I. Introduction

To encourage growth in Arkansas's tourism industry, Act 291 was passed by the 81st General Assembly in 1997 and amended in 1999, 2001, 2005, 2007, 2009, and 2023. The legislation's purpose is to stimulate expansion of Arkansas's tourism and recreational industries by offering economic incentives to qualified private development projects in the form of sales and income tax credits. Since the intent, in part, is to generate additional tourist traffic to Arkansas, each proposed project must develop a marketing plan that targets 25% of its visitors from out-of-state, meet other requirements and submit a completed application prior to incurring any project costs. See Arkansas Code Annotated § 15-11-501 et seq.

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II. Definitions

(a) "Agreement" means a financial incentive agreement entered into pursuant to Arkansas Code Annotated § 15-11-506, by and between the director and an approved company, with respect to a tourism attraction project;

(b) "Approved company" means any eligible company that is seeking to undertake a tourism attraction project that has been approved by the Director after obtaining the review and advice of the Secretary of the Department of Parks, Heritage and Tourism;

(c) Approved costs means:

(1) Obligations incurred on or after the effective date of the financial incentive agreement associated with the construction or expansion of a tourism attraction for labor and to vendors, contractors, subcontractors, builders, suppliers, delivery men, and material men in connection with the acquisition, construction, equipping, and installation of a tourism attraction project;

(2) The costs of acquiring real property or rights in real property in connection with a tourism attraction project, and any costs incidental thereto;

(3) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of the acquisition, construction, equipping, and installation of a tourism attraction project which is not paid by the vendor, supplier, delivery man, contractor, or otherwise provided;
(4) All costs of architectural and engineering services, including, but not limited to, estimates, plans and specifications, preliminary investigations, and supervision of construction and installation, as well as for the performance of all the duties required by or consequent to the acquisition, construction, equipping, and installation of a tourism attraction project;
(5) All costs required to be paid under the terms of any contract for the acquisition, construction, equipping, and installation of a tourism attraction project;
(6) All costs required for the installation of utilities in connection with a tourism attraction project, including, but not limited to, water, sewer, sewage treatment, gas, electricity, and communications, and including off-site construction of utility extensions paid for by the approved company; and
(7) All other costs comparable with those described in this subsection.
(8) "Approved costs" does not include:
    (A) Costs incurred prior to the effective date of the financial incentive agreement, except for pre-construction costs.
    (B) Expenditures for routine repair and maintenance that do not result in new construction, or expansion;
    (C) Routine operating expenditures; and
    (D) Expenditures incurred at multiple facilities.

(d) "Director" means the director of the Arkansas Economic Development Commission or the director's designated representative;

(e) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, or business trust, or any other entity that invests:
(1)) A minimum of five hundred thousand dollars ($500,000) in a high unemployment county or one million dollars ($1,000,000) in any other county for the purpose of constructing, operating, or intending to operate a tourism attraction project, whether owned or leased, within the state that meets the standards promulgated by the director pursuant to Arkansas Code Annotated § 15-11-504; or
(2) For the purpose of constructing, operating, or intending to operate a tourism attraction project, whether owned or leased, located in a Natural State Initiative Opportunity Zone, that meets the standards promulgated by

the director pursuant to Arkansas Code Annotated §§ 15-11-504 and 15-11-512:

(A) A minimum of two hundred fifty thousand dollars ($250,000) in a high-unemployment county; or

(B) Five hundred thousand dollars ($500,000) in any other county.

(f) "Final approval" means the action taken by the director authorizing the eligible company to receive inducements under Arkansas Code Annotated §§ 15-11-507 and 15-11-509;

(g) "High unemployment" means an unemployment rate equal to or in excess of one hundred fifty percent (150%) of the state's average unemployment rate for the preceding calendar year as specified by statewide annual labor force statistics compiled by the Arkansas Division of Workforce Services, when the state's annual average unemployment rate is six percent (6%) or below. When the state's annual average unemployment rate is above six percent (6%), "high unemployment" means equal to or in excess of three percent (3%) above the state's average unemployment rate for the preceding calendar year as specified by statewide annual labor force statistics compiled by the Arkansas Division of Workforce Services.

(h) "Increased state sales tax liability" means that portion of an approved company's reported state sales (gross receipts) tax liability resulting from taxable sales of goods and services to its customers at the tourism attraction for any monthly sales tax reporting period after the approved company provides the certification required by Arkansas Code Annotated § 15-11-507(b), which exceeds the reported state sales tax liability for sales to its customers for the same month in the calendar year immediately preceding such certification. If an approved company purchases an existing tourism attraction which was selling goods and services at the time of purchase and which may or may not have been entitled to the benefits of this subchapter prior to such purchase, the "increased state sales tax liability" resulting from any investments in the tourism attraction by the new owners means that portion of the approved company's reported state sales (gross receipts) tax liability resulting from taxable sales of goods and services to its customers at the tourism attraction for any monthly sales tax reporting period after the approved company provides the certification required by Arkansas Code Annotated § 15-11-507(b), which exceeds the reported state sales tax liability for sales made by the seller of the tourism attraction for the same month in the calendar year immediately preceding such certification. The prohibitions against disclosure of confidential tax information provided in Arkansas Code Annotated § 26-18-303 shall not apply for purposes of computing the credit available.

(i) "Inducements" means the Arkansas sales tax credit as prescribed in Arkansas Code Annotated § 15-11-507 and/or the Arkansas income tax credit as prescribed in § 15-11- 509;

(j) "Investment Threshold" means the minimum amount of eligible project costs that must be incurred in order to qualify for eligibility;

(k) "Natural State Initiative Opportunity Zone" means a geographic area designated by the Director of the Arkansas Economic Development Commission under Arkansas Code Annotated § 15-11-512 where a tourism attraction may be located and receive incentive benefits under the Arkansas Tourism Development Act.

(l) "New full-time permanent employee" means a position or job which was created as a result of a tourism attraction project, and which is filled by one (1) or more employees or contractual employees who were Arkansas taxpayers during the year in which the tax credits or incentives were earned or claimed. The employee or employees must work an average of at least thirty (30) hours per week. Provided, however, in order to qualify for the provisions of this subchapter, a contractual employee must be offered a benefits package comparable to a direct employee of the business seeking incentives;

(m) "Payroll" means the total taxable wages, including overtime and bonuses, paid during the preceding tax year of the approved tourism attraction to the new full-time permanent employees hired after the date of the signed financial incentive agreement;

(n) "Preconstruction costs" means the cost of eligible items incurred before the start of construction, including:

(1) Project planning costs;
(2) Architectural and engineering fees;
(3) Land;
(4) Feasibility Studies;
(5) Right-of-way purchases;
(6) Utility extensions;
(7) Site preparations;

(8) Purchase of mineral rights;
(9) Building demolition;
(10) Builders risk insurance;
(11) Capitalized start-up costs;
(12) Deposits and process payments on eligible machinery and equipment; and
(13) Other costs necessary to prepare for the start of construction;

(o) “Qualified amusement park” means a commercial recreational activity that:
(1) Operates at least three (3) consecutive months during a calendar year;
(2) Offers rides, shows, games and other diversions;
(3) Qualifies as an approved company under this rule;
(4) Operates withing a designated area of at least one hundred (100) acres; and
(5) Has at least four million dollars ($4,000,000) of annual gross receipts from paid admissions during a calendar year.

(p) “Tourism attraction means:
(1) A cultural or historical site;
(2) A recreational or entertainment facility;
(3) An area of natural phenomenon or scenic beauty;
(4) A theme park;
(5) An amusement or entertainment park;
(6) An indoor or outdoor play or music show;
(7) Botanical gardens;
(8) Cultural or educational centers; and
(9) Brick and mortar restaurants located within a Natural State Initiative Opportunity Zone.

(q) “Tourism attraction” does not include:
(1) Lodging facilities, unless the facilities:
(A) Constitute a portion of a tourism attraction project and represent less than sixty percent (60%) of the total approved costs of the tourism attraction project, or unless the approved costs for the lodging facility exceeds five million dollars ($5,000,000) and is attached to a convention center containing seventy-five thousand (75,000) square feet or contains a minimum of twelve thousand (12,000) square feet of meeting or exhibit space; or
(B) Are located within a Natural State Initiative Opportunity Zone;

(2)) Facilities that are primarily devoted to the retail sales of goods, unless the goods are created at the site of the tourism attraction project or if the sale of goods is incidental to the tourism attraction project;
(3) Facilities that are not open to the general public;
(4) Facilities that do not serve as a likely destination where individuals who are not residents of the state would remain overnight in commercial lodging at or near the tourism attraction project such as:
   (A) Movie Theaters;
   (B) Bowling Alleys;
   (C) Fitness Centers;
   (D) Miniature Golf Courses;
   (E) Go-Kart Tracks;
   (F) Skating Rinks;
   (G) Night Clubs;
   (H) Retail Stores;
   (I) Restaurants located outside a Natural State Initiative Opportunity Zone; and
   (J) Any other establishments deemed by the Director to primarily serve the local community and in-state residents.
(5) Facilities owned by the State of Arkansas or a political subdivision of the state unless the facility is leased by an eligible company and is located within a Natural State Initiative Opportunity Zone; or
(6) Facilities established for the purpose of conducting legalized gambling. However, a facility regulated under Arkansas Code Annotated § 23-110-101 et seq. or Arkansas Code Annotated § 23-111-101 et seq. shall be a tourism attraction for purposes of this subchapter for any approval project as outlined in subsection (j)(1) of Act 1135 of 1999 or for an approved project relating to pari-mutuel racing at the facility and not for establishing a casino or for offering casino-style gambling.

(r) “Tourism attraction project” or “project” means the acquisition, including the acquisition of real estate by leasehold interest with a minimum term of ten (10) years, construction, and equipping of a tourism attraction; the construction and installation of improvements to facilities necessary or desirable for the acquisition, construction, and installation of a tourism attraction, including, but not limited to, surveys; installation of utilities, which may include, water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; and off-site construction of utility extensions to the boundaries of the real estate on which the facilities are located, all of which are to be used to improve the economic situation of the approved company in a manner that shall allow the approved company to attract persons.

III. Qualifications

(a) Qualifying tourism attraction projects are defined as one or more of the following:

(1) Cultural or historical site;
(2) Recreational or entertainment facilities;
(3) Areas of natural phenomenon or scenic beauty;
(4) Theme parks;
(5) Amusement or entertainment parks;
(6) Indoor or outdoor plays or music shows;
(7) Botanical gardens;
(8) Cultural or educational center; and
(9) A lodging facility may qualify, but only if it meets one of the following tests:
(A) It must constitute a portion of a tourism attraction project and represent less than 60% of the total approved costs of the tourism attraction project; or
(B) If the approved cost for the lodging facility exceeds $5,000,000 and one of the following is met:
(i) The lodging facility is attached to a convention center containing a minimum of 75,000 square feet, or
(ii) The lodging facility contains a minimum of twelve thousand square feet of meeting or exhibit space. Proposed projects under this category must be approved by the Director prior to April 1, 2011; or
(C) The lodging facility is located within a Natural State Initiative Opportunity Zone.

(b) Eligible tourism attraction projects do not have to be new construction projects. The expansion and/or purchase of existing properties may be eligible. However, the amount of sales tax credit can only be taken against the increased sales tax liability over and above the amount paid by the business being sold or expanded for the corresponding tax month of the previous year.

(c) Privately owned facilities constructed on state or federal lands (via a minimum 10-year lease) may be eligible; privately owned facilities constructed on state lands located within a Natural State Initiative Opportunity Zone shall not be subject to a minimum 10-year lease.

(d) Ineligible businesses include:

(1) Lodging facilities (unless it meets the tests described above);
(2) Retail sales facilities (unless the goods are created on-site or if sales are incidental to the overall project);
(3) Facilities not open to the general public;
(4) Facilities not likely to attract overnight guests from outside the state who would stay in commercial lodging near the attraction;
(5) Facilities outside a Natural State Initiative Opportunity Zone owned by the State of Arkansas or its political subdivisions;
(6) Gambling facilities (unless for approved pari-mutuel racing currently regulated under Arkansas Code); and

(7) Restaurants located outside a Natural State Initiative Opportunity Zone.

IV. <u>Powers and Duties of the Arkansas Economic Development Commission</u>

(a) The Director of the Arkansas Economic Development Commission or designee of the Director will review each application, making certain the project proposal meets the following minimum criteria:
   (1) The application shall be submitted prior to incurring any project cost, other than those costs defined as pre-construction costs;
   (2) The project shall have a marketing plan designed to attract at least 25% of its visitors from out-of-state;
   (3) Shall have costs in excess of the amounts specified in Arkansas Code Annotated § 15-11-503(4);
   (4) Shall have a significant and positive impact on the State, including an analysis of whether the project will compete directly with existing tourism attractions in the state;
   (5) Shall produce sufficient revenues and public demand to be operating and open to the public on a regular and persistent basis;
   (6) Shall be likely to attract overnight guests from outside the state who would stay in commercial lodging near the attractions;
   (7) Shall not adversely affect the existing employment in the state;
   (8) The Secretary of the Department of Parks, Heritage and Tourism shall have determined that a proposed project to be located within a Natural State Initiative Opportunity Zone is consistent with the existing character of the state park within which, or adjacent to which, the project is located; and
   (9) Other criteria that the Director may deem to apply.

(b) Once the application has been reviewed, the applicant will be notified in writing of the results of the review.

(c) Upon granting approval, the Director shall enter into a financial incentive agreement with an approved company with respect to its tourism attraction project. The terms and provisions of each financial incentive agreement shall include, but shall not be limited to:
   (1) The amount of approved costs, determined through negotiations with the Director and applicant;
   (2) The eligibility date for incurring projects costs;
   (3) A date by which the approved company shall have completed the tourism attraction project (the Completion Date), provided that the Completion Date occurs within two (2) years of the date of the financial incentive agreement unless an extension is granted. Within three (3) months after the Completion Date, the approved company shall document the actual cost of the project through a certification of such costs by an independent certified public accountant acceptable to the Director;
   (4) Provisions that the term of the financial incentive agreement may be extended for a period of two (2) years by the Director if:
      (A) Such extension is also approved by the Secretary of the Arkansas Department of Finance and Administration; and
      (B) The approved company has failed to complete the project as a result of unanticipated and unavoidable construction delays or a change in business ownership;

(5) In any sales tax reporting period during which a financial incentive agreement is in effect, if the increased state sales tax liability of the approved company exceeds the state sales tax credit available to the approved company, then the approved company shall pay the excess to the state as sales tax;

(6) Within 45 days after the end of each calendar year, the approved company shall supply the director with such reports and certifications as the director may request demonstrating to the satisfaction of the Director that the approved company is in compliance with the provisions of the Act;

(7) The approved company shall not receive a credit against the Arkansas sales tax imposed by Arkansas Code Annotated § 26-52-301 et seq. with respect to any calendar year if in any calendar year following the first year of the financial incentive agreement or the agreed upon completion date, the project is not operating and open to the public on a regular and persistent basis;

(8) The financial incentive agreement shall not be transferable or assignable by the approved company without the written consent of the director; and

(9) If the approved company utilizes sales tax credits which are subsequently disallowed, then the approved company will be liable for the payment to the Secretary of the Department of Finance and Administration of all taxes resulting from the disallowance of the credits plus applicable penalties and interest.

(d) The Arkansas Economic Development Commission's approval of any application is for content only. It does not constitute approval of all items listed on the application or the project plan. These items will be reviewed and either approved or ruled ineligible upon an audit by the Revenue Division of the Department of Finance and Administration.

V. Terms of the Financial Incentive Agreement

(a) The following types of expenses directly related to the tourism attraction project may be included in the total approved costs that are eligible for sales tax credits:

(1) Land (outright purchase or leasehold interest with 10-year minimum term if the leasehold is located outside of a Natural State Initiative Opportunity Zone);

(2) Buildings at the tourism attraction site;

(3) Land surveys and architectural/engineering fees;

(4) Cost of contract bonds and insurance;

(5) Installation of utilities paid by the approved company (including off-site extensions that are project specific);

(6) Equipping of the tourist attraction; and

(7) Other costs comparable to those described above can be approved on a case-by-case basis.

(b) Certain approved costs defined as "pre-construction costs" will be eligible for sales tax credits regardless of the date the costs were incurred.

VI. Administration of Benefits

(a) State Income Tax Credits (not eligible for lodging facilities)

(1) Upon notification from the director that an approved company has entered into a tourism attraction project financial incentive agreement, the Secretary of the Department of Finance and Administration shall provide the approved company with such forms and instruction as are necessary to claim those credits.
(2) The approved company shall certify the number and the payroll of the new full-time permanent employees to the Revenue Division of the Department of Finance and Administration.
(3) Upon certification by the company, the Revenue Division of the Arkansas Department of Finance and Administration shall authorize an income tax credit equal to four percent (4%) of the payroll of the new full-time permanent employees of the approved tourism attraction project qualifying for benefits.
(4) As used herein, the term “new full time permanent employee(s)” shall mean a person who:
    (A) Is an Arkansas taxpayer in the year the credits are claimed;
    (B) Is employed in a position or job created by virtue of the project, and
    (C) Has worked an average of not less than thirty (30) hours per week.
(5) The income tax credits may be earned for a period of five (5) years from the effective date of the financial incentive agreement.
(6) The income tax credits earned may be applied against the company’s Arkansas state income tax liability for the succeeding nine (9) years or until the credit is entirely used, whichever occurs first.
(7) The Director of the Arkansas Economic Development Commission shall provide a copy of each financial incentive agreement entered into with an approved company to the Secretary of the Department of Finance and Administration.
(8) If any approved company receiving income tax credits allowed under Arkansas Code Annotated §15-11-509 has failed to comply with the condition outlined in this part, the company shall be disqualified from receiving any further benefits under the Arkansas Tourism Development Act and shall be liable for payment of such additional income taxes as may be due after the income tax credits provided for in this section are disallowed, plus interest.
(9) If the Department of Finance and Administration determines that an approved company is no longer qualified under the Tourism Development Act, they shall decertify the company and the decertified company shall not receive any benefits allowed under the Act.

(b) Sales and Use Tax Credits
    (1) Upon receiving notification from the Director that an approved company has entered into a tourism attraction project financial incentive agreement and is entitled to the sales tax credits provided by this Act, the Secretary of the Department of Finance and Administration shall provide the approved company with such forms and instructions as are necessary to claim the credits.
    (2) An approved company shall be entitled to a sales and use tax credit upon certifying to the Secretary of the Department of Finance and Administration that it has met the investment threshold for the county in which it is located. The

Secretary of the Department of Finance and Administration shall then issue a sales tax credit memorandum for the appropriate amount (25% for projects located in high-unemployment counties and projects qualified under Arkansas Code Annotated § 15-11-511 and 15% for all other projects) to the approved company. Subsequent requests for credit for additional certified approved costs in excess of the investment threshold shall be submitted annually for the term of the financial incentive agreement or until the project is completed, whichever occurs first.

(3) The Secretary of the Department of Finance and Administration may require proof of expenditures. Additional credit memorandums may be issued as the approved company certifies additional expenditures of approved costs.

(4) No sales tax credit memorandum shall be issued for any approved costs expended after the expiration of two (2) years from the date the financial incentive agreement was signed by the Director and the approved company. However, the Director, with the advice and consent of the 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 financial incentive agreement was signed if the Director determines that the failure to complete the project within two (2) years resulted from:
   (A) Unanticipated and unavoidable delay in the construction of the project;
   (B) The project, as originally planned, will require more than two (2) years to complete; or
   (C) A change in business ownership or business structure resulting from a merger or acquisition.
      (i) The reasons listed above shall be brought to the attention of the Director prior to the expiration of the initial two (2) year period, and a request shall be made to the Director during the two (2) years for an extension of time.

(5) The credit memorandum issued may be used to offset a portion of the reported state sales (gross receipts) tax liability of the approved company for all sales tax reporting periods following the issuance of the credit memorandum. One hundred per cent (100%) of the credit may be used to offset increased sales tax liability during the first year, with any unused credits carried forward for nine (9) additional years. The credits are also subject to the following limitations:
   (A) Only increased state sales tax liability resulting from sales by the approved company may be offset by the issued credit;
   (B) All issued credit memorandums shall expire at the end of the month following expiration of the financial incentive agreement;
   (C) 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.
   (D) By April 1 of each year, the Secretary of the Department of Finance and Administration shall certify to the Director the state sales and the amount

of state sales and income tax credits taken during the preceding calendar year.

(E) The Secretary of the Department of Finance and Administration may promulgate administrative regulations as are necessary for the proper administration of this Act. The 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 and income tax credits provided by this act. The Secretary of the Department of Finance and Administration shall have the authority to obtain any information necessary from the approved company and the 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 act; the Secretary of the Department of Finance and Administration shall demand the repayment of any credits taken in excess of the credit allowed by this act.

(F) Qualified amusement parks entering into a financial incentive agreement on or after January 1, 2006 for an approved project that will exceed one million dollars ($1,000,000) are eligible for a sales tax credit equal to twenty-five percent (25%) of the approved costs.
Qualified amusement parks entering into a financial incentive agreement on or after January 1, 2006 may use the credit to offset one hundred percent (100%) of its tax liability following the issuance of the credit.

(G) The credit may be used to offset the qualified amusement park's sales tax liability for the Gross Receipts tax levied under the Arkansas Gross Receipts Act, Arkansas Code Annotated § 26-52-101 seq.; and the Tourism gross receipts tax levied under Arkansas Code Annotated § 26-52-1001 et seq. Any unused credit may be carried forward for a period of nine (9) years. The special provisions for qualified amusement parks provided in paragraph (F) above shall apply retroactively to July 1, 2006.

(c) Calculation of Arkansas Income Tax Credits

(1) This program provides an Arkansas income tax credit equal to four percent (4%) of the payroll of each new full-time permanent employee for a period of five (5) years from the effective date of the financial incentive agreement.

(2) The calculation of the income tax credit is as follows:

Payroll of New Full-Time Permanent Employees	x	4%	=	Total Credits

(d) Calculation of Sales Tax Credit

(1) This program offers a sales tax credit in the amount of twenty-five percent (25%) of total project costs if the approved tourism attraction is located in a high-unemployment area.

(2) If the approved tourism attraction is located in any other county the program offers a sales tax credit in the amount of fifteen percent (15%) of the total project cost.

(3) The calculation of the sales tax credit is as follows:

Approved Costs	x	Appropriate Percentage	=	Total Credits

VII. Restrictions

(a) No person or entity may take advantage of this program and any other tax incentive program.

VIII. Natural State Initiative Opportunity Zones

(a) Purpose

(1) The purpose of the Natural State Initiative Opportunity Zones is to:

(A) promote Arkansas's growing outdoor recreation industry and the economic impact of outdoor infrastructure investment;

(B) recruit new outdoor recreation businesses to Arkansas;

(C) expand existing outdoor recreation businesses; and

(D) to foster entrepreneurial growth by using economic development incentives, site selection services, funding, and training resources within the Arkansas Economic Development Commission.

(2) The Arkansas Economic Development Commission and the Arkansas Department of Parks, Heritage, and Tourism shall work cooperatively to accomplish the purposes of the program.

(b) Criteria for Designating Natural State Initiative Opportunity Zones

(1) The Director of the Arkansas Economic Development Commission, in consultation with the Secretary of the Department of Parks, Heritage and Tourism, shall establish no more than four (4) Natural State Initiative Opportunity Zones.

(2) Each Natural State Initiative Opportunity Zone may include all or a portion of, and up to one-eighth (1/8th) of a mile outside the boundary of, a state park, a cultural site, a historic site, or an educational center. The Director may modify the physical boundaries of the opportunity zone at any time following its initial designation. However, if an approved company has entered into a financial incentive agreement for a project located in an opportunity zone, during the term of the incentive agreement the Director may not modify the boundaries of

the opportunity zone so as to cause the project to no longer be located within the opportunity zone.

(3) In designating the location of each Natural State Initiative Opportunity Zone, the director shall take into account the following criteria:
    (A) the geographic diversity in the locations of the opportunity zones; and
    (B) the potential for economic development opportunities within each proposed opportunity zone, to include such factors as:
        (i) the number of visitors likely to visit the state park located within the opportunity zone;
        (ii) the likelihood that the opportunity zone will attract at least twenty five percent (25%) of its visitors from outside of Arkansas;
        (iii) whether the attributes of the state park, such as geography and existing amenities, would be compatible with additional economic development opportunities;
        (iv) the proximity of the opportunity zone to other complimenting economic development activities; and
        (v) whether there is a sufficient workforce to support economic development in the opportunity zone without adversely affecting existing businesses in the area.

(c) Designation of Natural State Initiative Opportunity Zones
    (1) The following locations are designated as Natural State Initiative Opportunity Zones:
        (A) The area located within the boundaries of Queen Wilhelmina State Park, plus the area extending one-eighth (1/8th) of a mile immediately adjacent to the outside boundary of the park;
        (B) The area located within the boundaries of Petit Jean State Park, plus the area extending one-eighth (1/8th) of a mile immediately adjacent to the outside boundary of the park;
        (C) The area located within the boundaries of Pinnacle Mountain State Park, plus the area extending one-eighth (1/8th) of a mile immediately adjacent to the outside boundary of the park; and
        (D) The area located within the boundaries of Delta Heritage Trail State Park, plus the area extending one-eighth (1/8th) of a mile immediately adjacent to the outside boundary of the park.

(2) The Director of the Arkansas Economic Development Commission and the Secretary of the Department of Parks, Heritage and Tourism shall prepare GIS maps that clearly identify the boundaries of each opportunity zone.
(3) In order for a project to be eligible for income tax credits and sales/use tax credits applicable to a Natural State Initiative Opportunity Zone, at least fifty-one percent (51%) of the land upon which the project is located must be within the boundary of the opportunity zone.