

ARKANSAS

Arkansas' Revenue Sources

- Fuel Taxes
- Motor Vehicle or Rental Car Sales
- Vehicle Registration, License or Title Fees
- Vehicle or Truck Weight Fees
- General Funds
- Interest Income
- Ad Valorem Tax
- Impact Fees

Arkansas' Transportation Finance Mechanisms

- General Obligation or Revenue Bonds
- GARVEE Bonds
- State Infrastructure Bank (SIB)
- PPPs: Authorized for counties in statute
- Design-Build: Authorized in statute

Arkansas State Legislature: Arkansas General Assembly

- Chambers: Senate (35 members) and House (100 members)

Party Composition (2013):

- House: 49 Democrats and 51 Republicans
- Senate: 14 Democrats and 21 Republicans
- Governor: Mike Beebe (D)

Transportation Governance Statutes

- Arkansas Constitution, Am. 42, Arkansas Statute Ann. 27-65-102 et seq. and 27-70-201
- Arkansas Statute Ann. 26-55-206: “State statute dedicates fuel tax revenues to the purposes of constructing, widening, reconstructing, maintaining, resurfacing and repairing the public highways, and retiring highway indebtedness.”
- Arkansas Statute Ann. 19-5-1126, 27-70-207 and 27-115-110: “The State Highway and Transportation Department Fund, Department of Aeronautics Fund and Public Transit Trust Fund are designated special revenues to be used for the purposes collected.”

Transportation Funding Initiative

Election Cycle: November 6, 2012

Title of Legislation: “Issue #1- Funding for Transportation Infrastructure”

Type of Legislation: Legislatively-Referred Constitutional Amendment

Sponsor of Legislation: Arkansas State Legislature. Both the Arkansas House of Representatives and the Arkansas State Senate approved legislation in 2011 that referred this legislation to the ballot. Each year, Arkansas’ legislature is permitted to refer up to three legislative referrals to the ballot. The lead sponsor of this initial legislation was Representative Jonathan Barnett (R).

Summary: Voters approved Issue 1, a half-cent sales tax increase to go toward a \$1.3 billion bond for a 4-lane state highway network as well as for road improvements.

2012 Election Results

58.21%	Yes
41.79%	No

Pro-Ballot Measure Campaign: Move Arkansas Forward

Move Arkansas Forward was the official committee that worked to pass Issue 1 in the 2012 election. The Campaign Chairmen were Madison Murphy and Mark Lamberth, and the Campaign Coordinator was Craig Douglas. Randy Zook was the treasurer.

Craig Douglass Communications, Inc.

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Political Consultants

Hargraves Consulting (Client: Move Arkansas Forward). Move Arkansas Forward utilized the expertise of Hargraves Consulting.

Mr. Lucas Hargraves is the Principal at Hargraves Consulting, and he previously served as the Vice President of Public Policy at the Little Rock Regional Chamber of Commerce. Mr. Hargraves helped Move Arkansas Forward to develop and execute campaign strategies.

Ms. Amanda Story, an associate at Hargraves Consulting, worked with Move Arkansas Forward to develop an earned media program, which was part of a broader integrated marketing communications campaign.

Contact Information:

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Move Arkansas Forward's Campaign Strategies and Tactics: The organization focused on a strategy that aimed to convey:

- Modernize Arkansas' Interstate System
- Create Jobs
- Improve Economic Development
- Without Raising Taxes

In a targeted mailing campaign sent to opinion leaders in Arkansas, Move Arkansas Forward co-chairs Madison Murphy and Mark Lamberth drafted a 3-page letter, which asked recipients for both voter support and financial support for the half-cent sales tax increase for improving Arkansas' roads. This letter discussed relevant research about the economic impact of the sales tax increase proposal. The letter highlighted the main highway construction projects and included a campaign brochure.

Marketing Communications Campaign Strategy: Earned media program

Move Arkansas Forward Campaign Advertising Materials

Move Arkansas Forward's TV Advertisement Links:

<http://www.thv11.com/news/local/story.aspx?storyid=229417>

<http://www.movearkansasforward.com/pdf/MoveAR.pdf>

<http://movearkansasforward.com/pdf/Q&ABrochure.pdf>

Polling Data

A poll was conducted by Talk Business-Hendrix College on March 26, 2012. The poll results did not reflect the outcome of the ballot election in November 2012. This poll found that 50.5 percent of respondents would not vote for Issue 1, while 41.5 percent of respondents said they planned to vote in support of Issue 1.

Q: In November, Arkansas voters will consider a proposal that would increase the sales tax by a half-cent in the state. The revenue generated from the tax would be used to pay for a four-lane highway system statewide. If the election were today, would you vote for a half-cent tax increase for this purpose?

Poll Results

41.5%	Yes
50.5%	No
8%	Don't Know

Poll Analysis

Dr. Jay Barth, from the Hendrix College Department of Politics and International Relations, contributed to the poll language. In terms of framing the issue for debate, Dr. Barth said: “I think the question will be what kind of investment is made by the proponents of this measure, which was sent out by the legislature for a vote. It’s possible that a very ardent campaign for this could turn it around, but I think it’s a tough battle. Gov. Beebe could be a difference-maker. If he became publicly against this — based on the numbers we’ve seen for him — it would be really devastated.”

Move Arkansas Forward’s Top Financial Campaign Contributors¹

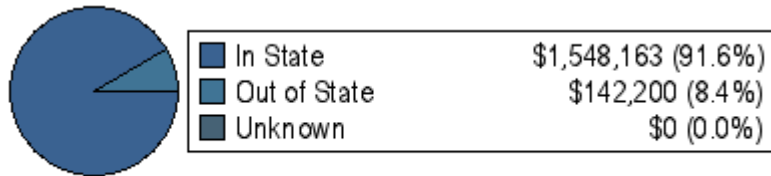
Top 20 Contributors			
Contributor	Total	% of Total	Sector
MURPHY FOUNDATION	\$156,913	9.28%	Government Agencies/Education/Other
ASSOCIATED GENERAL CONTRACTORS OF ARKANSAS	\$137,500	8.13%	Construction
NORTHWEST ARKANSAS COUNCIL	\$130,000	7.69%	General Business
MURPHY OIL CORP	\$90,000	5.32%	Energy & Natural Resources
STEPHENS GROUP	\$85,000	5.03%	Finance, Insurance & Real

			Estate
WALTON, JIM	\$75,000	4.44%	General Business
ARKANSAS STATE CHAMBER OF COMMERCE	\$35,000	2.07%	General Business
SOUTHWESTERN ENERGY CO	\$25,000	1.48%	Energy & Natural Resources
JB HUNT LLC	\$25,000	1.48%	Transportation
CONWAY CHAMBER OF COMMERCE	\$25,000	1.48%	General Business
STEPHENS JR, WR	\$25,000	1.48%	Finance, Insurance & Real Estate
JET ASPHALT & ROCK	\$25,000	1.48%	Construction
APAC	\$22,500	1.33%	General Business
MCGEORGE CONTRACTING CO	\$22,500	1.33%	Construction
FIRST FINANCIAL BANK	\$20,000	1.18%	Finance, Insurance & Real Estate
ARKANSAS ECONOMIC DEVELOPERS	\$20,000	1.18%	General Business
LITTLE ROCK CHAMBER OF COMMERCE	\$20,000	1.18%	General Business
DELTA ASPHALT OF ARKANSAS	\$17,500	1.04%	Construction
ARKANSAS ASPHALT PAVEMENT ASSOCIATION	\$15,000	0.89%	Construction
ARKANSANS FOR JOBS & AFFORDABLE ENERGY	\$15,000	0.89%	Ideology/Single Issue

Top 15 Industries	
Business Associations	\$281,000
General Contractors	\$237,700
Oil & Gas	\$177,000
Building Materials & Equipment	\$166,500
Nonprofit Institutions	\$156,913
Securities & Investment	\$113,000
Commercial Banks	\$108,700
Retail Sales	\$96,000
Miscellaneous Services	\$33,500
Forestry & Forest Products	\$20,250
Construction Services	\$18,500
Real Estate	\$18,000

Contributions By Economic Interest			
Agriculture	10	\$60,250	3.56%
Candidate Contributions	1	\$200	0.01%
Communications & Electronics	1	\$10,000	0.59%
Construction	79	\$427,950	25.32%
Energy & Natural Resources	16	\$184,000	10.89%
Finance, Insurance & Real Estate	36	\$248,200	14.68%
General Business	38	\$450,500	26.65%
Government Agencies/Education/Other	9	\$169,513	10.03%
Ideology/Single Issue	1	\$15,000	0.89%
Lawyers & Lobbyists	10	\$29,250	1.73%
Transportation	8	\$33,000	1.95%
Uncoded	31	\$62,500	3.70%
Total	240	\$1,690,363	100%

Campaign Contributions By Geographic Location



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Text of Legislation

"A TEMPORARY ONE-HALF PERCENT (0.5%) SALES AND USE TAX FOR STATE HIGHWAYS AND 8 BRIDGES, COUNTY ROADS, BRIDGES AND OTHER SURFACE TRANSPORTATION, AND CITY 9 STREETS, BRIDGES AND OTHER SURFACE TRANSPORTATION, WITH THE STATE'S PORTION 10 TO SECURE STATE OF ARKANSAS GENERAL OBLIGATION FOUR-LANE HIGHWAY CONSTRUCTION 11 AND IMPROVEMENT BONDS AND PERMANENTLY DEDICATING ONE CENT (1¢) PER GALLON OF 12 THE PROCEEDS DERIVED FROM THE EXISTING MOTOR FUEL AND DISTILLATE FUEL TAXES 13 TO THE STATE AID STREET FUND"

On each ballot there shall be printed the following:

"FOR a proposed constitutional amendment to levy a temporary sales and use tax of one-half percent (0.5%) for state highways and bridges, county roads, bridges and other surface transportation, and city streets, bridges and other surface transportation, with the state's portion to secure State of Arkansas General Obligation Four-Lane Highway Construction and Improvement Bonds in the total principal amount not to exceed \$1,300,000,000 for the purpose of constructing and improving four-lane highways in the State of Arkansas, prescribing the terms and conditions for the issuance of such bonds which will mature and be paid in full in approximately ten (10) years, which payment in full shall terminate the temporary sales and use tax, describing the sources of repayment of the bonds and permanently dedicating one cent (1¢) per gallon of the proceeds derived from the existing motor fuel and distillate fuel taxes to the State Aid Street Fund."

AGAINST a proposed constitutional amendment to levy a temporary sales and use tax of one-half percent (0.5%) for state highways and bridges, county roads, bridges and other surface transportation, and city streets, bridges and other surface transportation, with the state's portion to secure State of Arkansas General Obligation Four-Lane Highway Construction and Improvement Bonds in the total principal amount not to exceed \$1,300,000,000 for the purpose of constructing and improving four-lane highways in the State of Arkansas, prescribing the terms and conditions for the issuance of such bonds which will mature and be paid in full in approximately ten (10) years, which payment in full shall terminate the temporary sales and use tax, describing the sources of repayment of the bonds and permanently dedicating one cent (1¢) per gallon of the proceeds derived from the existing motor fuel and distillate fuel taxes to the State Aid Street Fund."

References

<http://hargravesconsulting.com/services/>

<http://www.arkleg.state.ar.us/assembly/2011/2011R/Pages/BillInformation.aspx?measureno=HJR1001>

<http://followthemoney.org/database/StateGlance/committee.phtml?c=12458>

<http://talkbusiness.net/2012/05/highway-tax-advocates-make-push-for-money-support/>

<http://results.enr.clarityelections.com/AR/42843/111632/en/summary.html>

<http://www.thecitywire.com/node/21240#.UboCvvm1HTo>

<http://talkbusiness.net/2012/04/differing-results-for-three-major-ballot-issues/#sthash.en27FVfE.dpuf>

<http://www.arkleg.state.ar.us/assembly/2011/2011R/Bills/HJR1001.pdf>

ⁱ Source: National Institute on Money in State Politics

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