ORDINANCE NO. 2244 amended 8-31-16

AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE PERCENT (1%) SALES AND USE TAX WITHIN THE CITY OF EUREKA SPRINGS, ARKANSAS; DECLARING THAT AN EMERGENCY EXISTS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO

WHEREAS, the City Council of the City of Eureka Springs, Arkansas (the "City"), has determined that there is a great need for immediate improvement in municipal services and for a source of revenue to finance such services in regard to the City Auditorium and the City Water and Sewer infrastructure in the City; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 and Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") provide for the levy of a ONE PERCENT (1%) citywide sales and use tax;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EUREKA SPRINGS, ARKANSAS:

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a ONE PERCENT (1%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Act of 1941, as amended (Ark. Code Ann. §26-52-101, et seq.), and the imposition of an excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personal property subject to the Arkansas Compensating Tax Act of 1949, as amended (Ark. Code Ann. §26-53-101, et seq.), at a rate of ONE PERCENT (1%) of the sale price of the property or, in the case of leases or rentals, of the lease or rental price (collectively, the "Sales and Use Tax").

Section 2. That said tax shall be collected for a period of ten years from the first date of collection, unless otherwise renewed by proper means and vote. The termination shall be automatic without the necessity of any action by the City, other than proper notification to the collectors and State agencies as may be required by the Arkansas Code Annotated.

Section 3. That all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 4. That this Ordinance and the tax to be collected shall not take effect until an election is held on the question of levying the Sales and Use Tax at which a majority of the electors voting on the question shall have approved the levy of the Sales and Use Tax and as otherwise prescribed by Arkansas Law.

Section 5. That the revenue raised from the tax shall be used to fund the City Auditorium's maintenance, repair, improvements and operation in an amount equal to one-fourth (1/4) of the revenue and to fund the City's Water and Sewer infrastructure's maintenance, repairs, and improvements in an amount equal to three-fourth (3/4) of the revenue.

EMERGENCY CLAUSE

Section 6. It is hereby ascertained and declared that there is a great need to establish a stable source of revenue to finance vital municipal services in order to promote and protect the health, safety and welfare of the City and its inhabitants, particularly in regards to water and sewer systems within Eureka Springs, Arkansas. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of public peace, health and safety shall be in force and take effect immediately from and after the first day of its approval by the City Council.

PASSED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF EUREKA SPRINGS, ARKANSAS, ON THIS 31st DAY OF AUGUST, 2016.

APPROVE:

Robert "Butch" Berry, Mayor
Mayor

ATTEST:

Ann Armstrong, City Clerk Treasurer

All present voted "Aye" – James DeVito, Kristi Kendrick, Bob Thomas, Terry McClung, David Mitchell, and Mickey Schneider