404(d)(2)(A), concerning election challenges and results, is amended to read as follows:

(2)(A) If no election challenge is timely filed, there shall be levied, effective on the first day of the first month of the calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers and after the expiration of the thirty-day challenge period, a one-half percent (0.5%) tax on the gross receipts from the sale of all items that are subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

SECTION 1232. Arkansas Code § 26-74-406 is amended to read as follows:

26-74-406. Notification of results.

(a) Within ten (10) days after the certification of the votes of any election resulting in the adoption of a tax levied pursuant to this subchapter and ninety (90) days before the effective date of the rate change, the county court shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the results.

(b) A rate change will become effective only on the first day of a calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers.

(c) A rate change on a purchase from a printed catalog in which the purchaser computed the tax based upon local tax rates published in the catalog will be applicable beginning on the first day of a calendar quarter after a minimum of one hundred twenty (120) days' notice by the ~~director~~ secretary to the sellers.

(d) For sales and use tax purposes only, a local boundary change will become effective only on the first day of a calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers.

SECTION 1233. Arkansas Code § 26-74-408(b)(1), concerning county tax rebates, is amended to read as follows:

(b)(1) When a rebate would be due pursuant to the provisions of this subchapter as a result of the purchase of a new or used motor vehicle and when the tax on the new or used motor vehicle is collected directly from the purchaser pursuant to the provisions of § 26-52-510, then the ~~Director~~ Secretary of the Department of Finance and Administration shall collect only the amount of tax due less the amount to which the purchaser would be entitled under the rebate provisions of this subchapter.

SECTION 1234. Arkansas Code § 26-74-409(a)(1), concerning the disposition of funds, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall maintain a record of the total amount of tax collected pursuant to this subchapter and all other subchapters authorizing a county sales and use tax in each county and shall deposit all such revenues with the Treasurer of State.

SECTION 1235. The introductory language of Arkansas Code § 26-74-409(e), concerning the disposition of funds, is amended to read as follows:

(e) When any tax adopted by a county pursuant to this subchapter ceases, the ~~director~~ secretary shall retain in the account of that county in the Local Sales and Use Tax Trust Fund for a period of one (1) year an amount equal to five percent (5%) of the final remittance to the county and municipalities therein at the time of termination of the collection of the tax to:

SECTION 1236. Arkansas Code § 26-74-409(f), concerning the disposition of funds, is amended to read as follows:

(f) After one (1) year has elapsed after the tax ceases in any county, the ~~director~~ secretary shall transfer the balance in that county's account to the county and shall close the account.

SECTION 1237. Arkansas Code § 26-74-410 is amended to read as follows:

26-74-410. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate reasonable rules and regulations not inconsistent with the provisions of this subchapter to implement the administration, collection, enforcement, and operation of the taxes authorized in this subchapter.

SECTION 1238. Arkansas Code § 26-74-411(a), concerning the procedures and penalties for enforcement of local taxes, is amended to read as follows:

(a) The procedures and penalties used by the ~~Director~~ Secretary of the Department of Finance and Administration in enforcing any local tax imposed pursuant to this subchapter shall be the same as for the state gross receipts

tax and compensating tax, as set out in the Arkansas Tax Procedure Act, § 26-18-101 et seq., except as specifically set out in this subchapter.

SECTION 1239. Arkansas Code § 26-74-411(b)(1), concerning the procedures and penalties for enforcement of local taxes, is amended to read as follows:

(b)(1) When property is seized by the ~~director~~ secretary under the provisions of any law authorizing seizure of property of a taxpayer who is delinquent in payment of the taxes imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and when the taxpayer is also delinquent in payment of any tax imposed by this subchapter, the ~~director~~ secretary shall sell sufficient property to pay the delinquent taxes and penalty due to any county under this subchapter in addition to that required to pay any amount due to the state under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

SECTION 1240. Arkansas Code § 26-74-412(a)(2), concerning the maximum tax limitation, is amended to read as follows:

(2) A vendor collecting, reporting, and remitting the county sales or use taxes shall show county sales taxes as a separate entry on the tax report form filed with the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1241. Arkansas Code § 26-74-601(2), concerning the definition of "director" under the laws governing sales and use taxes for the capital improvements of a community college, is amended to read as follows:

(2) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration, any successor of the ~~director~~ secretary, or any authorized agent of the ~~director~~ secretary;

SECTION 1242. Arkansas Code § 26-74-605(e)(1)(A), concerning the conduct of election and results, and challenges, is amended to read as follows:

(e)(1)(A) If a challenge to an election called under § 26-74-603(b) is not timely filed, there shall be levied effective on the first day of the

first month of the calendar quarter after a minimum of sixty (60) days' notice by the ~~Director~~ Secretary of the Department of Finance and Administration to sellers and subsequent to the expiration of the thirty-day challenge period a countywide tax on the gross receipts from the sale at retail within the eligible county of all items that are subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

SECTION 1243. Arkansas Code § 26-74-605(h)(1), concerning the conduct of election and results, and challenges, is amended to read as follows:

(h)(1) To extend the period for the levy of a tax under § 26-74-603(c), after the publication of the proclamation has occurred and at least ninety (90) days before the current period for the levy of the tax is set to expire, the county shall notify the ~~director~~ secretary of the new period for the levy of the tax that was approved by the voters.

SECTION 1244. Arkansas Code § 26-74-607 is amended to read as follows:

26-74-607. Notification of results.

Within ten (10) days after the certification of the votes of any election resulting in the adoption or abolition of a tax levied pursuant to this subchapter and ninety (90) days before the effective date of the tax, the county judge shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the results.

SECTION 1245. Arkansas Code § 26-74-609(a)(1), concerning the disposition of funds, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall maintain a record of the total amount of tax collected pursuant to this subchapter and all other subchapters authorizing a county sales and use tax in each eligible county and shall deposit all such revenues with the Treasurer of State.

SECTION 1246. The introductory language of Arkansas Code § 26-74-609(e), concerning the disposition of funds, is amended to read as follows:

(e) When any tax adopted by an eligible county pursuant to this subchapter ceases, the ~~director~~ secretary shall retain in the account of that eligible county in the Local Sales and Use Tax Trust Fund for a period of one

(1) year an amount equal to five percent (5%) of the final remittance to the eligible county at the time of termination of the collection of the tax to:

SECTION 1247. The introductory language of Arkansas Code § 26-74-609(f), concerning the disposition of funds, is amended to read as follows:

(f) After one (1) year has elapsed after the tax ceases in any eligible county, the ~~director~~ secretary shall transfer the balance in that eligible county's account to the eligible county and shall close the account.

SECTION 1248. Arkansas Code § 26-74-610 is amended to read as follows:

26-74-610. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate reasonable rules and regulations not inconsistent with the provisions of this subchapter to implement the administration, collection, enforcement, and operation of the taxes authorized in this subchapter.

SECTION 1249. Arkansas Code § 26-74-611 is amended to read as follows:

26-74-611. Procedures and penalties for enforcement.

(a) The procedures and penalties used by the ~~Director~~ Secretary of the Department of Finance and Administration in enforcing any tax imposed pursuant to this subchapter shall be the same as for the state gross receipts tax and the state compensating tax, as set out in the Arkansas Tax Procedure Act, § 26-18-101 et seq., except as specifically set out in this subchapter.

(b)(1) When property is seized by the ~~director~~ secretary under the provisions of any law authorizing seizure of property of a taxpayer who is delinquent in payment of the taxes imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and when the taxpayer is also delinquent in payment of any tax imposed by this subchapter, the ~~director~~ secretary shall sell sufficient property to pay the delinquent taxes and penalty due to any eligible county under this subchapter in addition to that required to pay any amount due to the state under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(2) The proceeds from the sale shall first be applied to all sums due to the state, and the remainder, if any, shall be applied to all sums due to the eligible county.

SECTION 1250. Arkansas Code § 26-74-612(b), concerning maximum tax limitations, is amended to read as follows:

(b) A vendor collecting, reporting, and remitting the tax shall show the tax as a separate entry on the tax report form filed with the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1251. Arkansas Code § 26-75-203(6), concerning the definition of "director" under the sales and use tax for capital improvements, is amended to read as follows:

(6) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration, any successor of the ~~director~~ secretary, or any authorized agent of the ~~director~~ secretary;

SECTION 1252. Arkansas Code § 26-75-204(c), concerning the issuance of bonds, is amended to read as follows:

(c) There may be successive bond issues for the purpose of financing the same project, and there may be successive bond issues for financing the cost of reconstructing, replacing, constructing additions to, extending, improving, and equipping projects already in existence, whether or not originally financed by bonds issued under this subchapter, and with each successive issue to be authorized as provided by this subchapter. Priority between and among issues and successive issues as to security of the pledge of revenues and lien on the project facilities involved may be controlled by the ordinance authorizing the issuance of bonds under this subchapter. Subject to the provisions of this subchapter pertaining to registration, the bonds shall have all the qualities of negotiable instruments under the laws of the State of Arkansas. A copy of the ordinance authorizing bonds under this subchapter, certified by the clerk or recorder of the city, shall be filed with the ~~Director~~ Secretary of the Department of Finance and Administration and with the Treasurer of State.

SECTION 1253. Arkansas Code § 26-75-208(b)(3)(D)(i), concerning the requirement for a special election, is amended to read as follows:

(D)(i) To extend the sales and use tax levied under this subchapter to a new expiration date, the city shall notify the ~~Director~~

Secretary of the Department of Finance and Administration of the new expiration date that was approved by the voters after publication of the proclamation has occurred and at least ninety (90) days before the current expiration date of the sales and use tax.

SECTION 1254. The introductory language of Arkansas Code § 26-75-209, concerning the effective date of an ordinance, is amended to read as follows:

In order to provide time for the preparations for election set forth in this subchapter and to provide for the accomplishment of the administrative duties of the ~~Director~~ Secretary of the Department of Finance and Administration, the following effective dates are applicable with reference to any such ordinance levying such tax:

SECTION 1255. Arkansas Code § 26-75-209(l)(D)(i) and (ii), concerning the effective date of an ordinance, are amended to read as follows:

(D)(i) The mayor of the city shall notify the ~~director~~ secretary of the rate change after publication of the proclamation has occurred and ninety (90) days before the effective date of the tax.

(ii) If an election challenge is not filed within the thirty-day challenge period, the ordinance or petition described in § 26-75-207 shall become effective on the first day of the first month of the calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers and after the expiration of the full thirty-day period of challenge.

SECTION 1256. Arkansas Code § 26-75-209(l)(E), concerning the effective date of an ordinance, is amended to read as follows:

(E) The rate change shall become applicable on the first day of a quarter after one hundred twenty (120) days' notice by the ~~director~~ secretary to sellers on a purchase from a printed catalog in which the purchaser computed the tax based upon local tax rates published in the catalog; and

SECTION 1257. Arkansas Code § 26-75-210(d)(l), concerning the abolishment of tax, is amended to read as follows:

(d)(l) The effective date of any affirmative vote by the governing

body of the city to abolish the tax under subsection (a) of this section shall be on the first day of the calendar quarter after the expiration of ninety (90) days from the date a written statement signed by the chief executive officer of the city abolishing the tax is filed with the ~~Director~~ Secretary of the Department of Finance and Administration certifying that the governing body of the city has adopted an ordinance abolishing the tax.

SECTION 1258. Arkansas Code § 26-75-211 is amended to read as follows:

26-75-211. Notification required.

(a) As soon as is feasible, and no later than ten (10) days following each of the events set forth in the ordinance with reference to the procedure for the adoption or abolition of a tax and the effective dates of such an action, the city clerk of the city shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of such event.

(b)(1) If any city in which a local sales and use tax has been imposed in the manner provided for in this subchapter shall thereafter change or alter its boundaries, the city clerk of the city shall forward to the ~~director~~ secretary at least ninety (90) days before the effective date a certified copy of the ordinance adding or detaching territory from the city, which shall be accompanied by a map clearly showing the territory added or detached.

(2) After receipt of the ordinance and map, the tax imposed under this subchapter shall be effective in the added territory or abolished in the detached territory on the first day of the first month of the calendar quarter following the expiration of sixty (60) days' notice by the ~~director~~ secretary to sellers.

SECTION 1259. Arkansas Code § 26-75-212(b), concerning the collection of local sales and use taxes, is amended to read as follows:

(b) The tax levied in this subchapter on new and used motor vehicles shall be collected by the ~~Director~~ Secretary of the Department of Finance and Administration directly from the purchaser in the manner prescribed in § 26-52-510.

SECTION 1260. Arkansas Code § 26-75-212(c)(4), concerning the collection of local sales and use taxes, is amended to read as follows:

(4) This subsection only applies to a tax collected by the ~~director~~ secretary.

SECTION 1261. Arkansas Code § 26-75-214(a) and (b), concerning the administration and collection of taxes, are amended to read as follows:

(a) On and after the effective date of any tax imposed under the provisions of this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall perform all functions incidental to the administration, collection, enforcement, and operation of the tax.

(b) In addition to the state gross receipts tax and compensating tax, the ~~director~~ secretary shall collect an additional tax under the authority of this subchapter on the receipts from the sale at retail or on the sale price or lease or rental price on the storage, use, distribution, or other consumption of all taxable items and services subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

SECTION 1262. Arkansas Code § 26-75-214(c)(1), concerning the administration and collection of taxes, is amended to read as follows:

(c)(1) The tax imposed under this subchapter and the tax imposed under the gross receipts tax and compensating tax shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the ~~director~~ secretary not inconsistent with the provisions of this subchapter.

SECTION 1263. Arkansas Code § 26-75-214(c)(5), concerning the administration and collection of taxes, is amended to read as follows:

(5) This subsection only applies to a tax collected by the ~~director~~ secretary.

SECTION 1264. Arkansas Code § 26-75-214(d), concerning the administration and collection of taxes, is amended to read as follows:

(d) On and after the effective date of any proposition to abolish such local sales and use tax in any city, the ~~director~~ secretary shall comply with the proposition as provided in this subchapter.

SECTION 1265. Arkansas Code § 26-75-217(b)(2), concerning the disposition of funds, is amended to read as follows:

(2) The Treasurer of State is authorized to make refunds from the suspense account of any city for overpayments made to such accounts, after such refunds have been approved by the ~~Director~~ Secretary of the Department of Finance and Administration, and to redeem dishonored checks and drafts deposited to the credit of the suspense account of such cities.

SECTION 1266. Arkansas Code § 26-75-217(d), concerning the disposition of funds, is amended to read as follows:

(d) Any moneys collected which as indicated by a certified copy of an ordinance of the city previously filed with the ~~director~~ secretary and the Treasurer of State are pledged to secure lease rentals or the payment of bonds authorized by this subchapter shall not be deposited into the State Treasury but shall be deposited by the Treasurer of State into banks designated by the city as cash funds and transmitted to the city subject to the charges payable and retainage authorized in this section. Charges deducted shall be transmitted to the Treasurer of State, and amounts retained shall be retained by the Treasurer of State as cash funds.

SECTION 1267. Arkansas Code § 26-75-218 is amended to read as follows:

26-75-218. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate reasonable rules and regulations not inconsistent with the provisions of this subchapter to implement the enforcement, administration, and collection of the taxes authorized in this subchapter.

SECTION 1268. Arkansas Code § 26-75-219(a), concerning the procedures and penalties for enforcement of a local tax, is amended to read as follows:

(a) The procedures and penalties used by the ~~Director~~ Secretary of the Department of Finance and Administration in enforcing any local tax imposed pursuant to this subchapter shall be the same as for the state gross receipts tax and compensating tax, except as specifically set out in this subchapter.

SECTION 1269. Arkansas Code § 26-75-219(b)(1), concerning the procedures and penalties for enforcement of a local tax, is amended to read

as follows:

(b)(1) When property is seized by the ~~director~~ secretary under the provisions of any law authorizing seizure of property of a taxpayer who is delinquent in payment of the taxes imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and when such taxpayer is also delinquent in payment of any tax imposed by this subchapter, the ~~director~~ secretary shall sell sufficient property to pay the delinquent taxes and penalty due to any city under this subchapter in addition to that required to pay any amount due to the state under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

SECTION 1270. Arkansas Code § 26-75-222(c), concerning the maximum tax limitation, is amended to read as follows:

(c) This section only applies to a tax collected by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1271. Arkansas Code § 26-75-303(6), concerning the definition of "director" under the laws regarding sales taxes for capital improvements, is amended to read as follows:

(6) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration, or any successor of the ~~director~~ secretary, or any authorized agent of the ~~director~~ secretary;

SECTION 1272. Arkansas Code § 26-75-304(c), concerning the issuance of bonds for capital improvements of a public nature, is amended to read as follows:

(c) There may be successive bond issues for the purpose of financing the same project, and there may be successive bond issues for financing the cost of reconstructing, replacing, constructing additions to, extending, improving, and equipping projects already in existence, whether or not originally financed by bonds issued under this subchapter, and with each successive issue to be authorized as provided by this subchapter. Priority between and among issues and successive issues as to security of the pledge of revenues and lien on the project facilities involved may be controlled by the ordinance authorizing the issuance of bonds under this subchapter.

Subject to the provisions of this subchapter pertaining to registration, the bonds shall have all the qualities of negotiable instruments under the laws of the State of Arkansas. A copy of the ordinance authorizing bonds under this subchapter, certified by the clerk or recorder of the city, shall be filed with the ~~Director~~ Secretary of the Department of Finance and Administration and with the Treasurer of State.

SECTION 1273. Arkansas Code § 26-75-308(c)(3)(D)(i), concerning a special election to approve the levying of a local sales and use tax, is amended to read as follows:

(D)(i) To extend the sales and use tax levied under this subchapter to a new expiration date, the city shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the new expiration date that was approved by the voters after publication of the proclamation has occurred and at least ninety (90) days before the current expiration date of the sales and use tax.

SECTION 1274. The introductory language of Arkansas Code § 26-75-309, concerning the effective date of an ordinance, is amended to read as follows:

In order to provide time for the preparations for election set forth in this subchapter and to provide for the accomplishment of the administrative duties of the ~~Director~~ Secretary of the Department of Finance and Administration, the following effective dates are applicable with reference to any such ordinance levying such tax:

SECTION 1275. Arkansas Code § 26-75-309(1)(D)(i) and (ii), concerning the effective date of an ordinance, are amended to read as follows:

(D)(i) The mayor of the city shall notify the ~~director~~ secretary after publication of the proclamation has occurred and ninety (90) days before the effective date of the tax.

(ii) If an election challenge is not filed within the thirty-day challenge period, the ordinance or petition described in § 26-75-307 shall become effective on the first day of the first month of the calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers and after the expiration of the full thirty-day period of challenge.

SECTION 1276. Arkansas Code § 26-75-309(l)(E), concerning the effective date of an ordinance, is amended to read as follows:

(E) The rate change shall become applicable on the first day of a quarter after one hundred twenty (120) days' notice by the ~~director~~ secretary to sellers on a purchase from a printed catalog in which the purchaser computed the tax based upon local tax rates published in the catalog; and

SECTION 1277. Arkansas Code § 26-75-310(g)(1), concerning the abolishment of a local sales and use tax, is amended to read as follows:

(g)(1) The effective date of any affirmative vote by the governing body of the city to abolish the tax under subsection (b) of this section shall be on the first day of the calendar quarter after the expiration of ninety (90) days from the date a written statement signed by the chief executive officer of the city abolishing the tax is filed with the ~~Director~~ Secretary of the Department of Finance and Administration certifying that the governing body of the city has adopted an ordinance abolishing the tax.

SECTION 1278. Arkansas Code § 26-75-311 is amended to read as follows:

26-75-311. Notification required.

(a)(1) As soon as is practicable, and no later than ten (10) days following each of the events set forth in the ordinance with reference to the procedure for the adoption or abolition of such tax and the effective dates of such action, the city clerk of the city shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of such event.

(2) Accompanying the first of any such notices, the city clerk shall send to the ~~director~~ secretary a map of the city clearly showing the boundaries of the city.

(b)(1) If any such city in which a local sales and use tax has been imposed in the manner provided for in this subchapter shall thereafter change or alter its boundaries, the city clerk of the city shall forward to the ~~director~~ secretary at least ninety (90) days before the effective date a certified copy of the ordinance adding or detaching territory from the city, which shall be accompanied by a map clearly showing the territory added or detached.

(2) After receipt of the ordinance and the map, the tax imposed under this subchapter shall be effective in the added territory or abolished in the detached territory on the first day of the first month of the calendar quarter following the expiration of thirty (30) days from the date that the annexation or detachment becomes effective or after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers, whichever expires last.

SECTION 1279. Arkansas Code § 26-75-312(d)(3), concerning the collection of a local sales and use tax, is amended to read as follows:

(3) This subsection applies only to taxes collected by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1280. Arkansas Code § 26-75-313 is amended to read as follows:

26-75-313. Disposition of funds.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall maintain a record of the total amount of tax collected pursuant to this subchapter and other subchapters authorizing city sales taxes in each city and shall deposit all such revenues with the Treasurer of State.

(b) Any moneys collected by the ~~director~~ secretary which as indicated by a certified copy of an ordinance of the city previously filed with the ~~director~~ secretary and the Treasurer of State, are pledged to secure the payment of lease rentals or bonds authorized by this subchapter shall not be deposited into the State Treasury but shall be deposited by the Treasurer of State into banks designated by the city as cash funds and transmitted to the city subject to the charges payable to the State of Arkansas set forth in § 26-75-217.

SECTION 1281. Arkansas Code § 26-75-314 is amended to read as follows:

26-75-314. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate reasonable rules and regulations not inconsistent with the provisions of this subchapter to implement the enforcement, administration, and collection of the taxes authorized in this subchapter.

SECTION 1282. Arkansas Code § 26-75-316(c) and (d), concerning an

excise tax on storage, use, or other consumption, are amended to read as follows:

(c) The tax imposed under this subchapter and the tax imposed under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq. and Arkansas Compensating Tax Act of 1949 § 26-53-101 et seq., shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration not inconsistent with the provisions of this subchapter.

(d) On and after the effective date of any proposition to abolish such local sales and use tax in any city, the ~~director~~ secretary shall comply with the proposition as provided in this subchapter.

SECTION 1283. Arkansas Code § 26-75-319(c), concerning maximum tax limitations, is amended to read as follows:

(c) This section only applies to a tax collected by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1284. Arkansas Code § 26-75-320 is amended to read as follows:

26-75-320. Procedures and penalties for enforcement.

(a) The procedures and penalties used by the ~~Director~~ Secretary of the Department of Finance and Administration in enforcing any local tax imposed pursuant to this subchapter shall be the same as for the gross receipts tax and compensating tax, as set out in the Arkansas Tax Procedure Act, § 26-18-101 et seq., except as specifically set out in this subchapter.

(b)(1) When property is seized by the ~~director~~ secretary under the provisions of any law authorizing seizure of property of a taxpayer who is delinquent in payment of the taxes imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and when the taxpayer is also delinquent in payment of any tax imposed by this subchapter, the ~~director~~ secretary shall sell sufficient property to pay the delinquent taxes and penalty due to any city under this subchapter in addition to that required to pay any amount due to the state under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(2) The proceeds from the sale shall first be applied to all

sums due to the state, and the remainder, if any, shall be applied to all sums due to the city.

SECTION 1285. Arkansas Code § 26-75-404(d)(3)(B)(i), concerning election requirements and procedures, is amended to read as follows:

(B)(i)(a) The mayor of the city or town shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the rate change after publication of the proclamation has occurred and ninety (90) days before the effective date of the tax.

(b) If no election challenge is filed within the thirty-day challenge period, the ordinance shall become effective on the first day of the first month of the calendar quarter after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers and after the expiration of the thirty-day period for challenge of the results of the election.

(c) In the case of a purchase made from a printed catalog in which the purchaser computed the tax based upon local tax rates published in the catalog, the applicable date will be the first day of the quarter after a minimum of one hundred twenty (120) days' notice by the ~~director~~ secretary to sellers.

SECTION 1286. Arkansas Code § 26-75-404(e), concerning election requirements and procedures, is amended to read as follows:

(e)(1) If a majority of electors voting on the issue vote "FOR" the levy of the tax, a copy of the mayor's proclamation of the results of the election shall be transmitted to the ~~director~~ secretary within ten (10) days after the election.

(2)(A) At the time of transmitting the proclamation, the clerk shall also send to the ~~director~~ secretary a map of the city or town clearly showing the boundaries of the city or town.

(B)(i) If any such city or town shall thereafter change or alter its boundaries, the city or town clerk shall forward to the ~~director~~ secretary ninety (90) days before the effective date of the boundary changes a certified copy of the ordinance adding or detaching territory from the city or town, and the ordinance shall be accompanied by a map clearly showing the territory added or detached.

(ii) After receipt of the ordinance and map, the tax imposed under this subchapter shall be effective in the added territory or abolished in the detached territory on the first day of the first month of the calendar quarter following the expiration of thirty (30) days from the date that the annexation or detachment becomes effective or after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers, whichever expires last.

SECTION 1287. Arkansas Code § 26-75-406(b)(2), concerning the manner of collection of a local sales and use tax, is amended to read as follows:

(2) The tax levied in this section on motor vehicles shall be collected by the ~~Director~~ Secretary of the Department of Finance and Administration directly from the purchaser in the same manner as the state gross receipts tax.

SECTION 1288. Arkansas Code § 26-75-406(c)(4), concerning the manner of collection of a local sales and use tax, is amended to read as follows:

(4) This provision applies only to taxes collected by the ~~director~~ secretary.

SECTION 1289. Arkansas Code § 26-75-407(a), concerning the disposition of taxes, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall deposit all local sales and use taxes collected under this subchapter with the Treasurer of State.

SECTION 1290. Arkansas Code § 26-75-409 is amended to read as follows:

26-75-409. Administration, etc.

(a)(1) On and after the effective date of any tax imposed pursuant to the provisions of this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall perform all functions incidental to the administration, collection, enforcement, and operation of the tax.

(2) The ~~director~~ secretary shall collect taxes levied pursuant to this subchapter at the same time and in the same manner as the ~~director~~ secretary collects the state gross receipts tax and the state compensating tax.

(b) When notified that any tax levied under this subchapter has expired or has been abolished, the ~~director~~ secretary shall cease to collect the tax as provided in this subchapter.

SECTION 1291. Arkansas Code § 26-75-410 is amended to read as follows:

26-75-410. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall adopt appropriate rules and regulations not inconsistent with the provisions of this subchapter to implement the enforcement, administration, and collection of the taxes authorized in this subchapter.

SECTION 1292. Arkansas Code § 26-75-502(b), concerning the authority to levy a tax, is amended to read as follows:

(b) Rules and regulations promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration for the State of Arkansas in connection with the collection and administration of the state gross receipts tax shall be equally applicable with respect to any tax levied under this subchapter.

SECTION 1293. Arkansas Code § 26-75-503(d)(2) and (3), concerning election requirements of a city of the first class or second class, are amended to read as follows:

(2) However, no such tax shall be collected under any such ordinance until the first day of a calendar quarter after a minimum of sixty (60) days' notice by the ~~Director~~ Secretary of the Department of Finance and Administration to sellers.

(3) For a purchase made from a printed catalog in which the purchaser computed the tax based upon local tax rates published in the catalog, the tax shall be collected on the first day of the quarter after a minimum of one hundred twenty (120) days' notice by the ~~director~~ secretary to sellers.

SECTION 1294. Arkansas Code § 26-75-504 is amended to read as follows:

26-75-504. Certification of tax.

When the levy of the tax authorized in this subchapter has been approved in a city of the first class or city of the second class as provided

in this subchapter, the governing body of the city shall certify to the ~~Director~~ Secretary of the Department of Finance and Administration that such tax has become operative and shall furnish to the ~~director~~ secretary the rate of the tax, including any limitations thereon, and the date on which it shall become operative.

SECTION 1295. Arkansas Code § 26-75-505 is amended to read as follows:

26-75-505. Collection of tax.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall collect the tax levied under this subchapter concurrently with and in the same manner as taxes collected under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(b) This additional tax shall be collected by the ~~director~~ secretary for the benefit of the city and shall be deposited into the Local Sales and Use Tax Trust Fund for distribution back to the city.

SECTION 1296. Arkansas Code § 26-75-506(a), concerning the disposition of revenues, is amended to read as follows:

(a) All revenues collected by the ~~Director~~ Secretary of the Department of Finance and Administration pursuant to the provisions of this subchapter, less three percent (3%) thereof which shall be deducted as a cost of collection and deposited into the State Treasury to the credit of the Constitutional Officers Fund and the State Central Services Fund, shall be remitted by the ~~director~~ secretary to the levying city at the same time the ~~director~~ secretary remits sales tax revenues to the State Treasury.

SECTION 1297. Arkansas Code § 26-81-106(a)(2), concerning election results, election challenge, and effective date of a tax, is amended to read as follows:

(2) The county judge shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the results after publication of the proclamation has occurred and ninety (90) days before the effective date of the tax.

SECTION 1298. Arkansas Code § 26-81-106(a)(3)(A), concerning election

results, election challenge, and effective date of a tax, is amended to read as follows:

(3)(A) If no election challenge is timely filed, there shall be levied, effective on the first day of the first month of the calendar quarter after the expiration of the thirty-day challenge period and after a minimum of sixty (60) days' notice by the ~~director~~ secretary to sellers, a one percent (1%) tax on the gross receipts from the sale at retail within the county on all items that are subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and an excise tax on the storage, use, or consumption within the county of tangible personal property and services purchased, leased, or rented from any retailer outside the state for storage, use, or other consumption in the county, at a rate of one percent (1%) of the sale price of the property or services or, in the case of leases or rentals, of the lease or rental price, the rate of the use tax to correspond to the rate of the sales tax portion of the tax.

SECTION 1299. Arkansas Code § 26-81-107(a), concerning the deposit with the Treasurer of State and the record of collections, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall maintain a record of the total amount of tax collected pursuant to this chapter and other subchapters authorizing county sales and use tax in each county and shall deposit all such revenues with the Treasurer of State.

SECTION 1300. Arkansas Code § 26-81-108(c), concerning the distribution of a tax levied, is amended to read as follows:

(c)(1) When any tax adopted by a county pursuant to this chapter is terminated, the ~~Director~~ Secretary of the Department of Finance and Administration shall retain in the account of that county in the Local Sales and Use Tax Trust Fund for a period of one (1) year an amount equal to five percent (5%) of the final remittance to the county and municipalities therein at the time of termination of the collection of the tax to:

(A) Cover possible rebates by the county;

(B) Cover refunds for overpayment of taxes; and

(C) Redeem dishonored checks and drafts deposited to the

credit of the Local Sales and Use Tax Trust Fund.

(2) After one (1) year has elapsed after the effective date of the abolition of the tax in any county, the ~~director~~ secretary shall transfer the balance in that county's account to the county and municipalities in the county and shall close the account.

SECTION 1301. Arkansas Code § 26-81-109 is amended to read as follows:

26-81-109. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate reasonable rules and regulations not inconsistent with the provisions of this chapter to implement the administration, collection, enforcement, and operation of the taxes authorized in this chapter.

SECTION 1302. Arkansas Code § 26-81-110(a)(3), concerning combined tax reports, is amended to read as follows:

(3) This subsection only applies to a tax collected by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1303. Arkansas Code § 26-82-103(b), concerning the authority to levy a local sales and use tax, is amended to read as follows:

(b) A certified copy of the ordinance authorizing the levy of a local sales and use tax shall be provided to the ~~Director~~ Secretary of the Department of Finance and Administration as soon as practicable after the adoption of the ordinance.

SECTION 1304. Arkansas Code § 26-82-103(d)(2)(A), concerning the authority to levy a local sales and use tax, is amended to read as follows:

(2)(A) Except as otherwise provided in § 26-82-106, to provide for the accomplishment of the administrative duties of the ~~director~~ secretary, the local sales and use tax shall terminate on the first day of the calendar quarter after the expiration of ninety (90) days from the date there is filed with the ~~director~~ secretary a written statement signed by the chief executive officer of the city or county levying the local sales and use tax and identifying the local sales and use tax to be terminated.

SECTION 1305. The introductory language of Arkansas Code § 26-82-104(b)(3)(D)(i), concerning the election to adopt an ordinance levying a local sales and use tax, is amended to read as follows:

(D)(i) To extend the local sales and use tax levied under this chapter to a new expiration date, the levying entity shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the new expiration date approved by the voters:

SECTION 1306. The introductory language of Arkansas Code § 26-82-105, concerning requirements and effective dates, is amended to read as follows:

To provide time to prepare for an election required under this chapter and to provide time for the ~~Director~~ Secretary of the Department of Finance and Administration to accomplish his or her duties, the following requirements apply to an ordinance levying a local sales and use tax under this chapter:

SECTION 1307. The introductory language of Arkansas Code § 26-82-105(3)(A), concerning requirements and effective dates, is amended to read as follows:

(3)(A) As directed by the governing body of the levying entity and after the written plan has been approved by the governing body of the levying entity under subdivision (2) of this section, the mayor or county judge of the levying entity shall notify the ~~director~~ secretary of the rate change:

SECTION 1308. Arkansas Code § 26-82-105(3)(C), concerning requirements and effective dates, is amended to read as follows:

(C) The rate change on a purchase from a printed catalog in which the purchaser computed the tax based upon local tax rates published in the catalog is effective on the first day of a calendar quarter after a minimum of one hundred twenty (120) days' notice by the ~~director~~ secretary to the sellers; and

SECTION 1309. Arkansas Code § 26-82-106(d)(1), concerning the abolition of a tax, is amended to read as follows:

(d)(1) The effective date of an affirmative vote by the governing body

of the levying entity to abolish the local sales and use tax under subsection (a) of this section shall be on the first day of the calendar quarter after the expiration of ninety (90) days from the date a written statement signed by the mayor or county judge of the levying entity abolishing the tax is filed with the ~~Director~~ Secretary of the Department of Finance and Administration certifying that the governing body of the levying entity has adopted an ordinance abolishing the local sales and use tax.

SECTION 1310. Arkansas Code § 26-82-107 is amended to read as follows:

26-82-107. Notice of adoption or abolition of tax.

No later than ten (10) days following each of the events stated in the ordinance with reference to the procedure for the adoption or abolition of the local sales and use tax and the effective dates of the action under this chapter, the clerk of the levying entity shall notify the ~~Director~~ Secretary of the Department of Finance and Administration of the event.

SECTION 1311. Arkansas Code § 26-82-108(b), concerning the collection of a local sales and use tax, is amended to read as follows:

(b) The local sales and use tax levied under this chapter on new and used motor vehicles shall be collected by the ~~Director~~ Secretary of the Department of Finance and Administration directly from the purchaser under § 26-52-510.

SECTION 1312. Arkansas Code § 26-82-109(a) and (b), concerning the administration of a local sales and use tax, are amended to read as follows:

(a) On and after the effective date of a local sales and use tax imposed under this chapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall perform all functions incidental to the administration, collection, enforcement, and operation of the local sales and use tax.

(b) In addition to the state gross receipts tax and compensating tax, the ~~director~~ secretary shall collect the additional tax under this chapter on the receipts from the sale at retail or on the sale price or lease or rental price on the storage, use, distribution, or other consumption of all taxable items and services subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et

seq.

SECTION 1313. Arkansas Code § 26-82-109(c)(1), concerning the administration of a local sales and use tax, is amended to read as follows:

(c)(1) The local sales and use tax imposed under this chapter and the tax imposed under the gross receipts tax and compensating tax shall be collected together and reported upon the forms and under the administrative rules that are prescribed by the ~~director~~ secretary and that are not inconsistent with this chapter.

SECTION 1314. Arkansas Code § 26-82-109(c)(5), concerning the administration of a local sales and use tax, is amended to read as follows:

(5) This subsection applies only to a tax collected by the ~~director~~ secretary.

SECTION 1315. Arkansas Code § 26-82-109(d), concerning the administration of a local sales and use tax, is amended to read as follows:

(d) On and after the effective date of an ordinance to abolish a local sales and use tax in any levying entity, the ~~director~~ secretary shall comply with the ordinance under this chapter.

SECTION 1316. Arkansas Code § 26-82-111(b)(2)(A), concerning the disposition of funds, is amended to read as follows:

(A) For overpayments made to the account after the refunds have been approved by the ~~Director~~ Secretary of the Department of Finance and Administration; and

SECTION 1317. Arkansas Code § 26-82-112(a), concerning the penalties and enforcement used by the Director of the Department of Finance and Administration in enforcing a local sales and use tax, is amended to read as follows:

(a) The procedures and penalties used by the ~~Director~~ Secretary of the Department of Finance and Administration in enforcing a local sales and use tax imposed under this chapter shall be the same as for the state gross receipts tax and compensating tax unless otherwise provided in this chapter.

SECTION 1318. Arkansas Code § 26-82-112(b)(1), concerning the penalties and enforcement used by the Director of the Department of Finance and Administration in enforcing a local sales and use tax, is amended to read as follows:

(b)(1) When property is seized by the ~~director~~ secretary under any statute authorizing seizure of property of a taxpayer who is delinquent in payment of the taxes imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and when the taxpayer is also delinquent in payment of any local sales and use tax imposed under this chapter, the ~~director~~ secretary shall sell sufficient property to pay the delinquent local sales and use taxes and penalties due to any levying entity under this chapter in addition to the amount required to pay any taxes due to the state under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

SECTION 1319. Arkansas Code § 26-82-119 is amended to read as follows:

26-82-119. Rules.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate reasonable rules to implement the enforcement, administration, and collection of a local sales and use tax authorized in this chapter.

SECTION 1320. Arkansas Code § 27-13-103 is amended to read as follows:

27-13-103. Regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to promulgate such regulations as are necessary to implement and administer the provisions of this act.

SECTION 1321. Arkansas Code § 27-14-103(a)(2)(A), concerning the exemption from registration for the Arkansas Forestry Commission, is amended to read as follows:

(2)(A) The State Forester and the ~~Director~~ Secretary of the Department of Finance and Administration shall adopt identification tags or other insignia that shall be attached to the vehicles by the officers, members, and employees of the commission.

SECTION 1322. Arkansas Code § 27-14-305(a), concerning the penalty for using or making unofficial license plates, is amended to read as follows:

(a) It shall be unlawful for the owner of any automobile, Class One truck, trailer or semitrailer, motorcycle, or motorcycle sidecar to display any license plate on the rear of the vehicle that is not furnished by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1323. Arkansas Code § 27-14-305(b)(3)(B), concerning the penalty for using or making unofficial license plates, is amended to read as follows:

(B) Affixing of a decal bearing the commercial motor carrier's logo to a commercial motor vehicle's license plate if the decal has been authorized and approved by the ~~director~~ secretary or the ~~director's~~ secretary's designee as authorized under § 27-14-613.

SECTION 1324. Arkansas Code § 27-14-309(a), concerning failure to pay taxes on personal property or assess personal property as grounds for revocation, is amended to read as follows:

(a) Upon sufficient proof or information that any motor vehicle has been licensed and registered in this state without the tax due on all the personal property of the applicant having been paid or without having been listed for assessment or assessed, the ~~Director~~ Secretary of the Department of Finance and Administration is authorized to revoke the license and registration of the motor vehicle.

SECTION 1325. Arkansas Code § 27-14-311(a)(1), concerning an appeal of revocation of a license or permit by a dealer, is amended to read as follows:

(a)(1) Any dealer whose license or permit has been revoked by the ~~Director~~ Secretary of the Department of Finance and Administration may appeal to the circuit court of the county in which the dealer's license or permit was issued, within thirty (30) days, by filing a petition and bond as in other cases of appeal to the circuit court.

SECTION 1326. Arkansas Code § 27-14-402 is amended to read as follows:

27-14-402. Head of Office of Motor Vehicle.

The Office of Motor Vehicle shall be under the control of the ~~Director~~

Secretary of the Department of Finance and Administration.

SECTION 1327. Arkansas Code § 27-14-403 is amended to read as follows:

27-14-403. Powers and duties.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is vested with the power and is charged with the duty of observing, administering, and enforcing the provisions of this chapter and of all laws regulating the operation of vehicles or the use of the highways, the enforcement or administration of which is vested in the Office of Motor Vehicle.

(b) The ~~director~~ secretary may adopt and enforce such rules as necessary to carry out the provisions of this chapter and any other laws, the enforcement and administration of which are vested in the office.

(c) The ~~director~~ secretary may adopt an official seal for the use of the office.

SECTION 1328. Arkansas Code § 27-14-404 is amended to read as follows:

27-14-404. Organization.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall organize the Office of Motor Vehicle in the manner as he or she may deem necessary and proper to segregate and conduct the work of the office.

(b) The ~~director~~ secretary shall appoint such deputies, subordinate officers, clerks, investigators, and other employees as may be necessary to carry out the provisions of this chapter.

(c) The ~~director~~ secretary shall maintain an office in Little Rock, Arkansas, and in such other places in the state as he or she may deem necessary and proper to carry out the powers and duties vested in the office.

SECTION 1329. The introductory language of Arkansas Code § 27-14-405, concerning the authority of police and the officers and inspectors of the Office of Motor Vehicle, is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration and the officers and inspectors of the Office of Motor Vehicle designated by the ~~director~~ secretary shall have the power:

SECTION 1330. Arkansas Code § 27-14-407(a)(1), concerning summons of witnesses by the Director of the Department of Finance and Administration, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration and officers of the Office of Motor Vehicle designated by the ~~director~~ secretary shall have authority to summon witnesses to give testimony under oath or to give written deposition upon any matter under the jurisdiction of the office.

SECTION 1331. Arkansas Code § 27-14-407(c), concerning summons of witnesses by the Director of the Department of Finance and Administration, is amended to read as follows:

(c) Any court of competent jurisdiction shall have jurisdiction, upon application by the ~~director~~ secretary, to enforce all lawful orders of the ~~director~~ secretary under this section.

SECTION 1332. Arkansas Code § 27-14-410 is amended to read as follows:

27-14-410. Forms.

The ~~Director~~ Secretary of the Department of Finance and Administration shall prescribe and provide suitable forms of applications, certificates of title, registration certificates, and all other forms requisite or necessary to carry out the provisions of this chapter and any other laws, the enforcement and administration of which are vested in the Office of Motor Vehicle.

SECTION 1333. Arkansas Code § 27-14-411(a), concerning the oaths and signatures of officers and employees of the Office of Motor Vehicle, is amended to read as follows:

(a) Officers and employees of the Office of Motor Vehicle designated by the ~~Director~~ Secretary of the Department of Finance and Administration are, for the purpose of administering the motor vehicle laws, authorized to administer oaths and acknowledge signatures.

SECTION 1334. Arkansas Code § 27-14-412(b)(1), concerning the records of the Office of Motor Vehicle, is amended to read as follows:

(b)(1) The ~~Director~~ Secretary of the Department of Finance and

Administration and such officers of the office as the ~~director~~ secretary may designate are authorized to prepare under the seal of the office and deliver upon request a certified copy of any record of the office or a noncertified electronic copy of any record of the office.

SECTION 1335. Arkansas Code § 27-14-412(c), concerning the records of the Office of Motor Vehicle, is amended to read as follows:

(c) The ~~director~~ secretary may destroy any records of the office that have been maintained on file for five (5) years that the ~~director~~ secretary considers obsolete and of no further service in carrying out the powers and duties of the office.

SECTION 1336. Arkansas Code § 27-14-501 is amended to read as follows:

27-14-501. Creation.

An ex officio commission, composed of the ~~Director~~ Secretary of the Department of Finance and Administration, who shall serve as chair, the Chair of the State Highway Commission, and the Director of State Highways and Transportation, is established for the purpose of representing the State of Arkansas in the matter of making reciprocal agreements relating to the operation of motor vehicles.

SECTION 1337. The introductory language of Arkansas Code § 27-14-504(a), concerning a proportionate refund of registration fees authorized, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to refund a proportionate part of the registration fees paid to this state under the provisions of the International Registration Plan which became effective July 1, 1976, under the following conditions:

SECTION 1338. Arkansas Code § 27-14-504(b) and (c), concerning a proportionate refund of registration fees authorized, are amended to read as follows:

(b) The refund will be in an amount equal to that proportionate amount of the remaining registration year beginning with the month next following that month in which the ~~director~~ secretary is notified that the registrant

wishes to cancel his or her registration by surrendering all registration documents and license plates.

(c) The ~~director~~ secretary is authorized to promulgate such rules and regulations as may be necessary to effectuate the terms of this section.

SECTION 1339. Arkansas Code § 27-14-505(b)(1)(A) and (B), concerning mileage audits, records reexaminations, and appeals, are amended to read as follows:

(b)(1)(A) A registrant who desires a hearing to appeal the findings of a mileage audit or a record reexamination shall notify the ~~Director~~ Secretary of the Department of Finance and Administration in writing within thirty (30) calendar days from the date the registrant is notified of the findings of the mileage audit or the record reexamination.

(B) A hearing officer appointed by the ~~director~~ secretary shall schedule a hearing in any city in which the Department of Finance and Administration maintains a field audit district office or in any other city that the ~~director~~ secretary designates, unless the ~~director~~ secretary and the registrant agree to another location for the hearing or agree that the hearing shall be heard by telephone.

SECTION 1340. Arkansas Code § 27-14-505(b)(2)(B), concerning mileage audits, records reexaminations, and appeals, is amended to read as follows:

(B) The registrant shall properly serve the ~~director~~ secretary with a copy of any appeal to circuit court challenging the decision of the hearing officer under this section.

SECTION 1341. Arkansas Code § 27-14-505(b)(4)(A), concerning mileage audits, records reexaminations, and appeals, is amended to read as follows:

(4)(A) At the conclusion of the appeals process, the ~~director~~ secretary shall notify all affected member jurisdictions of the results of the appeal.

SECTION 1342. Arkansas Code § 27-14-505(c), concerning mileage audits, records reexaminations, and appeals, is amended to read as follows:

(c) The ~~director~~ secretary may promulgate rules to implement this section.

SECTION 1343. Arkansas Code § 27-14-601(a)(3)(H)(iv), concerning fees for registration and licensing of motor vehicles, is amended to read as follows:

(iv) The ~~Director~~ Secretary of the Department of Finance and Administration shall cause to be issued special and distinctive license plates for vehicles in this classification, with separate farm license plates to be established for those vehicles used in the noncommercial hauling of farm products produced in this state, and for the hauling of feed, seed, fertilizer, poultry litter, and other products commonly produced or used in agricultural operations or compacted seed cotton and separate natural resources license plates to be established for those vehicles hauling timber products, clay minerals, or ores.

SECTION 1344. Arkansas Code § 27-14-601(a)(3)(H)(vi)(b), concerning fees for registration and licensing of motor vehicles, is amended to read as follows:

(b) The ~~director~~ secretary shall issue special distinctive license plates or license plate validation decals for the vehicles, including the indication thereon of the expiration date, so as to identify them from annual plates.

SECTION 1345. Arkansas Code § 27-14-601(a)(3)(H)(viii), concerning fees for registration and licensing of motor vehicles, is amended to read as follows:

(viii) The ~~director~~ secretary shall promulgate such rules and regulations as may be necessary to carry out the intent of this classification and prevent abuse thereof. However, before any such rules or regulations shall be effective, they shall be approved by majority action of the members of the State Highway Commission acting for and in behalf of the Arkansas Highway Police Division of the Arkansas Department of Transportation, which is the agency charged with the principal responsibility of enforcing the motor vehicle license laws of this state.

SECTION 1346. Arkansas Code § 27-14-601(a)(3)(J)(i) and (ii), concerning fees for registration and licensing of motor vehicles, are amended

to read as follows:

(J)(i) The ~~director~~ secretary shall cause to be issued special and distinctive license plates for vehicles licensed under Class Two – Class Seven in this section, which are utilized as wreckers or tow vehicles and that hold a permit issued by the Arkansas Towing and Recovery Board under § 27-50-1203 and the rules and regulations promulgated thereunder.

(ii) Before any license may be issued for a vehicle designated as a wrecker or tow vehicle, the applicant shall furnish to the ~~director~~ secretary a certification from the board that the wrecker or tow vehicle has been permitted as a wrecker or tow vehicle by the board.

SECTION 1347. Arkansas Code § 27-14-601(a)(3)(J)(v), concerning fees for registration and licensing of motor vehicles, is amended to read as follows:

(iv) In addition to the fee for the respective Class Two – Class Seven license, the ~~director~~ secretary may assess a handling and administrative fee in the amount of ten dollars ($10.00) for each distinctive wrecker or tow vehicle license plate.

SECTION 1348. Arkansas Code § 27-14-601(a)(6)(B)(i), concerning fees for registration and licensing of motor vehicles, is amended to read as follows:

(B)(i) As a condition precedent to obtaining dealer's license plates, the dealer shall furnish the ~~director~~ secretary a certification that the applicant is a vehicle dealer and has a bona fide, established place of business used for the sale of vehicles, an office used for that business, a telephone listed in the name of the business, and a sign identifying the establishment. Certification shall be required for all renewals of dealer license plates. This dealer certification shall not apply to dealers licensed by the ~~Department~~ Division of Arkansas State Police, the Arkansas Motor Vehicle Commission, or the Arkansas Manufactured Home Commission and who are regulated by those authorities. The dealer certification shall consist of completion of a self-certification form prepared by the Office of Motor Vehicle.

SECTION 1349. Arkansas Code § 27-14-601(a)(6)(B)(ii)(a), concerning

fees for registration and licensing of motor vehicles, is amended to read as follows:

(ii)(a) Except as provided in subdivision (a)(6)(B)(iv) of this section for dealers who sell only all-terrain vehicles, upon furnishing the certification to the ~~director~~ secretary, or a copy of the dealer's license from either the ~~Department~~ Division of Arkansas State Police or the Arkansas Motor Vehicle Commission and the payment of a fee of one hundred dollars ($100), the dealer shall be issued a master license plate and upon the payment of a fee of twenty-five dollars ($25.00) shall be issued a dealer's extra license plate as provided in § 27-14-1704. However, the dealer must secure a master license plate for each separate place of business.

SECTION 1350. Arkansas Code § 27-14-601(a)(6)(B)(iii)(a), concerning fees for registration and licensing of motor vehicles, is amended to read as follows:

(iii)(a) Upon furnishing certification to the ~~director~~ secretary or a copy of the dealer's license from the Arkansas Manufactured Home Commission and upon the payment of fifty dollars ($50.00), the manufactured home dealer shall be issued certification from the ~~director~~ secretary for the purpose of assigning manufactured home titles.

SECTION 1351. Arkansas Code § 27-14-601(a)(6)(B)(iv)(a) and (b), concerning fees for registration and licensing of motor vehicles, are amended to read as follows:

(iv)(a) Upon furnishing certification to the ~~director~~ secretary or a copy of the dealer's license from the Arkansas Motor Vehicle Commission and upon the payment of one hundred dollars ($100), dealers engaged exclusively in the business of buying and selling all-terrain vehicles, as defined in § 27-21-102, shall be issued certification from the ~~director~~ secretary for the purpose of assigning all-terrain vehicle titles.

(b) Each dealer location shall be treated as a separate entity, and certification by the ~~director~~ secretary shall be required for each location.

SECTION 1352. Arkansas Code § 27-14-601(b)(2)(D)(i) and (ii), concerning fees for registration and licensing of motor vehicles, are amended

to read as follows:

(D)(i) The ~~director~~ secretary shall, upon request, assign the same registration period to any owner of two (2) or more trucks, truck-tractors, trailers, and semitrailers, and combinations thereof, except Class One trucks as defined in § 27-14-1002.

(ii) The ~~director~~ secretary shall, upon request, assign a different month of registration other than the vehicle's current month of registration to any owner of a truck, truck-tractor, trailer, and semitrailer, and combinations thereof, except Class One trucks as defined in § 27-14-1002, and all fees shall be prorated accordingly on a monthly basis.

SECTION 1353. The introductory language of Arkansas Code § 27-14-602(c), concerning registration fees for motor vehicle registrations, is amended to read as follows:

(c) Beginning January 1, 2018, in addition to any other fees authorized under this chapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall charge a fee for commercial motor vehicles registered with the International Registration Plan in the amount of:

SECTION 1354. Arkansas Code § 27-14-602(c)(1), concerning registration fees for motor vehicle registrations, is amended to read as follows:

(1) Two dollars ($2.00) to access the ~~director's~~ secretary's portal to register one (1) or more commercial motor vehicles or to conduct one (1) or more online administrative transactions;

SECTION 1355. Arkansas Code § 27-14-605 is amended to read as follows:

27-14-605. Credit if vehicle destroyed.

Upon satisfactory proof to the ~~Director~~ Secretary of the Department of Finance and Administration that any motor vehicle, duly licensed, has been completely destroyed by fire or collision, the owner of the vehicle may be allowed, on the purchase of a new license for another vehicle, a credit equivalent to the unexpired portion of the cost of the original license, dating from the first day of the next month after the date of the destruction.

SECTION 1356. Arkansas Code § 27-14-607 is amended to read as follows:

27-14-607. Alternate registration procedures.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to allow vehicles to be registered for a renewal period of two (2) years, if the ~~director~~ secretary determines that the two-year renewal period would facilitate the vehicle registration process. If a vehicle registration is renewed for a two-year period, the renewal fee shall be two (2) times the annual renewal fee for that vehicle, plus the cost of the annual license plate validation decal for both years for that vehicle.

(b) The ~~director~~ secretary is authorized to provide for the registration of vehicles by mail, telephone, electronically, or any other method which the ~~director~~ secretary determines would facilitate the vehicle registration process.

SECTION 1357. Arkansas Code § 27-14-608 is amended to read as follows:

27-14-608. Payment by credit card.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate regulations providing for payment by credit card of any fees or taxes due upon the issuance or renewal of a vehicle registration, except a vehicle registration issued or renewed under the provisions of § 27-14-601(a)(3)(B)-(H) or the provisions of § 27-14-601(a)(3)(I)(i)(a)(2)-(4) . The ~~director~~ secretary may allow the payment of these fees or taxes by credit card if the ~~director~~ secretary determines that payment by credit card would facilitate the administration of the motor vehicle registration program.

(b) The ~~director~~ secretary is authorized to enter into contracts with credit card companies and to pay fees normally charged by those companies for allowing the use of their credit cards as authorized by this section.

(c)(1) From the net proceeds received, or receivable, from credit card companies for all fees or taxes paid by credit card, the ~~director~~ secretary shall pay the full sum specified in § 27-14-1015(d)(1) to the Arkansas Development Finance Authority. The balance of the net proceeds received, or receivable, from credit card companies shall be prorated to the various funds for which they were collected and deposited into the State Treasury for transfer on the last business day of each month, in the same manner and to be used for the same purposes as all other fees and taxes collected upon the issuance or renewal of vehicle registrations.

(2) Any amounts deducted from the gross proceeds of vehicle registration fees or taxes paid by credit card, which are deducted for the purpose of paying credit card company fees, shall be cash funds not subject to appropriation and, if withheld by the ~~director~~ secretary, shall be remitted by the ~~director~~ secretary to credit card companies as required under contracts authorized by this section.

SECTION 1358. Arkansas Code § 27-14-611(f)(2), concerning registration for nonprofit motor vehicle fleets, is amended to read as follows:

(2) If the ~~Director~~ Secretary of the Department of Finance and Administration determines that online renewals are available under this section, the organization may be allowed to renew online.

SECTION 1359. The introductory language of Arkansas Code § 27-14-613(b)(1), concerning the Arkansas Motor Carrier System, is amended to read as follows:

(b)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules, regulations, and procedures to enhance the Arkansas Motor Carrier System developed by the Department of Finance and Administration by allowing:

SECTION 1360. Arkansas Code § 27-14-613(b)(1)(C), concerning the Arkansas Motor Carrier System, is amended to read as follows:

(C) A commercial motor carrier or its designee to obtain and affix to a commercial motor vehicle license plate a decal bearing the logo of the commercial motor carrier approved by the ~~director~~ secretary or the ~~director's~~ secretary's designee; and

SECTION 1361. Arkansas Code § 27-14-613(b)(2)(B), concerning the Arkansas Motor Carrier System, is amended to read as follows:

(B) If the department has not received the source documents required under subdivision (b)(2)(A) of this section within thirty (30) days of the online registration of a commercial motor vehicle, the ~~director~~ secretary or the ~~director's~~ secretary's designee may suspend the registration.

SECTION 1362. Arkansas Code § 27-14-613(c), concerning the Arkansas Motor Carrier System, is amended to read as follows:

(c) The ~~director~~ secretary shall study, develop, and implement improvements to the Arkansas Motor Carrier System in order to modernize and enhance the Arkansas Motor Carrier System and accommodate the latest available technology for commercial motor carriers seeking to register commercial motor vehicles in the State of Arkansas.

SECTION 1363. Arkansas Code § 27-14-701(b), concerning requirements and exceptions for motor vehicle permits, is amended to read as follows:

(b) When an application accompanied by the proper fee has been made for registration and certificate of title for a vehicle, the vehicle may be operated temporarily pending complete registration upon displaying a duplicate application, duly verified, or other evidence of the application or otherwise under rules and regulations promulgated by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1364. Arkansas Code § 27-14-702(a), concerning the requirement of only a certificate from the Director of the Department of Finance and Administration to use and operate a motor vehicle, is amended to read as follows:

(a) No owner of a motor vehicle who shall have obtained a certificate from the ~~Director~~ Secretary of the Department of Finance and Administration as provided in this subchapter shall be required to obtain any other license or permits to use and operate the motor vehicle; nor shall the owner be required to display upon his or her motor vehicle any other number than the number of the registration issued by the ~~director~~ secretary, or excluded, or prohibited, or limited in the free use of the motor vehicle upon any public street, avenue, road, turnpike, driveway, parkway, or any other public place, at any time when it is open to the use of persons having or using other vehicles; nor shall the owner be required to comply with other provisions or conditions as to the use of motor vehicles, except as provided in this chapter.

SECTION 1365. Arkansas Code § 27-14-704(a)(3)(B), concerning motor vehicles registered in foreign states, is amended to read as follows:

(B) The ~~Director~~ Secretary of the Department of Finance and Administration may issue temporary permits without payment of license fees for motor vehicles operated for hire by a nonresident into and across the highways of this state when the vehicles are operated upon charters for casual, irregular, occasional, and nonscheduled sightseeing trips; and

SECTION 1366. Arkansas Code § 27-14-704(a)(4), concerning motor vehicles registered in foreign states, is amended to read as follows:

(4) The ~~director~~ secretary is authorized and empowered to enter into any agreement or issue any permit for the operation of any motor vehicles upon the highways of this state without payment of license fees when the vehicles are operated under and by the supervision of the proper authorities of the United States Army, United States Air Force, United States Navy, or United States Marine Corps during any period of emergency.

SECTION 1367. Arkansas Code § 27-14-705(b)(2)(C), concerning the application for registration and certificate of title, is amended to read as follows:

(C) The certificate of origin shall be on a form to be prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1368. Arkansas Code § 27-14-709 is amended to read as follows:

27-14-709. Half-year license.

Notwithstanding any provision of law to the contrary, any motor vehicle for which the annual registration and licensing fee is one hundred dollars ($100) or more, for any twelve-month licensing period, may be licensed for the first six (6) months of the annual licensing period, upon payment of one-half (½) of the annual registration and licensing fee, plus an additional fee of five dollars ($5.00) to defray the administrative cost of issuing the half-year license, under such regulations as the ~~Director~~ Secretary of the Department of Finance and Administration may promulgate.

SECTION 1369. Arkansas Code § 27-14-906(a)-(d), concerning dealer and lienholder applications for registration and title certificates, are amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration may permit lienholders and motor vehicle dealers to make applications for registration and certificates of title and to furnish them to the Office of Motor Vehicle on behalf of the purchaser of a new or used motor vehicle.

(b) The ~~director~~ secretary shall promulgate reasonable rules to be complied with by motor vehicle dealers and lienholders in making application for registration and certificates of title on behalf of purchasers of new or used motor vehicles and may, if the ~~director~~ secretary deems necessary, require the dealer or lienholder to post bond to ensure faithful compliance with the rules.

(c)(1) Any motor vehicle dealer or lienholder who has been authorized by the ~~director~~ secretary to prepare applications for registration and certificates of title with respect to new or used motor vehicles shall transmit the applications to the ~~director~~ secretary and shall attach thereto a copy of any conditional sales contract, conditional lease, chattel mortgage, or other lien or encumbrance or title retention instrument upon the motor vehicle.

(2) Upon receipt of the documents under subdivision (c)(1) of this section, the ~~director~~ secretary shall file a lien and encumbrance, as provided in § 27-14-801 et seq., which from the date of filing shall be notice of the lien or encumbrance.

(d) On issuing the registration and certificate of title, the ~~director~~ secretary shall mail the registration to the owner and the title to the lienholder, or to the owner if no lien exists.

SECTION 1370. Arkansas Code § 27-14-907(c), concerning transfer of title by operation of law, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration shall have the power to adopt rules to establish what documents or evidence are required to verify that a lien or encumbrance holder or his or her assignee has complied with this section.

SECTION 1371. Arkansas Code § 27-14-914(a)(1), concerning the transfer of license plates and registration from one vehicle to another, is amended to read as follows:

(a)(1) When the owner of any motor vehicle, excepting Class One trucks and passenger automobiles other than buses, registered and licensed in this state, shall sell or transfer the motor vehicle or when the motor vehicle has been destroyed so as to be unfit for repair or further use, and the owner shall replace the vehicle with another motor vehicle requiring payment of the same registration or license fee, the owner may, at his or her election, transfer the license plate and registration of the vehicle being so disposed of to the vehicle acquired as a replacement thereof, upon payment to the ~~Director~~ Secretary of the Department of Finance and Administration of a transfer fee of ten dollars ($10.00) per vehicle.

SECTION 1372. Arkansas Code § 27-14-914(b), concerning the transfer of license plates and registration from one vehicle to another, is amended to read as follows:

(b) The ~~director~~ secretary shall provide suitable forms to enable owners electing to do so to transfer license plate or plates and registration and make payment of the fee provided in this section and shall be empowered to make reasonable rules and regulations governing these transfers.

SECTION 1373. Arkansas Code § 27-14-915(a) and (b), concerning the transfer of a license on vehicles for hire, are amended to read as follows:

(a) When the owner of a vehicle licensed to operate for hire takes the vehicle out of the for-hire service, the ~~Director~~ Secretary of the Department of Finance and Administration, upon the payment of a transfer charge of two dollars ($2.00), will cause the license for the vehicle to be transferred to another vehicle for like use to be registered by the owner.

(b) If the fee for registration and licensing the vehicle under registration is greater than that represented by the license to be transferred, then the ~~director~~ secretary shall, in addition, collect an amount equal to the excess payable for the vehicle under registration.

SECTION 1374. Arkansas Code § 27-14-915(d)(1), concerning the transfer of a license on vehicles for hire, is amended to read as follows:

(d)(1) Upon the transfer of a license, the ~~director~~ secretary will cause to be cancelled all registrations on the vehicle taken out of for-hire service.

SECTION 1375. Arkansas Code § 27-14-1002(a)(6), concerning the definition of "tab or decal" under the Permanent Automobile Licensing Act of 1967, is amended to read as follows:

(6) “Tab or decal” is an attachable material of such form and substance as the ~~Director~~ Secretary of the Department of Finance and Administration may prescribe by rule or regulation.

SECTION 1376. Arkansas Code § 27-14-1004(a), concerning penalties under the Permanent Automobile Licensing Act of 1967, is amended to read as follows:

(a) Any person failing to comply with the provisions of this subchapter by operating a passenger motor vehicle, as set forth and described in § 27-14-1002(a), or by operating a Class One truck, as set forth and described in § 27-14-1002(a), which is subject to registration under the laws of this state on any street, road, or highway in the State of Arkansas without having first registered the motor vehicle with the Office of Motor Vehicle, in the manner and within the period required by law or regulations of the ~~Director~~ Secretary of the Department of Finance and Administration, shall be required to pay a penalty of three dollars ($3.00) for each ten (10) days, or fraction thereof, for which he or she fails properly to register the vehicle until the penalty reaches the same amount as the annual license fee of the vehicle to be registered.

SECTION 1377. Arkansas Code § 27-14-1005(a), concerning failure to affix or display license plates, is amended to read as follows:

(a) The failure of the motor vehicle owner to affix and display the permanent license plates, the tab or decal, or the registration card, in the places designated by the ~~Director~~ Secretary of the Department of Finance and Administration, shall be a misdemeanor subject to the penalties provided by § 27-14-301.

SECTION 1378. Arkansas Code § 27-14-1006(a), concerning the authority to issue a permanent license plate subject to replacement, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and

Administration is authorized to issue to the owner of a vehicle subject to this subchapter a permanent license plate subject to replacement at the request of the owner because of theft, loss, wear, or mutilation, or at the discretion of either the Director of the ~~Department~~ Divison of Arkansas State Police or the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1379. Arkansas Code § 27-14-1007 is amended to read as follows:

27-14-1007. Issuance of license plate.

Upon registration, the owner of every vehicle of a type subject to the provisions of this subchapter shall receive a permanent license plate issued by the ~~Director~~ Secretary of the Department of Finance and Administration upon the payment of the fees required by law.

SECTION 1380. Arkansas Code § 27-14-1008(a)(1), concerning the issuance of permanent reflectorized license plates, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to issue permanent reflectorized license plates in such form as he or she shall prescribe.

SECTION 1381. Arkansas Code § 27-14-1008(a)(3), concerning the issuance of permanent reflectorized license plates, is amended to read as follows:

(3) Each reflectorized license plate so issued by the ~~director~~ secretary shall have imprinted thereon a multicolor reflectorized graphic design or logo in such a manner and of such design as he or she shall prescribe which will promote tourism and improve public relations inside and outside the State of Arkansas.

SECTION 1382. Arkansas Code § 27-14-1008(c), concerning the issuance of permanent reflectorized license plates, is amended to read as follows:

(c) All license plates that have been issued prior to the enactment of this section shall be replaced by the ~~director~~ secretary with license plates that shall conform to this subchapter and be attached to motor vehicles

during a replacement or recycle period beginning not earlier than January 1, 1980, nor later than January 31, 1981.

SECTION 1383. Arkansas Code § 27-14-1009(a)(1), concerning the issuance of specialized license plates, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide for and issue a special personalized license plate for passenger motor vehicles.

SECTION 1384. Arkansas Code § 27-14-1009(a)(3)(B), concerning the issuance of specialized license plates, is amended to read as follows:

(B) The ~~director~~ secretary, in his or her discretion, may limit the number of characters or the context in which they appear on the license plate.

SECTION 1385. Arkansas Code § 27-14-1009(d), concerning the issuance of specialized license plates, is amended to read as follows:

(d) The ~~director~~ secretary may adopt regulations concerning the issuance of a special personalized license plate.

SECTION 1386. Arkansas Code § 27-14-1010(a), concerning a registration certificate for a motor vehicle, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue to each owner of a motor vehicle subject to this subchapter a registration certificate which must be kept in the motor vehicle in the place prescribed by the ~~director~~ secretary.

SECTION 1387. Arkansas Code § 27-14-1011 is amended to read as follows:

27-14-1011. Registration on monthly-series basis — Renewal periods.

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall establish a system of registration on a monthly-series basis to distribute the work of registering motor vehicles as uniformly as practicable throughout the twelve (12) months of the calendar year.

(2) The ~~director~~ secretary may set the number of renewal periods within the month from one (1) each month to one (1) each day of the month

depending on which system is most economical and best accommodates the public.

(b) If the ~~director~~ secretary elects to use monthly renewal periods, when a person applies for the registration of a vehicle and the issuance of a permanent license plate, the decals issued by the ~~director~~ secretary for attachment to the permanent license plates to evidence the registration period shall be decals for the current month in which application is made for registration, regardless of the day of the month on which application is made.

(c) The ~~director~~ secretary shall, upon request, assign to any owner of two (2) or more vehicles the same registration period.

(d) Registration shall be valid for one (1) year from the date thereof and shall continue from year to year thereafter as long as renewed each year within the time required by law.

(e) The ~~director~~ secretary shall establish a system to allow owners to renew their motor vehicle registrations by facsimile machine and to charge their fees to credit cards. The ~~director~~ secretary shall obtain a number of facsimile machines and publish the telephone numbers of these machines and make agreements with credit card companies so as to best accommodate the public.

SECTION 1388. Arkansas Code § 27-14-1012(a)(1), concerning applications for registrations or renewals, is amended to read as follows:

(a)(1) An applicant may apply, in person or by mail, for the issuance of permanent license plates to the revenue office in the county where he or she resides or to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1389. Arkansas Code § 27-14-1012(a)(2)(A), concerning applications for registrations or renewals, is amended to read as follows:

(A) Transmitting the required documents and the registration fee by mail to the applicant's local revenue office or to the ~~director~~ secretary;

SECTION 1390. Arkansas Code § 27-14-1012(b)(1), concerning applications for registrations or renewals, is amended to read as follows:

(b)(1) Not less than thirty (30) days before the expiration of the license, the ~~director~~ secretary shall notify the owner of a registered motor vehicle subject to this subchapter.

SECTION 1391. Arkansas Code § 27-14-1012(b)(2)(B), concerning applications for registrations or renewals, is amended to read as follows:

(B) Email to the email address provided to the ~~director~~ secretary by the motor vehicle owner in connection with a consent to receive the annual motor vehicle registration renewal notice by email.

SECTION 1392. Arkansas Code § 27-14-1012(d), concerning applications for registrations or renewals, is amended to read as follows:

(d) The ~~director~~ secretary is authorized to impose a first class postage fee for handling the issuance of all new licenses or renewals by mail and to impose an additional fee to recover any credit card fees charged by credit card companies.

SECTION 1393. The introductory language of Arkansas Code § 27-14-1013, concerning the renewals of registration, is amended to read as follows:

The owner of any permanent license plate issued by the ~~Director~~ Secretary of the Department of Finance and Administration may renew his or her registration:

SECTION 1394. Arkansas Code § 27-14-1013(1), concerning the renewals of registration, is amended to read as follows:

(1) In person or by mail at a county revenue office or with the ~~director~~ secretary;

SECTION 1395. The introductory language of Arkansas Code § 27-14-1014(a)(1), concerning application forms for renewals of registration, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall send application forms for all renewals of registration under this subchapter by:

SECTION 1396. Arkansas Code § 27-14-1014(a)(1)(B), concerning

application forms for renewals of registration, is amended to read as follows:

(B) Email sent to the address provided to the ~~director~~ secretary by the motor vehicle owner in connection with a consent to receive the annual motor vehicle registration renewal notice and application forms by email.

SECTION 1367. Arkansas Code § 27-14-1014(a)(2), concerning application forms for renewals of registration, is amended to read as follows:

(2) The ~~director~~ secretary shall not be required to go beyond the face of the last registration.

SECTION 1398. Arkansas Code § 27-14-1015(b)(1), concerning the payment of personal property taxes and the listing for assessment required, is amended to read as follows:

(b)(1) The county tax assessor and county tax collector shall provide to the ~~Director~~ Secretary of the Department of Finance and Administration updates to the state vehicle registration system to indicate whether or not the owner of each vehicle registered in the county has assessed the vehicle and owes no delinquent personal property taxes. ~~The updates shall be required not later than January 1, 1999.~~

SECTION 1399. Arkansas Code § 27-14-1015(b)(3), concerning the payment of personal property taxes and the listing for assessment required, is amended to read as follows:

(3) The ~~director~~ secretary shall provide free of charge to each county assessor and to each county collector in this state, such additional computer hardware, software, and telecommunications links as he or she deems are essential to allow the county assessors and collectors to electronically forward to the Department of Finance and Administration updates to the vehicle registration system for the purposes of adding, changing, or removing information identifying vehicles which have been assessed within the time frame required by law, and vehicles for which the owners have paid personal property taxes within the time frame required by law.

SECTION 1400. Arkansas Code § 27-14-1015(c), concerning the payment of

personal property taxes and the listing for assessment required, is amended to read as follows:

(c) There is hereby levied a new fee of two dollars and fifty cents ($2.50) for the sale of each annual license plate validation decal for a motor vehicle. This new fee shall be collected by the ~~director~~ secretary at the same time the vehicle registration fees imposed by § 27-14-601 are collected. However, this new decal fee shall be accounted for separately from the registration fee. The amount shall be mandatory and is collected for the purpose of extending to vehicle owners the additional services and conveniences of the options to renew vehicle registrations by telephone, electronically, by mail, or in person without requiring applicants to submit to the ~~director~~ secretary proof of assessment and payment of personal property taxes.

SECTION 1401. Arkansas Code § 27-14-1015(d), concerning the payment of personal property taxes and the listing for assessment required, is amended to read as follows:

(d)(1) One dollar and fifty cents ($1.50) of the amount collected by the ~~director~~ secretary pursuant to subsection (c) of this section for each annual license plate validation decal shall not be deposited in the State Treasury but shall be remitted to the Arkansas Development Finance Authority.

(2) One dollar ($1.00) of the amount collected by the ~~director~~ secretary pursuant to subsection (c) of this section for each annual license plate validation decal shall be deposited into the State Treasury as direct revenues to the State Central Services Fund, there to be used by the Revenue Division of the Department of Finance and Administration in supporting those activities and programs which will facilitate extending to vehicle owners the additional services and conveniences of the options to renew vehicle registrations by telephone, electronically, by mail, or in person without requiring applicants to submit to the ~~director~~ secretary proof of assessment and payment of personal property taxes or proof of automobile liability insurance coverage.

(3) All amounts derived from the new fee imposed by subsection (c) of this section for the sale of annual license plate validation decals, whether held by the ~~director~~ secretary or the authority, which are to be remitted to the authority shall be cash funds not subject to appropriation

and shall be used and applied by the authority only as provided in § 22-3-1225. The fees charged for the annual license plate validation decal and paid to the authority pursuant to subdivision (d)(1) of this section shall not be reduced or otherwise impaired during the time that the fees are pledged by the authority to the repayment of any of the authority's bonds issued in accordance with § 22-3-1225.

SECTION 1402. Arkansas Code § 27-14-1016 is amended to read as follows:

27-14-1016. Other information required.

The ~~Director~~ Secretary of the Department of Finance and Administration may require such other information of applicants as he or she deems necessary for the proper licensing of motor vehicles and the proper maintenance of a motor vehicle register.

SECTION 1403. Arkansas Code § 27-14-1018 is amended to read as follows:

27-14-1018. Issuance of annual tab or decal.

(a) In conjunction with the permanent license plate for a motor vehicle other than a commercial motor vehicle registered with the International Registration Plan, the ~~Director~~ Secretary of the Department of Finance and Administration shall issue a tab or decal annually or, when appropriate, to each qualified applicant as evidence of the annual payment of license fees.

(b) A motor vehicle owner shall affix and display the tab or decal in such place as the ~~director~~ secretary shall designate.

SECTION 1404. Arkansas Code § 27-14-1019 is amended to read as follows:

27-14-1019. Changes of address.

(a) Every owner of a motor vehicle subject to this subchapter shall report to the ~~Director~~ Secretary of the Department of Finance and Administration any change of address from that listed when the vehicle was registered.

(b) The willful failure or neglect of an owner to report the change of address shall be a misdemeanor and shall subject the owner to the penalties

provided by § 27-14-301 and shall relieve the ~~director~~ secretary of any obligation of notifying the owner of expiration of his or her motor vehicle license and registration.

SECTION 1405. Arkansas Code § 27-14-1020 is amended to read as follows:

27-14-1020. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate such reasonable rules and regulations and prescribe such forms as are necessary for the proper enforcement of this subchapter.

SECTION 1406. The introductory language of Arkansas Code § 27-14-1021(a), concerning the annual notification of requirements, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall send to each vehicle owner in this state the following information:

SECTION 1407. The introductory language of Arkansas Code § 27-14-1021(b), concerning the annual notification of requirements, is amended to read as follows:

(b) The ~~director~~ secretary may comply with the requirements set forth in subsection (a) of this section by including the information in the annual vehicle registration renewal notice sent to each vehicle owner by:

SECTION 1408. Arkansas Code § 27-14-1021(c), concerning the annual notification of requirements, is amended to read as follows:

(c) The ~~director~~ secretary shall also cause to be displayed, in conspicuous fashion, at each revenue office in this state, the information set forth in subsection (a) of this section.

SECTION 1409. Arkansas Code § 27-14-1101(a), concerning the authority to issue special personalized prestige license plates for passenger automobiles and motorcycles, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide for and issue special personalized prestige

license plates for passenger automobiles and motorcycles.

SECTION 1410. Arkansas Code § 27-14-1104 is amended to read as follows:

27-14-1104. Rules and regulations.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate rules and regulations regarding the maximum and minimum number of letters, numbers, or symbols on special personalized prestige license plates issued under this subchapter.

(b) The ~~director~~ secretary may also promulgate such other rules and regulations as shall be deemed necessary or desirable for effectively carrying out the intent and purposes of this subchapter and the laws of this state relative to the regulation and licensing of motor vehicles.

SECTION 1411. Arkansas Code § 27-14-1202(a)(1), concerning the definition of "decal" under the Permanent Trailer Licensing Act of 1979, is amended to read as follows:

(1) “Decal” means an attachable material of such form and substance as the ~~Director~~ Secretary of the Department of Finance and Administration may prescribe by rule or regulation;

SECTION 1412. Arkansas Code § 27-14-1204(b), concerning penalties under the Permanent Trailer Licensing Act of 1979, is amended to read as follows:

(b) The failure of the trailer owner to affix and display the permanent license plates, the tab or decal, or the registration card, in the places designated by the ~~Director~~ Secretary of the Department of Finance and Administration, shall be a misdemeanor subject to the penalties provided by § 27-14-301.

SECTION 1413. Arkansas Code § 27-14-1206 is amended to read as follows:

27-14-1206. Time and place for registration or renewal.

(a) An applicant may apply, in person or by mail, for the issuance of permanent license plates to the revenue collector in the county where he or she resides or to the ~~Director~~ Secretary of the Department of Finance and

Administration.

(b) Thirty (30) days before the expiration of a license issued prior to January 1, 2002, the ~~director~~ secretary shall notify the owner of a registered trailer subject to this subchapter at the last address of the owner of the trailer as the owner's name and address appear on the records of the Office of Motor Vehicle, but the ~~director~~ secretary is not required to go beyond the face of the last registration statement.

(c)(1) A proper application for registration or renewal of a registration issued prior to January 1, 2002, by mail must be postmarked not later than fifteen (15) days before the date for renewal in order to allow time for processing.

(2) The ~~director~~ secretary is authorized to impose a first class postage fee for handling the issuance of all new licenses or renewals by mail.

SECTION 1414. Arkansas Code § 27-14-1207 is amended to read as follows:

27-14-1207. Information required of applicant.

The ~~Director~~ Secretary of the Department of Finance and Administration may require such other information of applicants as he or she deems necessary for the proper licensing of trailers and the proper maintenance of a trailer register.

SECTION 1415. Arkansas Code § 27-14-1209(a), concerning the issuance of a registration certificate, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue to each owner of a trailer subject to this subchapter a registration certificate, which must be kept in the place prescribed by the ~~director~~ secretary.

SECTION 1416. Arkansas Code § 27-14-1210(a), concerning the fee under the Permanent Trailer Licensing Act of 1979, is amended to read as follows:

(a) Upon registration, the owner of every trailer of a type subject to the provisions of this subchapter shall receive a permanent license plate issued by the ~~Director~~ Secretary of the Department of Finance and Administration upon the payment of the fee set forth in § 27-14-601.

SECTION 1417. Arkansas Code § 27-14-1211(a), concerning the issuance of a permanent plate under the Permanent Trailer Licensing Act of 1979, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to issue to the owner of a trailer subject to this subchapter a permanent license plate, subject to replacement, upon payment of the fee set forth in § 27-14-601.

SECTION 1418. Arkansas Code § 27-14-1212(a), concerning the issuance of reflectorized plates under the Permanent Trailer Licensing Act of 1979, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to issue permanent reflectorized license plates in such form as he or she shall prescribe.

SECTION 1419. Arkansas Code § 27-14-1213 is amended to read as follows:

27-14-1213. Distribution of renewal applications.

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall mail application forms for all renewals of registration under this subchapter issued prior to January 1, 2002, to the last address of the owner of the trailer as the owner's name and address appear on the records of the Office of Motor Vehicle.

(b) The ~~director~~ secretary shall not be required to go beyond the face of the last registration, and the failure of an owner to receive notice of expiration of his or her trailer license shall not be construed as an extenuating circumstance for the failure of a trailer owner to renew his or her license on time.

SECTION 1420. Arkansas Code § 27-14-1214(a), concerning renewal of registration under Permanent Trailer Licensing Act of 1979, is amended to read as follows:

(a) The owner of any permanent license plate issued by the ~~Director~~ Secretary of the Department of Finance and Administration prior to January 1, 2002, may renew his or her registration, in person or by mail, at a county

revenue office or with the ~~director~~ secretary during any day from thirty (30) days prior to the date on which his or her registration shall expire.

SECTION 1421. Arkansas Code § 27-14-1217(a), concerning the report of a change of address, is amended to read as follows:

(a) Every owner of a trailer subject to this subchapter shall report to the ~~Director~~ Secretary of the Department of Finance and Administration any change of address from that listed when the trailer was registered.

SECTION 1422. Arkansas Code § 27-14-1217(b)(3), concerning the report of a change of address, is amended to read as follows:

(3) Relieve the ~~director~~ secretary of any obligation of notifying the owner of expiration of his or her trailer license and registration.

SECTION 1423. Arkansas Code § 27-14-1218 is amended to read as follows:

27-14-1218. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate such reasonable rules and regulations and prescribe such forms as are necessary for the proper enforcement of this subchapter.

SECTION 1424. Arkansas Code § 27-14-1303 is amended to read as follows:

27-14-1303. Administration.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized and directed to supply license plates to properly designate or identify the various classes of vehicles covered in this subchapter and to enforce this subchapter.

SECTION 1425. Arkansas Code § 27-14-1304(a)(1), concerning the rules and regulations of the Department of Finance and Administration, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and regulations and prescribe forms for the proper enforcement of this subchapter.

SECTION 1426. Arkansas Code § 27-14-1304(b)(1), concerning the rules and regulations of the Department of Finance and Administration, is amended to read as follows:

(b)(1) A complete file of all rules, regulations, and forms shall be kept in the office of the ~~director~~ secretary.

SECTION 1427. Arkansas Code § 27-14-1305(a), concerning the annual report regarding the licensing of trucks and trailers, is amended to read as follows:

(a) Annually, on or before December 31 of each year, the ~~Director~~ Secretary of the Department of Finance and Administration shall make a report of his or her administration of this subchapter to the Governor.

SECTION 1428. Arkansas Code § 27-24-1425(a), concerning the special license plate for the Arkansas State Chapter of the National Wild Turkey Federation, Inc., is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall create and issue an Arkansas State Chapter of the National Wild Turkey Federation, Inc. special license plate in the manner and subject to the conditions provided for under this subchapter.

SECTION 1429. Arkansas Code § 27-14-1501(a), concerning the liability insurance prerequisite to licensing, is amended to read as follows:

(a) No license shall be issued for any taxicab, automobile, or similar vehicle used for hire, nor shall these vehicles be operated or used in and upon the streets, roads, and highways of the State of Arkansas, within or without the corporate limits of any city or village, for the purpose of carrying passengers for hire unless there shall have been filed with the ~~Director~~ Secretary of the Department of Finance and Administration a liability contract of insurance, or certificates of insurance, issued to the owner of the vehicle, which shall be substantially in the form of the standard automobile liability insurance policy in customary use, to be approved by the ~~director~~ secretary, and issued by an insurance company licensed to do business in the State of Arkansas.

SECTION 1430. Arkansas Code § 27-14-1501(c)(2)(A), concerning the liability insurance prerequisite to licensing, is amended to read as follows:

(2)(A) The bond or collateral shall be in the form approved by the ~~director~~ secretary and shall be conditioned for the payment of property damage and personal injuries and shall be in an amount no less than fifty thousand dollars ($50,000) for all claims for the operator's fleet, and uninsured motorist coverage shall not be required of the operators.

SECTION 1431. Arkansas Code § 27-14-1501(e)(1), concerning the liability insurance prerequisite to licensing, is amended to read as follows:

(e)(1) No policy of insurance may be cancelled by the licensee or by the insurance carrier unless written notice of the cancellation shall have been mailed to the ~~director~~ secretary.

SECTION 1432. Arkansas Code § 27-14-1603(d), concerning the cancellation of title for a manufactured home or a mobile home, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules to administer this section.

SECTION 1433. Arkansas Code § 27-14-1604(e), concerning the issuance of a new title in the event of severance, is amended to read as follows:

(e) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules to implement and administer this section.

SECTION 1434. Arkansas Code § 27-14-1701(d)(1), concerning the operation of vehicles under special plates, is amended to read as follows:

(d)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide the specifications, form, and color of the special temporary preprinted paper tag and any correlating stickers that are to be placed on the preprinted paper tag required under this section.

SECTION 1435. Arkansas Code § 27-14-1703(a)(1), concerning the expiration of special plates, is amended to read as follows:

(a)(1) Every special plate, excluding temporary preprinted paper tags, issued under this subchapter shall expire at 12:00 midnight on December 31 of

each year unless the ~~Director~~ Secretary of the Department of Finance and Administration provides by rule a staggered method of annual expiration.

SECTION 1436. Arkansas Code § 27-14-1703(b), concerning the expiration of special plates, is amended to read as follows:

(b) In lieu of providing a new special plate upon the expiration of the special plate issued under this subchapter, the ~~director~~ secretary may by rule provide for the issuance of permanent special plates that are renewed using an alternate method.

SECTION 1437. The introductory language of Arkansas Code § 27-14-1704(a), concerning dealer's extra license plates, is amended to read as follows:

(a) Each dealer as defined in § 27-14-601(a)(6) shall furnish the ~~Director~~ Secretary of the Department of Finance and Administration with a list of each manager, sales manager, and salesperson authorized to operate a motor vehicle to which a dealer's extra license plate issued to the dealer has been or will be attached:

SECTION 1438. Arkansas Code § 27-14-1704(c)(1)(A), concerning dealer's extra license plates, is amended to read as follows:

(e)(1)(A) In addition to any other penalty prescribed by this chapter, the ~~director~~ secretary may suspend some or all dealer's extra license plates issued to a dealer if the ~~director~~ secretary determines that the dealer or any manager, sales manager, or salesperson of the dealer either misused a dealer's extra license plate or allowed the use of a dealer's extra license plate by a person who is not authorized by this section to use a dealer's extra license plate.

SECTION 1439. The introductory language of Arkansas Code § 27-14-1704(e)(1)(C), concerning dealer's extra license plates, is amended to read as follows:

(C) The ~~director~~ secretary shall:

SECTION 1440. Arkansas Code § 27-14-1704(e)(2)(A) and (B), concerning dealer's extra license plates, are amended to read as follows:

(2)(A) Any dealer who desires a hearing on the suspension shall notify the ~~director~~ secretary in writing within twenty (20) days after receipt of the notice of suspension.

(B) A hearing officer appointed by the ~~director~~ secretary shall schedule a hearing in an office of the Revenue Division of the Department of Finance and Administration in the county of the dealer's principal place of business, unless the ~~director~~ secretary and the dealer agree to another location for the hearing or agree that the hearing shall be held by telephone.

SECTION 1441. Arkansas Code § 27-14-1704(e)(3)(A)(ii), concerning dealer's extra license plates, is amended to read as follows:

(ii) The dealer shall serve a copy of the petition on the ~~director~~ secretary.

SECTION 1442. Arkansas Code § 27-14-1705(e), concerning temporary preprinted paper buyer's tags, is amended to read as follows:

(e) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide the specifications, form, and color of the temporary preprinted paper buyer's tag.

SECTION 1443. Arkansas Code § 27-14-1705(f)(1)(A), concerning temporary preprinted paper buyer's tags, is amended to read as follows:

(f)(1)(A) The buyer shall be responsible for paying to the ~~director~~ secretary a fee to be set by the ~~director~~ secretary, which shall not exceed five dollars and fifty cents ($5.50), for each temporary preprinted paper buyer's tag and any correlating sticker the buyer receives.

SECTION 1444. Arkansas Code § 27-14-1705(f)(3)(A), concerning temporary preprinted paper buyer's tags, is amended to read as follows:

(3)(A) Except as provided in subdivision (f)(3)(B) of this section, all fees collected by the ~~director~~ secretary under this section shall be deposited into the State Treasury, and the Treasurer of State shall credit them as general revenues to the General Revenue Fund Account of the State Apportionment Fund.

SECTION 1446. The introductory language of Arkansas Code § 27-14-1705(h)(1)(A), concerning temporary preprinted paper buyer's tags, is amended to read as follows:

(h)(1)(A) In addition to any other penalty prescribed by this section, the ~~director~~ secretary may suspend or terminate a dealer's authority to issue temporary preprinted paper buyer's tags if the ~~director~~ secretary determines that the dealer, manager, salesperson, or employee of the dealer:

SECTION 1447. Arkansas Code § 27-14-1705(h)(1)(B), concerning temporary preprinted paper buyer's tags, is amended to read as follows:

(B) In addition to any other penalty prescribed by this section, if the ~~director~~ secretary determines that the dealer, or a manager, salesperson, or employee of the dealer, has violated this subsection, the ~~director~~ secretary may impose a penalty equal to ten dollars ($10.00) for each inappropriately issued temporary preprinted paper buyer's tag.

SECTION 1448. The introductory language of Arkansas Code § 27-14-1705(h)(2), concerning temporary preprinted paper buyer's tags, is amended to read as follows:

(2) The ~~director~~ secretary shall:

SECTION 1449. Arkansas Code § 27-14-1705(h)(5)(A) and (B), concerning temporary preprinted paper buyer's tags, are amended to read as follows:

(5)(A) A dealer who desires a hearing on the imposition of a penalty, or of the suspension or termination of the dealer's authority to issue temporary tags under this section, shall notify the ~~director~~ secretary in writing within twenty (20) days after receipt of the notice of imposition of a penalty, or of the suspension or termination.

(B) A hearing officer appointed by the ~~director~~ secretary shall schedule a hearing in an office of the Revenue Division of the Department of Finance and Administration in the county of the dealer's principal place of business, unless the ~~director~~ secretary and the dealer agree to another location for the hearing or agree that the hearing shall be held by telephone.

SECTION 1450. Arkansas Code § 27-14-1705(h)(6)(B), concerning

temporary preprinted paper buyer's tags, is amended to read as follows:

(B) The dealer shall serve a copy of the petition on the ~~director~~ secretary.

SECTION 1451. Arkansas Code § 27-14-1706(c)(2), concerning vehicles provided for purposes of demonstration or for repair customers, is amended to read as follows:

(2)(A) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide the specifications, form, and color of the information sheet to be used by dealers under this subsection.

(B) Information sheets retained by the dealer under this subsection are subject to examination by the ~~director~~ secretary at any reasonable time.

SECTION 1452. Arkansas Code § 27-14-1706(d)(3), concerning vehicles provided for purposes of demonstration or for repair customers, is amended to read as follows:

(3) The ~~director~~ secretary shall design the test drive or loaner information sheet to be used by dealers under this subsection and shall make this information sheet available at all state revenue offices and on the website of the Department of Finance and Administration.

SECTION 1453. Arkansas Code § 27-14-1707 is amended to read as follows:

27-14-1707. Authority to promulgate rules.

In addition to the authority provided in § 27-14-403, the ~~Director~~ Secretary of the Department of Finance and Administration may promulgate, adopt, and enforce such rules as may be necessary to carry out this subchapter.

SECTION 1453. Arkansas Code § 27-14-1804 is amended to read as follows:

7-14-1804. Nonapplicable if regular plates used.

This subchapter shall not apply to any person, firm, or corporation engaged in towing or driving motor vehicles on the public highways of this state where the motor vehicles display bona fide license or dealer's license

plates issued by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1454. Arkansas Code § 27-14-1805(a), concerning the use of "IN TRANSIT" placards, is amended to read as follows:

(a)(1) Motor vehicles and trailers in the course of delivery from a manufacturer to a dealer, or from one dealer to another, may be operated on the highways without license number plates being attached, if they display, on the rear, a placard issued by the ~~Director~~ Secretary of the Department of Finance and Administration, bearing the words “IN TRANSIT”, the registration number, the time and date the placard was issued, and the genuine signature of the ~~director~~ secretary or his or her agent.

(2) The letters and figures shall be of such size and type to meet the requirements of the ~~director~~ secretary.

SECTION 1455. Arkansas Code § 27-14-1805(b)(2), concerning the use of "IN TRANSIT" placards, is amended to read as follows:

(2) The fee shall be collected by the ~~director~~ secretary before issuance of the placard.

SECTION 1456. Arkansas Code § 27-14-1806(a)(1), concerning metal transporter plates, is amended to read as follows:

(a)(1) Any person, firm, or corporation that is regularly engaged in the business of driving or towing motor vehicles or trailers as defined in § 27-14-1805, upon the payment of a fee of thirty dollars ($30.00), may be issued an annual metal transporter plate by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1457. Arkansas Code § 27-14-1808 is amended to read as follows:

27-14-1808. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate such rules and regulations as he or she deems necessary for the proper enforcement of this subchapter.

SECTION 1458. Arkansas Code § 27-14-1904 is amended to read as

follows:

27-14-1904. Design of plates.

Manufacturers' master license plates shall be of such form and design as prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1459. Arkansas Code § 27-14-1905 is amended to read as follows:

27-14-1905. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate rules and regulations consistent with the provisions of this subchapter.

SECTION 1460. Arkansas Code § 27-14-2102 is amended to read as follows:

27-14-2102. Issuance authorized.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to design and issue a drive-out tag for use in cases where automobile dealers in this state sell a motor vehicle to a nonresident who desires to immediately remove the vehicle to the state of his or her residence.

SECTION 1461. Arkansas Code § 27-14-2105 is amended to read as follows:

27-14-2105. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration is authorized to promulgate such rules and regulations as he or she deems necessary for the proper enforcement of this subchapter.

SECTION 1462. Arkansas Code § 27-14-2307 is amended to read as follows:

27-14-2307. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate necessary rules and regulations for the proper enforcement and administration of this subchapter.

SECTION 1463. Arkansas Code § 27-15-2402 is amended to read as follows:

27-15-2402. Applications.

All applications for special license plates under this subchapter shall be made to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1464. Arkansas Code § 27-15-2404 is amended to read as follows:

27-15-2404. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall make such rules and regulations as are necessary to ascertain compliance with all state license laws relating to the use and operation of motor vehicles before issuing the special plates under this subchapter in lieu of the regular license plates.

SECTION 1465. Arkansas Code § 27-15-2405(a), concerning lists for public information, is amended to read as follows:

(a) On or before March 1 of each year, the ~~Director~~ Secretary of the Department of Finance and Administration shall furnish to the sheriff of each county in the state an alphabetically arranged list of the names, addresses, and amateur station call signs on the license plates of all persons to whom license plates are issued under the provisions of this subchapter.

SECTION 1466. Arkansas Code § 27-15-4001(a), concerning buses converted to or equipped as campers, is amended to read as follows:

(a) Any person in this state who owns a school bus or other bus which has been converted to or equipped as a camper and is used solely as a camper may register it and obtain special motor vehicle license plates for it upon application to the ~~Director~~ Secretary of the Department of Finance and Administration and upon the payment of an annual registration fee of thirteen dollars ($13.00).

SECTION 1467. Arkansas Code § 27-15-4002(b), concerning exemptions for new vehicles loaned by dealers to school districts, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue, without charge to the school district, the appropriate motor vehicle license plates for the vehicle.

SECTION 1468. Arkansas Code § 27-15-4901 is amended to read as follows:

27-15-4901. In God We Trust license plate authorized.

The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special In God We Trust motor vehicle license plate in the manner and subject to the conditions prescribed in this subchapter.

SECTION 1469. The introductory language of Arkansas Code § 27-15-4902(b)(1), concerning the design of the special In God We Trust motor vehicle license plate, is amended to read as follows:

(b)(1) Before the ~~Director~~ Secretary of the Department of Finance and Administration creates and issues a special license plate under this subchapter, one (1) of the following must occur:

SECTION 1470. Arkansas Code § 27-15-4908 is amended to read as follows:

27-15-4908. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate reasonable rules and regulations and prescribe forms as the ~~director~~ secretary determines to be necessary for effectively and efficiently carrying out the intent and purposes of this subchapter.

SECTION 1471. Arkansas Code § 27-15-5101 is amended to read as follows:

27-15-5101. Arkansas State Golf Association license plate authorized.

The ~~Director~~ Secretary of the Department of Finance and Administration shall provide for and issue Arkansas State Golf Association special license plates in the manner and subject to the conditions under this subchapter.

SECTION 1472. Arkansas Code § 27-15-5102(a)(2) and (3), concerning the design of numbered plates for the Arkansas State Golf Association, are amended to read as follows:

(2) The design shall be submitted to the ~~Director~~ Secretary of the Department of Finance and Administration for design approval under rules of the ~~director~~ secretary.

(3) The association may periodically submit a newly designed license plate for approval and issuance by the ~~director~~ secretary with not more than one (1) new license plate design issued per calendar year.

SECTION 1473. Arkansas Code § 27-15-5102(b)(1), concerning the design of numbered plates for the Arkansas State Golf Association, is amended to read as follows:

(b)(1) Upon approval of the design by the ~~director~~ secretary, the association shall remit to the Department of Finance and Administration a fee in the amount of six thousand dollars ($6,000) to cover the cost of the initial order of each newly designed license plate.

SECTION 1474. Arkansas Code § 27-15-5102(c), concerning the design of numbered plates for the Arkansas State Golf Association, is amended to read as follows:

(c) The ~~director~~ secretary shall promulgate reasonable rules and regulations and prescribe any forms as the ~~director~~ secretary determines to be necessary to carry out the intent and purposes of this subchapter.

SECTION 1475. Arkansas Code § 27-15-5201 is amended to read as follows:

27-15-5201. Arkansas Fallen Firefighters' Memorial special license plate authorized.

The ~~Director~~ Secretary of the Department of Finance and Administration shall provide for and issue Arkansas Fallen Firefighters' Memorial special license plates for motor vehicles in the manner provided in this subchapter.

SECTION 1476. Arkansas Code § 27-15-5202(a)(2) and (3), concerning the special motor vehicle license plates designed by the Arkansas Fallen Firefighters' Memorial Board, are amended to read as follows:

(2) The design shall be submitted for design approval by the ~~Director~~ Secretary of the Department of Finance and Administration under rules and regulations of the ~~director~~ secretary.

(3) The board may periodically submit a newly designed license plate for approval and issue by the ~~director~~ secretary with not more than one (1) new license plate design issued per calendar year.

SECTION 1477. Arkansas Code § 27-15-5202(b)(1), concerning the special motor vehicle license plates designed by the Arkansas Fallen Firefighters' Memorial Board, is amended to read as follows:

(b)(1) Upon approval of the design by the ~~director~~ secretary, the board shall remit to the Department of Finance and Administration a fee of six thousand dollars ($6,000) to cover the cost of the initial order of each newly designed license plate.

SECTION 1478. Arkansas Code § 27-15-5202(c), concerning the special motor vehicle license plates designed by the Arkansas Fallen Firefighters' Memorial Board, is amended to read as follows:

(c) The ~~director~~ secretary shall promulgate reasonable rules and regulations and prescribe any forms as he or she determines to be necessary to carry out the intent and purposes of this subchapter.

SECTION 1479. Arkansas Code § 27-16-401(1), concerning the definition of "commissioner" under the laws concerning the Office of Driver Services, is amended to read as follows:

(1) "Commissioner" means the ~~Director~~ Secretary of the Department of Finance and Administration acting in his or her capacity as Commissioner of Motor Vehicles of this state;

SECTION 1480. Arkansas Code § 27-16-509(c), concerning reciprocal agreements, is amended to read as follows:

(c)(1) The ~~Director~~ Secretary of the Department of Finance and Administration may negotiate and consummate a reciprocal agreement as provided under this section.

(2) If the ~~Director~~ Secretary of the Department of Finance and Administration enters into a reciprocal agreement under this section, then he or she shall exercise due regard for the advantage and convenience of resident drivers and citizens of the State of Arkansas.

(3) The ~~Director~~ Secretary of the Department of Finance and

Administration shall only enter into a reciprocal agreement that extends equal or greater privileges and exemptions to Arkansas motor vehicle drivers as compared to the privileges and exemptions provided to the other entity's motor vehicle drivers.

SECTION 1481. Arkansas Code § 27-16-509(d)(1), concerning reciprocal agreements, is amended to read as follows:

(d)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall enter into a reciprocal agreement under this section by promulgating rules in compliance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 1482. The introductory language of Arkansas Code § 27-16-509(e)(1)(A), concerning reciprocal agreements, is amended to read as follows:

(e)(1)(A) If the ~~Director~~ Secretary of the Department of Finance and Administration enters into a reciprocal agreement under this section, then he or she shall submit a report to the following:

SECTION 1483. Arkansas Code § 27-16-604(a)(9), concerning persons not to be licensed, is amended to read as follows:

(9) Whose operation of a motor vehicle on the highways the ~~Director~~ Secretary of the Department of Finance and Administration has good cause to believe would be inimical to public safety or welfare;

SECTION 1484. Arkansas Code § 27-16-702(a)(2), concerning the application of a minor for an instruction permit, learner's license, or intermediate driver's license, is amended to read as follows:

(2) For purposes of this section, duly authorized agents of the ~~Director~~ Secretary of the Department of Finance and Administration may administer oaths without charge.

SECTION 1485. Arkansas Code § 27-16-704(b)(6), concerning the examination of applicants, is amended to read as follows:

(6) The test of the applicant's eyesight shall be made on an optical testing instrument approved under standards established by the

~~Director~~ Secretary of the Department of Finance and Administration and the ~~Department~~ Division of Arkansas State Police.

SECTION 1486. Arkansas Code § 27-16-705(a), concerning examiners for the Department of Finance and Administration, is amended to read as follows:

(a) An examination as provided for in this subchapter shall be conducted by the ~~Department~~ Division of Arkansas State Police or by the duly authorized agents of the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1487. The introductory language of Arkansas Code § 27-16-801(a)(1)(A), concerning licenses, validity periods, contents, fees, and disposition of moneys, is amended to read as follows:

(a)(1)(A) In a manner prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration, the Office of Driver Services shall issue:

SECTION 1488. Arkansas Code § 27-16-801(a)(5)(A), concerning licenses, validity periods, contents, fees, and disposition of moneys, is amended to read as follows:

(5) At the time of initial issuance or at the time of renewal of a license, the distinguishing number assigned to the licensee for his or her license shall be a nine-digit number assigned to the specific licensee by the ~~director~~ secretary.

SECTION 1489. Arkansas Code § 27-16-801(d)(1), concerning licenses, validity periods, contents, fees, and disposition of moneys, is amended to read as follows:

(d)(1) Except as provided in subdivision (d)(2) of this section, all license fees collected under subsection (a) of this section shall be cash funds restricted in their use and shall be deposited into a bank selected by the ~~Department~~ Division of Arkansas State Police to the credit of the ~~Department~~ Division of Arkansas State Police Financing Fund.

SECTION 1490. Arkansas Code § 27-16-801(g)(2), concerning the definition of "eligible inmate", is amended to read as follows:

(2) The fees collected under this subsection shall be remitted to the State Treasury, there to be deposited as special revenues to the credit of the ~~Department~~ Division of Arkansas State Police Fund, to be used for the payment of health insurance premiums for uniformed employees of the ~~Department~~ Division of Arkansas State Police.

SECTION 1491. Arkansas Code § 27-16-801(h)(1)(A)(i) and (ii), concerning licenses, validity periods, contents, fees, and disposition of moneys, are amended to read as follows:

(i) Being an inmate of the ~~Department~~ Division of Correction and housed in a facility operated by the ~~Department~~ Division of Correction; or

(ii) Being an inmate of the ~~Department~~ Division of Community Correction and housed in a detention facility; and

SECTION 1492. Arkansas Code § 27-16-801(h)(1)(B), concerning licenses, validity periods, contents, fees, and disposition of moneys, is amended to read as follows:

(B) "Eligible inmate" means a person who is within one hundred eighty (180) days of release from custody by the ~~Department~~ Division of Correction or the ~~Department~~ Division of Community Correction.

SECTION 1493. Arkansas Code § 27-16-801(h)(3), concerning licenses, validity periods, contents, fees, and disposition of moneys, is amended to read as follows:

(3) The ~~Department~~ Division of Correction and the ~~Department~~ Division of Community Correction shall identify eligible inmates to apply for a replacement or renewal driver's license or identification card.

SECTION 1494. Arkansas Code § 27-16-811(d), concerning the address confidentiality program and the exception to a disclosing residence address, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules and forms to administer the address confidentiality program under this section.

SECTION 1495. Arkansas Code § 27-16-901(a)(1)(A), concerning the expiration and renewal of licenses, is amended to read as follows:

(a)(1)(A) Except for the intermediate driver's license and the learner's license, every driver's license shall expire at the end of the month in which it was issued eight (8) years from its date of initial issuance unless the ~~Director~~ Secretary of the Department of Finance and Administration provides by rule for some other staggered basis of expiration.

SECTION 1496. Arkansas Code § 27-16-901(a)(2)(A), concerning the expiration and renewal of licenses, is amended to read as follows:

(2)(A) The ~~director~~ secretary may by rule shorten or lengthen the term of any driver's license period, as necessary, to ensure that approximately twenty-five percent (25%) of the total valid licenses are renewable each fiscal year.

SECTION 1497. Arkansas Code § 27-16-901(a)(2)(B)(ii), concerning the expiration and renewal of licenses, is amended to read as follows:

(ii) The adjustment of the fee shall be carried out in the manner determined by the ~~director~~ secretary by rule.

SECTION 1498. Arkansas Code § 27-16-901(b), concerning the expiration and renewal of licenses, is amended to read as follows:

(b) Every driver's license shall be renewable on or before its expiration upon completion of an application, payment of the fees designated in § 27-16-801, and passage of the eyesight test required in § 27-16-704 and shall be renewed without other examination, unless the ~~director~~ secretary has reason to believe that the licensee is no longer qualified to receive a license.

SECTION 1499. Arkansas Code § 27-16-902(c), concerning the extension of expiration date of licenses for military members, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules necessary for compliance with this section.

SECTION 1500. Arkansas Code § 27-16-907(e)(3), concerning the suspension or revocation of licenses, is amended to read as follows:

(3)(A) A hearing officer appointed by the ~~Director~~ Secretary of the Department of Finance and Administration shall schedule a hearing in an office of the Revenue Division of the Department of Finance and Administration designated by the ~~director~~ secretary for the hearings.

(B) The hearing shall be in the office in the county of residence of the licensee unless the ~~director~~ secretary and licensee agree to another location for the hearing or agree that the hearing shall be held by telephone conference call.

SECTION 1501. Arkansas Code § 27-16-907(g), concerning the suspension or revocation of licenses, is amended to read as follows:

(g) The ~~director~~ secretary may promulgate rules and regulations for the administration of this section.

SECTION 1502. Arkansas Code § 27-16-909(a)(1), concerning the suspension or revocation of license for the inability to drive, is amended to read as follows:

(a)(1) The Office of Driver Services, having good cause to believe that a licensed driver is incompetent or otherwise not qualified to be licensed, may, upon written notice of at least five (5) days to the licensee, require the licensee to submit to an initial evaluation by a hearing officer appointed by the ~~Director~~ Secretary of the Department of Finance and Administration in an office of the Revenue Division of the Department of Finance and Administration designated by the ~~director~~ secretary.

SECTION 1503. Arkansas Code § 27-16-909(c)(3), concerning the suspension or revocation of a license for the inability to drive, is amended to read as follows:

(3)(A) A hearing officer appointed by the ~~director~~ secretary shall schedule a hearing in an office of the revenue division designated by the ~~director~~ secretary for hearings under this section.

(B) The hearing shall be in the office in the county of residence of the licensee unless the ~~director~~ secretary and licensee agree to another location for the hearing or agree that the hearing shall be held by

telephone conference call.

SECTION 1504. Arkansas Code § 27-16-909(e), concerning the suspension or revocation of a license for the inability to drive, is amended to read as follows:

(e) The ~~director~~ secretary may promulgate rules and regulations for the orderly and efficient administration of this section.

SECTION 1505. Arkansas Code § 27-16-913(a)(3), concerning the right of appeal to the court of record, is amended to read as follows:

(3) A copy of the petition shall be served upon the ~~Director~~ Secretary of the Department of Finance and Administration in accordance with the Arkansas Rules of Civil Procedure.

SECTION 1506. Arkansas Code § 27-16-915(b)(1)(C), concerning suspension for a conviction of a controlled substances offense, is amended to read as follows:

(C) Courts outside Arkansas having jurisdiction over a person holding driving privileges issued by the State of Arkansas shall prepare and transmit an order pursuant to an agreement or arrangement entered into between that state and the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1507. Arkansas Code § 27-16-1105(c)(2), concerning the minimum issuance standards for driver's licenses, is amended to read as follows:

(2) No later than January 31, 2006, the ~~Director~~ Secretary of the Department of Finance and Administration shall enter into a memorandum of understanding with the Secretary of Homeland Security to routinely utilize the automated system known as the Verification Information System database of the Systematic Alien Verification for Entitlements Program, as provided by section 404 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Pub. L. No. 104-208, to verify the legal presence status of a person other than a United States citizen applying for a driver's license or identification card.

SECTION 1508. The introductory language of Arkansas Code § 27-16-1106,

concerning additional requirements regarding the issuance of driver's licenses and identification cards, is amended to read as follows:

To meet the requirements of this section regarding the issuance of driver's licenses and identification cards, the ~~Director~~ Secretary of the Department of Finance and Administration shall:

SECTION 1509. Arkansas Code § 27-16-1107(a), concerning the linking of databases, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall ensure that the State of Arkansas is eligible to receive any grant or other type of financial assistance made available under federal law regarding driver's license security and modernization.

SECTION 1510. The introductory language of Arkansas Code § 27-16-1107(b), concerning the linking of databases, is amended to read as follows:

(b) The ~~director~~ secretary shall implement and oversee a motor vehicle database that contains at a minimum the following information:

SECTION 1511. Arkansas Code § 27-16-1108 is amended to read as follows:

27-16-1108. Rules.

The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate rules to implement and administer this subchapter.

SECTION 1512. Arkansas Code § 27-16-1203(2), concerning the definition of "director" under the Arkansas Voluntary Enhanced Security Driver's License and Identification Card Act, is amended to read as follows:

(2) "~~Director~~ Secretary" means the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 1513. Arkansas Code § 27-16-1204(a), concerning system development under the Arkansas Voluntary Enhanced Security Driver's License and Identification Card Act, is amended to read as follows:

(a) Notwithstanding any other provision of law, the ~~Director~~ Secretary of the Department of Finance and Administration may perform any system development necessary to implement the requirements of this subchapter.

SECTION 1514. Arkansas Code § 27-16-1207(a)(11), concerning issuance standards and proof of physical address, is amended to read as follows:

(11) Any other documentation the ~~Director~~ Secretary of the Department of Finance and Administration determines to be adequate proof of physical address.

SECTION 1515. Arkansas Code § 27-16-1207(d), concerning issuance standards and proof of physical address, is amended to read as follows:

(d) The ~~director~~ secretary may require additional proof of physical address if the ~~director~~ secretary questions the validity or authenticity of the proof of physical address submitted by the applicant.

SECTION 1516. The introductory language of Arkansas Code § 27-16-1208, concerning evidence of lawful status, is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration shall require before issuing a voluntary enhanced security driver's license, voluntary enhanced security commercial driver's license, or voluntary enhanced security identification card valid documentary evidence that the applicant:

SECTION 1517. Arkansas Code § 27-16-1209(d), concerning the expiration and renewal of a voluntary enhanced security driver's license, is amended to read as follows:

(d) The ~~Director~~ Secretary of the Department of Finance and Administration may by rule shorten or lengthen the term of any driver's license or identification card period under this section, as necessary, to ensure that approximately twenty-five percent (25%) of the total valid licenses are renewable each fiscal year.

SECTION 1518. Arkansas Code § 27-16-1211 is amended to read as follows:

27-16-1211. Authority to promulgate rules.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate any necessary rules to carry out this subchapter, subject to the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 1519. The introductory language of Arkansas Code § 27-16-1212, concerning the implementation date for voluntary enhanced identification and security features, is amended to read as follows:

This subchapter shall be effective and shall be implemented only if the ~~Director~~ Secretary of the Department of Finance and Administration:

SECTION 1520. Arkansas Code § 27-19-202 is amended to read as follows:

27-19-202. Commissioner.

"Commissioner" means the ~~Director~~ Secretary of the Department of Finance and Administration acting in his or her capacity as Commissioner of Motor Vehicles of this state.

SECTION 1521. Arkansas Code § 27-19-401 is amended to read as follows:

27-19-401. Responsibility.

The ~~Director~~ Secretary of the Department of Finance and Administration shall administer and enforce the provisions of this chapter.

SECTION 1522. Arkansas Code § 27-19-402 is amended to read as follows:

27-19-402. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may make rules and regulations necessary for the administration of this chapter.

SECTION 1523. Arkansas Code § 27-19-403 is amended to read as follows:

27-19-403. Forms.

The ~~Director~~ Secretary of the Department of Finance and Administration shall prescribe and provide suitable forms requisite or deemed necessary for the purposes of this chapter.

SECTION 1524. Arkansas Code § 27-19-404(3), concerning the procedure for suspension of a license, is amended to read as follows:

(3) A hearing officer appointed by the ~~Director~~ Secretary of the Department of Finance and Administration shall schedule a hearing in an office of the Revenue Division of the Department of Finance and Administration designated by the ~~director~~ secretary for the hearings. The

hearing shall be in the office in the county of residence of the licensee unless the ~~director~~ secretary and licensee agree to another location for the hearing or agree that the hearing shall be held by telephone conference call.~~.~~;

SECTION 1525. Arkansas Code § 27-19-405 is amended to read as follows:

27-19-405. Requests of persons aggrieved.

The ~~Director~~ Secretary of the Department of Finance and Administration shall receive and consider any pertinent information upon request of persons aggrieved by his or her orders or acts under any of the provisions of this chapter.

SECTION 1526. Arkansas Code § 27-19-408(a) and (b), concerning the court review of actions of the Director of the Department of Finance and Administration, are amended to read as follows:

(a) Any order or act of the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of this chapter shall be subject to a de novo petition of review in the circuit court of the district in which any party of interest resides.

(b) The filing of a petition of review shall not operate as an automatic stay of any order or act of the ~~director~~ secretary.

SECTION 1527. Arkansas Code § 27-19-408(d), concerning the court review of actions of the Director of the Department of Finance and Administration, is amended to read as follows:

(d) The circuit judge is vested with the jurisdiction to determine whether the petitioner is entitled to a license or whether the act or order of the ~~director~~ secretary should be affirmed, modified, or reversed.

SECTION 1528. Arkansas Code § 27-19-501 is amended to read as follows:

27-19-501. Report required.

The driver of a vehicle of a type subject to registration under the motor vehicle laws of this state that is in any manner involved in an accident within this state which accident has resulted in damage to the property of any one (1) person in excess of one thousand dollars ($1,000) or in bodily injury to or in the death of any person shall report the accident

to the Office of Driver Services within thirty (30) days after the accident on an electronic or paper form approved by the ~~Director~~ Secretary of the Department of Finance and Administration subject to the exemptions provided in §§ 27-19-509 and 27-19-604.

SECTION 1529. Arkansas Code § 27-19-605(b), concerning the requirements of a bond or policy, is amended to read as follows:

(b) No policy or bond shall be effective under § 27-19-604 with respect to any vehicle which was not registered in this state or was a vehicle which was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, unless the insurance company or surety company issuing the policy or bond is authorized to do business in this state, or if the company is not authorized to do business in this state, unless it shall execute a power of attorney authorizing the ~~Director~~ Secretary of the Department of Finance and Administration to accept service on its behalf of notice or process in any action upon the policy or bond arising out of an accident.

SECTION 1530. Arkansas Code § 27-19-712(b)(2)(A), concerning a certificate of insurance as proof of financial responsibility, is amended to read as follows:

(A) The insurance carrier shall execute a power of attorney authorizing the ~~Director~~ Secretary of the Department of Finance and Administration to accept on its behalf service of notice or process in any action arising out of a motor vehicle accident in this state; and

SECTION 1531. Arkansas Code § 27-20-105(a)-(c), concerning the registration and renewal period, are amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall establish a system for the registration of motorcycles and motor-driven cycles on a monthly series basis to distribute the work of registering motorcycles and motor-driven cycles as uniformly as practicable throughout the twelve (12) months of the calendar year.

(b) When a person applies for the registration of a motorcycle or motor-driven cycle and the issuance of a permanent license plate, the decals issued by the ~~director~~ secretary for attachment to the permanent license

plate to evidence the registration period shall be decals for the current month in which application is made for registration, regardless of the day of the month on which application is made.

(c) The ~~director~~ secretary shall, upon request, assign to any owner of two (2) or more vehicles the same registration period.

SECTION 1532. Arkansas Code § 27-20-202(a), concerning the required registration for all-terrain vehicles, is amended to read as follows:

(a) All owners of three-wheeled, four-wheeled, or six-wheeled all-terrain vehicles that are not otherwise required to be registered by law shall register them with the ~~Director~~ Secretary of the Department of Finance and Administration within thirty (30) calendar days of acquiring them.

SECTION 1533. Arkansas Code § 27-20-205(a), concerning the certificate of title for an all-terrain vehicle, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a certificate of title to the owner of a three-wheeled, four-wheeled, or six-wheeled all-terrain vehicle that has been registered with the Department of Finance and Administration.

SECTION 1534. Arkansas Code § 27-20-206 is amended to read as follows:

27-20-206. Numbered license decal.

The ~~Director~~ Secretary of the Department of Finance and Administration shall furnish the owners of three-wheeled, four-wheeled, or six-wheeled all-terrain vehicles that have been registered with the Department of Finance and Administration a numbered license decal that shall be attached to the left front side of the vehicle.

SECTION 1535. Arkansas Code § 27-20-208 is amended to read as follows:

27-20-208. Regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate such rules and regulations as necessary to implement this subchapter.

SECTION 1536. Arkansas Code § 27-22-107(a)(2)(A), concerning motor vehicle insurance reporting, is amended to read as follows:

(2)(A) The ~~Director~~ Secretary of the Department of Finance and Administration may choose a vendor to provide an online insurance verification system which will comply with the industry standards as recommended by the Insurance Industry Committee on Motor Vehicle Administration when there are two (2) or more vendors that demonstrate to the department the ability to meet the Insurance Industry Committee on Motor Vehicle Administration standard.

SECTION 1537. Arkansas Code § 27-22-107(a)(2)(B), concerning motor vehicle insurance reporting, is amended to read as follows:

(B) If the ~~director~~ secretary certifies that seventy percent (70%) or more of the motor vehicle insurance policies in effect on a specific date are being accessed according to the industry standards in the online insurance verification system, each insurance company shall provide access to the data through the online insurance verification system.

SECTION 1538. Arkansas Code § 27-22-107(c), concerning motor vehicle insurance reporting, is amended to read as follows:

(c) The department may, following procedures set forth in regulations promulgated by the department, assess a penalty against each insurance company of up to two hundred fifty dollars ($250) for each day the insurance company fails to comply with this section. If an insurance company shows that the failure to comply with this section was inadvertent, accidental, outside of the control of the company, or the result of excusable neglect, the ~~Director~~ Secretary of the Department of Finance and Administration may excuse the penalty. The moneys collected from these penalties shall be deposited as a special revenue into the State Central Services Fund, and the net amount shall be credited as a direct revenue to be used by the department to offset the costs of administering this section.

SECTION 1539. Arkansas Code § 27-23-124(a), concerning the Commercial Driver License Fund, is amended to read as follows:

(a) There is hereby established on the books of the Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State, a fund to be known as the “Commercial Driver License Fund” of the Revenue Division of the Department of Finance and Administration. The Commercial Driver License Fund

shall consist of special revenues as set out in § 27-23-118, to be used to establish and maintain the Arkansas Commercial Driver License Program, and for other related purposes as required by the ~~Director~~ Secretary of the Department of Finance and Administration in carrying out the functions, powers, and duties of the division.

SECTION 1540. Arkansas Code § 27-24-102(1), concerning the purpose and implementation of a special license plate law, is amended to read as follows:

(1) Implement a special license plate law that transfers the authority for approving special license plates to the ~~Director~~ Secretary of the Department of Finance and Administration;

SECTION 1541. Arkansas Code § 27-24-104(a), concerning the reissuance and regulation of special license plates, is amended to read as follows:

(a) Every special license plate continued under this chapter shall be discontinued on April 7, 2007, unless an application that meets the criteria for issuance of the special license plate under the appropriate subchapter governing that type of plate is submitted and approved by the ~~Director~~ Secretary of the Department of Finance and Administration at least ninety (90) days prior to April 1, 2007.

SECTION 1542. The introductory language of Arkansas Code § 27-24-104(b), concerning the reissuance and regulation of special license plates, is amended to read as follows:

(b) The ~~director~~ secretary shall promulgate rules in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq., to carry out the duties of the Department of Finance and Administration under this chapter, including, but not limited to:

SECTION 1543. Arkansas Code § 27-24-105(a), concerning the design of a special license plate, is amended to read as follows:

(a) Unless otherwise provided in this chapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall have the exclusive power to design or approve the design used on a special license plate authorized under this chapter.

SECTION 1544. Arkansas Code § 27-24-107 is amended to read as follows:

27-24-107. Appeals.

An appeal from a decision of the ~~Director~~ Secretary of the Department of Finance and Administration under this chapter shall be governed by the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 1545. The introductory language of Arkansas Code § 27-24-204(a), concerning the military and veteran special license plates and decals, is amended to read as follows:

(a) The following special license plates or license plates with permanent decals for members and veterans of the United States Armed Forces and similar entities that were in existence or authorized by enactment on or before April 13, 2005, shall continue to be issued by the ~~Director~~ Secretary of the Department of Finance and Administration to an eligible applicant:

SECTION 1546. Arkansas Code § 27-24-204(b), concerning the military and veteran special license plates and decals, is amended to read as follows:

(b) Beginning January 1, 2014, the ~~director~~ secretary shall create and issue a permanent decal for a Vietnam Era Veteran consistent with § 27-24-209 to an eligible applicant.

SECTION 1547. Arkansas Code § 27-24-204(c)(1), concerning the military and veteran special license plates and decals, is amended to read as follows:

(c)(1) The Purple Heart Recipient special license plate that existed before April 13, 2005, shall continue to be issued by the ~~director~~ secretary to an eligible applicant.

SECTION 1548. The introductory language of Arkansas Code § 27-24-204(d), concerning the military and veteran special license plates and decals, is amended to read as follows:

(d) The ~~director~~ secretary shall promulgate rules and forms to ensure that an owner of a motor vehicle who is issued a special license plate under this subchapter:

SECTION 1549. The introductory language of Arkansas Code § 27-24-205, concerning additional special license plates, is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration shall examine the following factors to determine whether to create and issue additional special license plates under this subchapter:

SECTION 1550. Arkansas Code § 27-24-205(1)(B), concerning additional special license plates, is amended to read as follows:

(B) The ~~Director~~ Secretary of the Department of Veterans Affairs for a special license plate related to veterans or any other branch of the armed forces of the United States; and

SECTION 1551. Arkansas Code § 27-24-206(a)(2), concerning the fees and limitation regarding special license plates, is amended to read as follows:

(2) To defray the cost of the issuance and renewal of the first special license plate under this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration may charge an annual fee for renewal not to exceed one dollar ($1.00).

SECTION 1552. Arkansas Code § 27-24-213(e)(1)(B), concerning Veterans of Foreign Wars special license plates, is amended to read as follows:

(B) An annual fee not to exceed one dollar ($1.00) that the ~~Director~~ Secretary of the Department of Finance and Administration may charge for the issuance and renewal of the first special license plate; and

SECTION 1553. Arkansas Code § 27-24-401 is amended to read as follows:

7-24-401. Purpose.

The purpose of this subchapter is to continue the State Highway Commission's exemption from the requirement to display motor vehicle license plates issued by the ~~Director~~ Secretary of the Department of Finance and Administration and to transfer the authority to the commission to determine by minute order whether additional metal plates should be issued.

SECTION 1554. Arkansas Code § 27-24-501(c), concerning a federal government vehicle exemption, is amended to read as follows:

(c) The ~~Director~~ Secretary of the Department of Finance and Administration shall approve the design and form of a special license plate used under this section.

SECTION 1555. Arkansas Code § 27-24-603 is amended to read as follows:

27-24-603. Existing special license plates.

The miscellaneous nominal fee special license plates with the specific eligibility criteria that were in existence before April 13, 2005, and that are contained in this subchapter shall continue to be issued by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1556. The introductory language of Arkansas Code § 27-24-604, concerning additional special license plates, is amended to read as follows:

The ~~Director~~ Secretary of the Department of Finance and Administration may create and issue additional special license plates under this subchapter if:

SECTION 1557. Arkansas Code § 27-24-604(2), concerning additional special license plates, is amended to read as follows:

(2) The creation and issuance of the special license plate will have a minimal annual fiscal and budgetary impact as determined by the ~~director~~ secretary; and

SECTION 1558. Arkansas Code § 27-24-606(a)(1), concerning religious organizations, is amended to read as follows:

(a)(1) The pastor, minister, priest, rabbi, or other person in charge of a religious organization and the chair of the governing body of the religious organization may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for the issuance of a church bus special license plate to be used exclusively on church buses owned and operated by the religious organization.

SECTION 1559. Arkansas Code § 27-24-607 is amended to read as follows:

27-24-607. Youth groups.

(a) A civic club, person, or entity that furnishes to a youth group a motor vehicle that is used exclusively for youth group purposes may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for the issuance of a youth group special license plate to be used exclusively on motor vehicles that are operated for the purposes of the youth group.

(b) A youth group that owns and operates a motor vehicle that is used exclusively for youth group purposes may apply to the ~~director~~ secretary for the issuance of a youth group special license plate to be used exclusively on motor vehicles that are owned by the youth group and operated for the purposes of the youth group.

SECTION 1560. Arkansas Code § 27-24-608 is amended to read as follows:

27-24-608. 4-H clubs.

(a) A civic club, person, or entity that furnishes to a 4-H club a motor vehicle that is used exclusively for 4-H club purposes may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for the issuance of a 4-H club special license plate to be used exclusively on motor vehicles that are operated for the purposes of the 4-H club.

(b) A 4-H club that owns and operates a motor vehicle that is used exclusively for 4-H club purposes may apply to the ~~director~~ secretary for the issuance of a 4-H club special license plate to be used exclusively on motor vehicles that are owned by the 4-H club and operated for the purposes of the 4-H club.

SECTION 1561. Arkansas Code § 27-24-609(a), concerning motor vehicles used exclusively by volunteer rescue squads, is amended to read as follows:

(a) A person or entity that owns a motor vehicle that is used exclusively by volunteer rescue squads may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for the issuance of a volunteer rescue squad special license plate to be used exclusively on motor vehicles that are operated for the purposes of the volunteer rescue squad.

SECTION 1562. Arkansas Code § 27-24-610 is amended to read as follows:

27-24-610. Boy Scouts of America.

A civic club, person, or entity that furnishes a bus or truck for exclusive use for Boy Scouts of America purposes may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for the issuance of a motor vehicle special license plate to be used exclusively on motor vehicles that are operated for the purposes of the scouts.

SECTION 1563. Arkansas Code § 27-24-612 is amended to read as follows:

27-24-612. Orphanages.

(a) The head of an orphanage in the State of Arkansas may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for the issuance of a motor vehicle special license plate to be used exclusively on motor vehicles that are operated for the purposes of the orphanage.

(b) The application shall include an affidavit on a form prescribed by the ~~director~~ secretary that is signed by the applicant and which states that the motor vehicle to which the special license plate shall be attached is owned or exclusively leased by the orphanage and used exclusively for functions related to the orphanage.

SECTION 1564. Arkansas Code § 27-24-702 is amended to read as follows:

27-24-702. Special license plates.

The ~~Director~~ Secretary of the Department of Finance and Administration shall furnish each member of the General Assembly a special license plate for his or her personal motor vehicle as provided in this subchapter.

SECTION 1565. Arkansas Code § 27-24-703(a)(1), concerning license plates for members of the Senate, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall each year cause to be prepared thirty-nine (39) special license plates for members and selected staff of the Senate and deliver them to the Secretary of the Senate for distribution.

SECTION 1566. Arkansas Code § 27-24-703(b), concerning license plates for members of the Senate, is amended to read as follows:

(b) Upon each of the special license plates there shall appear the word "Senator" in addition to other identification information as the ~~director~~ Secretary of the Department of Finance and Administration with the approval of the Senate Efficiency Committee and subject to the approval of the Senate.

SECTION 1567. Arkansas Code § 27-24-703(c)(2), concerning license plates for members of the Senate, is amended to read as follows:

(2) On or before January 15 of each odd-numbered year, the ~~secretary~~ Secretary of the Senate as directed by the Senate Efficiency

Committee shall furnish the ~~director~~ Secretary of the Department of Finance and Administration with a list of the names of members of the Senate and shall designate the special license plate number that shall be reserved for each member of the Senate.

SECTION 1568. Arkansas Code § 27-24-703(d), concerning license plates for members of the Senate, is amended to read as follows:

(d) A member of the Senate who desires to obtain special license plates may obtain them by applying to the ~~director~~ Secretary of the Department of Finance and Administration upon forms to be provided by him or her and upon the payment of all taxes and fees that may be due.

SECTION 1569. Arkansas Code § 27-24-704(a)(1), concerning license plates for members of the House of Representatives, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall each calendar year cause to be prepared two (2) sets as deemed necessary by the House Management Committee of one hundred seven (107) special license plates for members of the House of Representatives and selected staff.

SECTION 1570. Arkansas Code § 27-24-704(a)(3), concerning license plates for members of the House of Representatives, is amended to read as follows:

(3) Upon receipt of the plates, the ~~director~~ secretary shall deliver them to the Speaker of the House of Representatives for issuance.

SECTION 1571. The introductory language of Arkansas Code § 27-24-704(c), concerning license plates for members of the House of Representatives, is amended to read as follows:

(c) On or before January 15 of each year, the Speaker of the House of Representatives shall furnish the ~~director~~ secretary with a list of names of members of the House of Representatives designating:

SECTION 1572. Arkansas Code § 27-24-802 is amended to read as follows:

27-24-802. Special license plates authorized.

The ~~Director~~ Secretary of the Department of Finance and Administration shall furnish each constitutional officer a Constitutional Officer special license plate for his or her personal motor vehicles under this subchapter.

SECTION 1573. Arkansas Code § 27-24-803(a)(1), concerning the Constitutional Officer special license plate, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall each year cause to be prepared seven (7) special license plates for the constitutional officers.

SECTION 1574. Arkansas Code § 27-24-803(b)(1), concerning the Constitutional Officer special license plate, is amended to read as follows:

(b)(1) Upon each of the special license plates there shall appear the words "Constitutional Officer" in addition to the other identifying information as the ~~director~~ Secretary of the Department of Finance and Administration shall determine.

SECTION 1575. Arkansas Code § 27-24-803(c)(2), concerning the Constitutional Officer special license plate, is amended to read as follows:

(2) On or before January 15 of each odd-numbered year, the Governor shall furnish the ~~director~~ Secretary of the Department of Finance and Administration with a list of the names of the constitutional officers, and each other officer shall furnish the Governor with the name of any other person who may display the special license plate.

SECTION 1576. Arkansas Code § 27-24-803(d), concerning the Constitutional Officer special license plate, is amended to read as follows:

(d) A constitutional officer who desires to obtain special license plates may obtain them by applying to the ~~director~~ Secretary of the Department of Finance and Administration upon forms to be provided by the ~~director~~ Secretary of the Department of Finance and Administration and by paying the taxes and fees that may be due.

SECTION 1577. Arkansas Code § 27-24-902(b), concerning the continuation of existing special license plates for Arkansas State Game and Fish Commission vehicles, is amended to read as follows:

(b) The special license plates to be issued to the commission and displayed on its vehicles shall be designed by the commission with the approval of the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1578. Arkansas Code § 27-24-903(a), concerning existing special license plates, is amended to read as follows:

(a) Except as provided in subsection (b) of this section, the ~~Director~~ Secretary of the Department of Finance and Administration shall continue the Arkansas State Game and Fish Commission special license plates that existed before April 13, 2005.

SECTION 1579 Arkansas Code § 27-24-903(b)(2), concerning existing special license plates, is amended to read as follows:

(2) To request a discontinuance of one (1) or more special license plates under this subchapter, the commission shall present a resolution to the ~~director~~ secretary stating which plates the department is to discontinue.

SECTION 1580. Arkansas Code § 27-24-904(a), concerning additional special license plate requests from the Arkansas State Game and Fish Commission, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall accept requests from the Arkansas State Game and Fish Commission to create and issue additional special license plates under this subchapter.

(2) The commission shall submit with the request for an additional special license plate a proposed design for the approval of the ~~director~~ secretary.

SECTION 1581. The introductory language of Arkansas Code § 27-24-904(b), concerning additional special license plate requests from the Arkansas State Game and Fish Commission, is amended to read as follows:

(b) When considering a request from the commission for an additional special license plate, the ~~director~~ secretary shall consider the following factors:

SECTION 1582. The introductory language of Arkansas Code § 27-24-904(c)(1), concerning additional special license plate requests from the Arkansas State Game and Fish Commission, is amended to read as follows:

(c)(1) If the request is approved, the ~~director~~ secretary shall determine:

SECTION 1583. Arkansas Code § 27-24-906(2)(B), concerning license plate options, is amended to read as follows:

(B) However, the use of letters and numbers on a personalized prestige license plate shall be limited to the rules of the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1584. Arkansas Code § 27-24-1003(a), concerning existing special license plates, is amended to read as follows:

(a) Except as provided in subsection (b) of this section, the ~~Director~~ Secretary of the Department of Finance and Administration shall continue the collegiate special license plates that existed before April 13, 2005.

SECTION 1585. Arkansas Code § 27-24-1003(b)(2), concerning existing special license plates, is amended to read as follows:

(2) To request a discontinuance of a special license plate issued under this subchapter, the board of trustees of the college or university shall present a resolution to the ~~director~~ secretary requesting the department to discontinue the college's or university's special license plate.

SECTION 1586. Arkansas Code § 27-24-1004 is amended to read as follows:

27-24-1004. Additional special license plates.

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall accept requests from the board of trustees of a college or university to create and issue a special license plate under this subchapter for the college or university.

(2) The board of trustees shall submit with the request for a special license plate a proposed design for the approval of the ~~director~~

secretary.

(b) The ~~director~~ secretary shall approve one (1) design for a special license plate for each college or university that requests a special license plate.

(c) The ~~director~~ secretary shall determine:

(1) The fee for the cost of initial orders of new designs for special license plates which shall be based on the cost of initial orders of new designs for special license plates;

(2) The number of applications that must be received to cover the cost of the initial orders of new designs for special license plates; or

(3) The combination of subdivisions (c)(1) and (2) of this section that must be received to cover the cost of the initial orders of the new designs for special license plates.

(d) The ~~director~~ secretary shall issue additional special license plates as provided under this subchapter.

SECTION 1587. Arkansas Code § 27-24-1007(2)(B), concerning license plate options, is amended to read as follows:

(B) However, the use of letters and numbers on a personalized prestige license plate shall be limited to the rules of the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1588. Arkansas Code § 27-24-1010(a), concerning the Arkansas School for the Deaf special license plate, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate for the Arkansas School for the Deaf in the manner and subject to the conditions provided under this subchapter.

SECTION 1589. The introductory language of Arkansas Code § 27-24-1010(c), concerning the Arkansas School for the Deaf special license plate, is amended to read as follows:

(c) The ~~director~~ secretary shall determine the amount of the cost for the issuance of the special license plate under this section as follows:

SECTION 1590. Arkansas Code § 27-24-1103 is amended to read as

follows:

27-24-1103. Existing special license plate.

The special license plate for the Division of Agriculture of the University of Arkansas that was in existence before April 13, 2005, shall continue to be issued by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1591. Arkansas Code § 27-24-1104 is amended to read as follows:

27-24-1104. Additional special license plates.

The ~~Director~~ Secretary of the Department of Finance and Administration shall accept requests for a special license plate for the agriculture division, department, or program of a college or university under this subchapter.

SECTION 1592. Arkansas Code § 27-24-1105(a) and (b), concerning the design and approval procedure for a special license plate, are amended to read as follows:

(a) The board of trustees of a college or university shall submit with its request for a special license plate for its agriculture program a proposed design for the approval of the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The ~~director~~ secretary shall approve one (1) design for an agriculture-related special license plate for each college or university that requests or currently has a special license plate.

SECTION 1593. The introductory language of Arkansas Code § 27-24-1105(c)(1), concerning the design and approval procedure for a special license plate, is amended to read as follows:

(c)(1) If the ~~director~~ secretary approves the request, the ~~director~~ secretary shall determine:

SECTION 1594. Arkansas Code § 27-24-1105(d)(1), concerning the design and approval procedure for a special license plate, is amended to read as follows:

(d)(1) A college or university may submit a newly designed special

license plate for approval and issuance by the ~~director~~ secretary not more than one (1) time in each period of five (5) years under this subchapter.

SECTION 1595. The introductory language of Arkansas Code § 27-24-1105(d)(2), concerning the design and approval procedure for a special license plate, is amended to read as follows:

(2) If the ~~director~~ secretary approves a request, then the ~~director~~ secretary shall determine:

SECTION 1596. Arkansas Code § 27-24-1204 is amended to read as follows:

27-24-1204. Additional special license plates.

The ~~Director~~ Secretary of the Department of Finance and Administration shall accept requests for a special license plate for an African-American fraternity or sorority that exists at a college or university in the State of Arkansas under this subchapter.

SECTION 1597. Arkansas Code § 27-24-1205(a) and (b), concerning the design and approval procedure for a special license plate that commemorates an African-American fraternity or sorority, are amended to read as follows:

(a) The design for a special license plate issued under this subchapter that commemorates an African-American fraternity or sorority shall be designed by the African-American fraternity or sorority and shall be submitted for the approval of the ~~Director~~ Secretary of the Department of Finance and Administration.

(b) The ~~director~~ secretary shall approve one (1) design for each participating African-American fraternity or sorority.

SECTION 1598. The introductory language of Arkansas Code § 27-24-1205(c)(1), concerning the design and approval procedure for a special license plate that commemorates an African-American fraternity or sorority, is amended to read as follows:

(c)(1) If the ~~director~~ secretary approves the design, the ~~director~~ secretary shall determine:

SECTION 1599. Arkansas Code § 27-24-1205(d), concerning the design and approval procedure for a special license plate that commemorates an African-American fraternity or sorority, is amended to read as follows:

(d) The ~~director~~ secretary shall promulgate reasonable rules and regulations and prescribe the forms necessary for effectively carrying out the intent and purposes of this subchapter.

SECTION 1600. Arkansas Code § 27-24-1206(b)(2), concerning the issuance, renewal, and replacement of a special license plate, is amended to read as follows:

(2) A fee not to exceed twenty-five dollars ($25.00) to be determined by the ~~Director~~ Secretary of the Department of Finance and Administration to cover the design-use contribution by the African-American fraternity or sorority or for fund-raising purposes; and

SECTION 1601. Arkansas Code § 27-24-1307(a), concerning additional public service special license plates with decals, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall accept requests from organizations that represent public service employees, retired public service employees, or retired military service members to create and issue a special license plate decal under this subchapter.

SECTION 1602. The introductory language of Arkansas Code § 27-24-1307(c), concerning additional public service special license plates with decals, is amended to read as follows:

(c) If the request is approved, the ~~director~~ secretary shall determine:

SECTION 1603. Arkansas Code § 27-24-1307(d)(1), concerning additional public service special license plates with decals, is amended to read as follows:

(d)(1) If the ~~director~~ secretary approves a request for an additional special license plate decal under this section, then a person who establishes with adequate proof that he or she is a member or retiree of the public

service profession or military branch may apply for and annually renew a special license plate decal.

SECTION 1604. The introductory language of Arkansas Code § 27-24-1402(a), concerning existing special license plates, is amended to read as follows:

(a) The following special license plates that represent various special interests and that were in existence or authorized by law on or before April 13, 2005, shall continue to be issued by the ~~Director~~ Secretary of the Department of Finance and Administration to a motor vehicle owner who is otherwise eligible to license a motor vehicle in this state and who pays the additional fees for the special license plate unless other eligibility requirements are specifically stated in this subchapter:

SECTION 1605. Arkansas Code § 27-24-1402(c)(1), concerning existing special license plates, is amended to read as follows:

(c)(1) Within thirty (30) days after April 13, 2005, the ~~director~~ secretary shall notify the organizations listed in subsection (b) of this section that received the funds or were authorized to use the funds from a design-use contribution fee for a special license plate that is continued under this chapter and that was in effect before April 13, 2005, and the State Highway Commission of a change in the law regarding special license plates.

SECTION 1606. The introductory language of Arkansas Code § 27-24-1402(c)(2)(A), concerning existing special license plates, is amended to read as follows:

(2)(A) The organization shall submit to the ~~director~~ secretary an application that includes the following:

SECTION 1607. Arkansas Code § 27-24-1402(c)(2)(B)(ii), concerning existing special license plates, is amended to read as follows:

(ii) If the organization fails to comply with this subdivision (c)(2)(B) within one hundred twenty (120) days after April 13, 2005, then the ~~director~~ secretary shall notify the organization that proceeds from the special license plate design-use contribution fee will no longer be

remitted to the organization or the organization will no longer be able to use the proceeds until the organization complies with this subdivision (c)(2)(B).

SECTION 1608. The introductory language of Arkansas Code § 27-24-1402(d), concerning existing special license plates, is amended to read as follows:

(d) Every special license plate continued under this subchapter shall be discontinued on April 7, 2007, unless an application is submitted to and approved by the ~~director~~ secretary ninety (90) days prior to April 1, 2007, that establishes the organization's compliance with the following conditions:

SECTION 1609. Arkansas Code § 27-24-1404(a), concerning the application process for additional special interest license plate decals, is amended to read as follows:

(a) A special interest organization may apply to the ~~Director~~ Secretary of the Department of Finance and Administration for the creation and issuance of a special license plate that bears a decal for the special interest group under this section beginning on July 1, 2006, and ending on November 1, 2006, and on the same dates each year thereafter.

SECTION 1610. Arkansas Code § 27-24-1404(b)(2), concerning the application process for additional special interest license plate decals, is amended to read as follows:

(2) The ~~director~~ secretary shall either approve or deny each application submitted during the fiscal year by July 1 of the following fiscal year.

SECTION 1611. The introductory language of Arkansas Code § 27-24-1404(c)(1)(A), concerning the application process for additional special interest license plate decals, is amended to read as follows:

(c)(1)(A) If the request is approved, the ~~director~~ secretary shall determine:

SECTION 1612. The introductory language of Arkansas Code § 27-24-1404(c)(2), concerning the application process for additional special

interest license plate decals, is amended to read as follows:

(2) If the ~~director~~ secretary denies the application, then:

SECTION 1613. Arkansas Code § 27-24-1404(c)(2)(A), concerning the application process for additional special interest license plate decals, is amended to read as follows:

(A) The ~~director~~ secretary shall give the applicant written notice of the reasons for the denial; and

SECTION 1614. Arkansas Code § 27-24-1406(b)(2), concerning license plate options, is amended to read as follows:

(2) The use of letters and numbers on a personalized prestige license plate under this section shall be limited by the rules of the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1615. Arkansas Code § 27-24-1407(a), concerning the annual report submitted to the Department of Finance and Administration, is amended to read as follows:

(a) A special interest organization that is the sponsor of a special license plate or a special license plate that bears a decal under this subchapter shall prepare and submit an annual accounting report to the ~~Director~~ Secretary of the Department of Finance and Administration by December 1 of each calendar year.

SECTION 1616. The introductory language of Arkansas Code § 27-24-1407(c), concerning the annual report submitted to the Department of Finance and Administration, is amended to read as follows:

(c) If the special interest organization fails to comply with this section, then the ~~director~~ secretary may:

SECTION 1617. Arkansas Code § 27-24-1409(a)(1), concerning the Support Animal Rescue and Shelters special license plate decal, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate that bears a decal that states “Support Animal Rescue and Shelters” in the manner and subject to the

conditions provided under this subchapter.

SECTION 1618. Arkansas Code § 27-24-1411(a), concerning the Little Rock Air Force Base, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate for the Little Rock Air Force Base in the manner and subject to the conditions provided for under this subchapter.

SECTION 1619. The introductory language of Arkansas Code § 27-24-1411(c), concerning the Little Rock Air Force Base, is amended to read as follows:

(c) The ~~director~~ secretary shall determine the cost for the issuance of the special license plate under this section as follows:

SECTION 1620. Arkansas Code § 27-24-1412(a), concerning the special license plate for the support of the Court Appointed Special Advocates program, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate for support of the Arkansas Court Appointed Special Advocates program in the manner and subject to the conditions provided for under this subchapter.

SECTION 1621. Arkansas Code § 27-24-1412(b)(1)(B), concerning the special license plate for the support of the Court Appointed Special Advocates program, is amended to read as follows:

(B) The design shall be submitted for design approval by the ~~director~~ secretary under rules promulgated by the ~~director~~ secretary; and

SECTION 1622. The introductory language of Arkansas Code § 27-24-1412(c), concerning the special license plate for the support of the Court Appointed Special Advocates program, is amended to read as follows:

(c) The ~~director~~ secretary shall determine the amount of the costs for the issuance of the special license plate under this section as follows:

SECTION 1623. Arkansas Code § 27-24-1414(a), concerning a special

license plate for the Arkansas Sheriffs' Association, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate for the Arkansas Sheriffs' Association in the manner and subject to the conditions provided for under this subchapter.

SECTION 1624. Arkansas Code § 27-24-1414(b)(1)(B), concerning a special license plate for the Arkansas Sheriffs' Association, is amended to read as follows:

(B) The design shall be submitted for design approval by the ~~director~~ secretary under rules promulgated by the ~~director~~ secretary; and

SECTION 1625. Arkansas Code § 27-24-1415(a), concerning a children's cancer research motor vehicle special license plate, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall create and issue a children's cancer research motor vehicle special license plate in the manner and subject to the conditions provided for under this subchapter.

SECTION 1626. Arkansas Code § 27-24-1415(b)(1)(B), concerning a children's cancer research motor vehicle special license plate, is amended to read as follows:

(B) The design shall be submitted for design approval by the ~~director~~ secretary under rules promulgated by the ~~director~~ secretary; and

SECTION 1627. Arkansas Code § 27-24-1416(a), concerning a special license plate for the Arkansas Future Farmers of America Association, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall create and issue a special license plate for the Arkansas Future Farmers of America Association in the manner and subject to the conditions provided for under this subchapter.

SECTION 1628. Arkansas Code § 27-24-1416(b)(1)(B), concerning a

special license plate for the Arkansas Future Farmers of America Association, is amended to read as follows:

(B) The design shall be submitted for design approval by the ~~director~~ secretary under rules promulgated by the ~~director~~ secretary; and

SECTION 1629. Arkansas Code § 27-24-1419(a), concerning the Arkansas Tennis Association license plate, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate for the Arkansas Tennis Association in the manner and subject to the conditions provided for under this subchapter.

SECTION 1630. Arkansas Code § 27-24-1419(b)(1)(B), concerning the Arkansas Tennis Association license plate, is amended to read as follows:

(B) The design shall be submitted for design approval by the ~~director~~ secretary under rules promulgated by the ~~director~~ secretary; and

SECTION 1631. The introductory language of Arkansas Code § 27-24-1419(c), concerning the Arkansas Tennis Association license plate, is amended to read as follows:

(c) The ~~director~~ secretary shall determine the costs for the issuance of the special license plate under this section as follows:

SECTION 1632. Arkansas Code § 27-24-1420(a), concerning a special license plate for the Arkansas State Lodge Fraternal Order of Police, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate for the Arkansas State Lodge Fraternal Order of Police in the manner and subject to the conditions provided for under this subchapter.

SECTION 1633. Arkansas Code § 27-24-1420(b)(1)(B), concerning a special license plate for the Arkansas State Lodge Fraternal Order of Police, is amended to read as follows:

(B) The design shall be submitted for design approval by the ~~director~~ secretary under rules promulgated by the ~~director~~ secretary; and

SECTION 1634. Arkansas Code § 27-24-1422(a)(1), concerning a special license plate in honor of Dr. Martin Luther King, Jr., is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate in honor of Dr. Martin Luther King, Jr. in the manner and subject to the conditions provided for under this subchapter.

SECTION 1635. Arkansas Code § 27-24-1422(b)(1)(B), concerning a special license plate in honor of Dr. Martin Luther King, Jr., is amended to read as follows:

(B) The design shall be submitted for design approval by the ~~director~~ secretary under rules promulgated by the ~~director~~ secretary; and

SECTION 1636. Arkansas Code § 27-24-1423(a), concerning an Autism Awareness motor vehicle special license plate, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall create and issue an Autism Awareness motor vehicle special license plate in the manner and subject to the conditions provided for under this subchapter.

SECTION 1637. Arkansas Code § 27-24-1424(a), concerning the hospice and palliative care motor vehicle special license plate, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special motor vehicle license plate for support of hospice and palliative care subject to the conditions provided for under this subchapter.

SECTION 1638. Arkansas Code § 27-24-1424(b)(1)(B), concerning the hospice and palliative care motor vehicle special license plate, is amended to read as follows:

(B) The design shall be submitted for design approval by the ~~director~~ secretary under rules promulgated by the ~~director~~ secretary; and

SECTION 1639. Arkansas Code § 27-24-1426(a), concerning the Quail Forever special license plate, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall create and issue a Quail Forever special license plate in the manner and subject to the conditions provided for under this subchapter.

SECTION 1640. Arkansas Code § 27-24-1427(a), concerning the Little Rock Rangers Soccer Club special license plate, is amended to read as follows:

(a) The ~~Director~~ Secretary of the Department of Finance and Administration shall create and issue a Little Rock Rangers Soccer Club special license plate in the manner and subject to the conditions provided for under this subchapter.

SECTION 1641. Arkansas Code § 27-24-1602(a) and (b), concerning special license plates and requests from the Department of Parks and Tourism, are amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall accept requests from the Department of Parks, Heritage, and Tourism to create and issue special license plates under this subchapter.

(2) The Department of Parks, Heritage, and Tourism shall submit with a request for a special license plate a proposed design for the approval of the ~~director~~ secretary.

(b) When considering a request from the Department of Parks, Heritage, and Tourism for a special license plate, the ~~director~~ secretary shall consider the following factors:

(1) The administrative cost to the Department of Finance and Administration for issuance of a Department of Parks, Heritage, and Tourism special license plate; and

(2) The estimated demand for the special license plate requested by the Department of Parks, Heritage, and Tourism.

SECTION 1642. The introductory language of Arkansas Code § 27-24-1602(c)(1), concerning special license plates and requests from the Department of Parks and Tourism, is amended to read as follows:

(c)(1) If a request submitted under subsection (a) of this section is approved, the ~~director~~ secretary shall determine:

SECTION 1643. Arkansas Code § 27-24-1701 is amended to read as follows:

27-24-1701. Authorization.

The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate for conservation districts in the manner and subject to the conditions provided under this subchapter.

SECTION 1644. The introductory language of Arkansas Code § 27-24-1702(b), concerning special motor vehicle license plates for conservation districts, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall determine the amount of the costs for the issuance of the special license plate under this section as follows:

SECTION 1645. Arkansas Code § 27-24-1704 is amended to read as follows:

27-24-1704. Rules.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules for the administration of this subchapter.

SECTION 1646. Arkansas Code § 27-50-201 is amended to read as follows:

27-50-201. Provisions deemed cumulative.

This subchapter shall be cumulative to the laws in force relating to the functions and duties imposed upon the Department of Arkansas State Police and its successor entities under the provisions of Acts 1953, No. 122, and acts amendatory thereto. It shall also be cumulative to laws in effect that were in effect prior to the enactment of Acts 1953, No. 122, which imposed duties upon the Arkansas Department of Transportation and the Director of the Department of Finance and Administration, as well as their successor entities and officials, which were transferred to the Department of Arkansas State Police under the provisions of Acts 1953, No. 122, as amended.

SECTION 1647. Arkansas Code § 27-50-204(c), concerning employees of

the Arkansas Highway Police Division of the Arkansas Department of Transportation, is amended to read as follows:

(c) All moneys coming into the hands of the employees in the enforcement of revenue laws shall be subject to regulations and procedures as the ~~Director~~ Secretary of the Department of Finance and Administration shall direct.

SECTION 1648. Arkansas Code § 27-50-303(2), concerning nonmoving traffic law violations involving drivers' licenses, is amended to read as follows:

(2) Making a false statement to the ~~Director~~ Secretary of the Department of Finance and Administration to obtain a driver's license — Class A misdemeanor as defined under § 5-53-103 of the Arkansas Criminal Code.

SECTION 1649. Arkansas Code § 27-50-307(b), concerning negligent homicide, is amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall revoke the operator's or chauffeur's license of any person convicted of negligent homicide under the provisions of this section.

SECTION 1650. Arkansas Code § 27-50-407 is amended to read as follows:

27-50-407. Annual audit.

The records of all officials charged with the duty of collecting penalties as prescribed in this subchapter shall be audited annually by the ~~Director~~ Secretary of the Department of Finance and Administration or his or her designated agents.

SECTION 1651. Arkansas Code § 27-50-911 is amended to read as follows:

27-50-911. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules and regulations necessary to carry out the provisions of this subchapter.

SECTION 1652. Arkansas Code § 27-51-102(b)(1), concerning penalties and the disposition of fines, is amended to read as follows:

(b)(1) Any offender who shall have been found guilty of any violation

of any section of this act and fined and who shall within six (6) months thereafter be convicted of a second violation of such section may be fined in a sum not exceeding double the penalty provided for in this act for a first violation. In addition thereto, he or she may have his or her certificate or license issued by the ~~Director~~ Secretary of the Department of Finance and Administration revoked for a period not exceeding sixty (60) days.

SECTION 1653. Arkansas Code § 27-70-202(a)(2), concerning the Arkansas Highway Revenue Distribution Law, is amended to read as follows:

(2) Taxes levied and collected under the Motor Fuel Tax Law, § 26-55-201 et seq., and the Special Motor Fuels Tax Law, § 26-56-101 et seq., commonly referred to, and denominated by the ~~Director~~ Secretary of the Department of Finance and Administration for tax distribution purposes, as the gasoline tax; and

SECTION 1654. Arkansas Code § 27-70-206(2), concerning the distribution to state funds of all highway revenues, is amended to read as follows:

(2) Next, to the Gasoline Tax Refund Fund, such amount as the ~~Director~~ Secretary of the Department of Finance and Administration shall, from time to time, certify to the Treasurer of State as being necessary to pay approved gasoline tax refund claims under the provisions of §§ 26-55-301 — 26-55-321 [Repealed] and 26-55-401 — 26-55-408, or other applicable law. However, the aggregate total amount of all transfers under this paragraph shall not exceed two million five hundred thousand dollars ($2,500,000) during any fiscal year; and

SECTION 1655. Arkansas Code § 27-70-207(b)(3)(B), concerning the distribution to county and city funds, is amended to read as follows:

(B) Seventeen and one-half percent (17.5%) of the amount according to the amount of state motor vehicle license fees collected in the calendar year next preceding any distribution as certified to the Treasurer of State by the ~~Director~~ Secretary of the Department of Finance and Administration, with each county to receive the proportion that the total of fees collected from the county bears to the total of fees collected in the state;

SECTION 1656. Arkansas Code § 27-101-110 is amended to read as follows:

27-101-110. Deposit of funds in State Treasury.

All fees collected by the ~~Director~~ Secretary of the Department of Finance and Administration under the provisions of this chapter shall be deposited as special revenues in the State Treasury to the credit of the Special Revenue Fund Account of the State Apportionment Fund. All these funds shall be credited to the Boating Safety Account Fund, which is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State.

SECTION 1657. Arkansas Code § 27-101-111(a)(2)(C), concerning the distribution of funds, is amended to read as follows:

(C) Thirty-four percent (34%) to the County Aid Fund, which, on or before the tenth of the month following the end of each calendar quarter, shall be remitted by state warrants to the various county treasurers in the proportions thereof as between the respective counties that the total of the fees produced from each county bears to the total of the fees produced from all counties as certified by the ~~Director~~ Secretary of the Department of Finance and Administration to the Treasurer of State; and

SECTION 1658. Arkansas Code § 27-101-303(d), concerning the establishment of a system for identification numbering for all motorboats, is amended to read as follows:

(d) The identification numbers shall be assigned to each county in the state, and it shall be the duty of the ~~Director~~ Secretary of the Department of Finance and Administration to issue the identification numbers to the owners of motorboats in accordance with the provisions of subchapters 1-3 of this chapter.

SECTION 1659. Arkansas Code § 27-101-304(a), concerning the filing of an application and issuance of a certificate of a hull identification number, is amended to read as follows:

(a) The owner of each motorboat for which numbering is required by this state shall file an application for a number within thirty (30) calendar

days after the date of purchase with the ~~Director~~ Secretary of the Department of Finance and Administration on forms approved by the Arkansas State Game and Fish Commission.

SECTION 1660. Arkansas Code § 27-101-304(e)(1), concerning the filing of an application and issuance of a certificate of a hull identification number, is amended to read as follows:

(e)(1) Upon receipt of the application in approved form, accompanied by proof that the motorboat has been assessed or listed for assessment and, if it is equipped with more than fifty horsepower (50 hp), or is personal watercraft, is covered by a liability insurance policy issued by an insurance company authorized to do business in this state, the ~~director~~ secretary shall enter the application upon the records of his or her office and issue to the applicant a certificate of number stating the number awarded to the motorboat and the name and address of the owner.

SECTION 1661. Arkansas Code § 27-101-304(f)(2), concerning the filing of an application and issuance of a certificate of a hull identification number, is amended to read as follows:

(2) The duplicate shall be retained as a record by the ~~director~~ secretary.

SECTION 1662. Arkansas Code § 27-101-305(a)(1), concerning the display of motorboat hull numbers, is amended to read as follows:

(a)(1) The owner shall procure and attach to each side of the bow of the motorboat numbers conforming to the certificate of number issued to the owner by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1663. Arkansas Code § 27-101-306(b) and (c), concerning the numbering period, expiration, and renewal of boat certificates, are amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration shall establish a system in a manner that the expiration dates of the various certificates of numbers will be evenly distributed throughout the year and each year thereafter to the end that boat certificates of

numbers will be renewable as uniformly as practicable throughout each of the twelve (12) months of the license year in each year.

(c) Upon request, the ~~director~~ secretary shall assign to any owner of two (2) or more boats the same registration period.

SECTION 1664. Arkansas Code § 27-101-309(a) and (b), concerning the change of boar ownership, is amended to read as follows:

(a) Should the ownership of a motorboat change, the new owner shall file an application with the ~~Director~~ Secretary of the Department of Finance and Administration for the transfer of the certificate of operation of the motorboat to the new owner within thirty (30) calendar days after the date of the ownership change.

(b) Upon receipt of the application, the ~~director~~ secretary shall cancel the certificate of number issued to the former owner of the motorboat and shall assign the number to the new owner of the motorboat and shall issue a certificate of number to the new owner.

SECTION 1665. Arkansas Code § 27-101-310 is amended to read as follows:

27-101-310. Destroyed or abandoned boats.

(a) Whenever any motorboat numbered under the provisions of this subchapter shall be destroyed or abandoned, its owner shall notify the ~~Director~~ Secretary of the Department of Finance and Administration within fifteen (15) days after the destruction or abandonment, and the certificate of number of the motorboat shall be terminated.

(b) The ~~director~~ secretary shall notify the Arkansas State Game and Fish Commission of the termination of any certificate of number.

SECTION 1666. Arkansas Code § 27-115-110(a)-(d), concerning the levying of the Arkansas Gross Receipts Tax, are amended to read as follows:

(a) All revenues derived from the levying of the Arkansas Gross Receipts Tax, as amended, § 26-52-101 et seq., upon aircraft and aviation fuel, aviation services, aircraft parts and accessories, and other gross receipts taxes remitted by aircraft dealers, airports, and flying fields shall be reported to the ~~Director~~ Secretary of the Department of Finance and Administration in a manner and on forms as he or she shall direct.

(b) The ~~Arkansas Department~~ Division of Aeronautics is authorized to accept donations and grants of all property, whether real or personal.

(c) Tax proceeds and grants and donations of money shall be special revenues and shall be deposited in the State Treasury to the credit of the ~~Arkansas Department~~ Division of Aeronautics Fund to be used for constructing and improving airports, civil airways, and other air navigation facilities and for preserving the history of aviation in the state.

(d) The ~~Arkansas Department~~ Division of Aeronautics shall administer the funds so deposited and shall use the funds for the sole purpose of building airports, civil airways, and other air navigation facilities in this state in those cities or towns as the ~~Arkansas Department~~ Division of Aeronautics, in coordination with the Arkansas Economic Development Council, shall determine would attract the greatest volume of industry to this state.

SECTION 1667. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that this act revises the duties of certain state entities; that this act establishes new departments of the state; that these revisions impact the expenses and operations of state government; and that the provisions of this act should become effective to allow for implementation of the new provisions in advance of the upcoming fiscal year. 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, 2019.