

ORDINANCE NO. 191

AN ORDINANCE AMENDING ORDINANCE NO. 131 IN ORDER TO AUTHORIZE SEVENTY-FIVE PERCENT (75%) OF THE NET COLLECTIONS OF THE 1% SALES AND USE TAX LEVIED WITHIN THE CITY OF TONTITOWN, ARKANSAS TO BE USED FIRST, AS NEEDED, TO REPAY BONDS ISSUED FROM TIME TO TIME BY THE CITY AND APPROVED BY THE VOTERS TO FINANCE SEWER IMPROVEMENTS WITH THE BALANCE TO BE USED TO IMPROVE MUNICIPAL WATER AND SEWER SERVICES AND TWENTY-FIVE PERCENT (25%) OF THE NET COLLECTIONS OF THE TAX TO BE USED TO IMPROVE MUNICIPAL WATER AND SEWER SERVICES; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, pursuant to Ordinance No. 131 adopted August 24, 1999 ("Ordinance No. 131"), and an election held November 2, 1999, the City of Tontitown, Arkansas (the "City") has levied a City-wide 1% sales and use tax (the "Tax") for the purpose of improving municipal water and sewer services; and

WHEREAS, the City Council has determined that it would be in the best interest of the City to issue bonds to finance all of a portion of the costs of sewer improvements that are immediately needed and to secure such bonds, in part, with a pledge as collateral of 75% of the collections of the Tax received by the City; and

WHEREAS, the balance of the collections of the Tax not needed to repay such bonds will be used to improve municipal water and sewer services; and

WHEREAS, it is necessary to amend Ordinance No. 131 to expand the usage of the Tax collections and to make necessary technical corrections;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Tontitown, Arkansas:

Section 1. Section 1 of Ordinance No. 131 is hereby amended to read as follows:

"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 (A.C.A. §§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 (A.C.A. §§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"). Seventy-five percent (75%) of the collections of the Sales and Use Tax that are received after the State of Arkansas deducts its administrative charges (the "Net Collections") shall be used first as needed to repay bonds issued by the City from time to time and approved by the voters to finance sewer improvements with the balance to be used to improve municipal water and sewer services. Twenty-five percent (25%) of the Net Collections shall be used to improve municipal water and sewer services. The Sales and Use Tax shall be levied and collected only on the first \$2,500 for each single transaction."

Section 2. The provisions of this Ordinance are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Ordinance.

Section 3. Ordinance No. 131, as amended hereby, shall remain and be in full force and effect.

PASSED this 2nd day of November, 2004.

APPROVED:

Daniel R. Watson
Daniel R. Watson, Mayor

ATTEST:

Frances Franco
Frances Franco, City Recorder/Treasurer

(SEAL)

Approved As To Form:

R. Jeffrey Reynerson
R. Jeffrey Reynerson, City Attorney

ROLL CALL:

NAMES OF THOSE VOTING YEA:

Henry Piazza

Arthur Penzo

Leon Zulpo

Kenneth Green

Vanessa Sbanotto

Kenneth Robertson

NAMES OF THOSE VOTING NAY:

ABSENT:

CERTIFICATE

The undersigned, City Recorder/Treasurer of Tontitown, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 191, passed at a regular session of the City Council of Tontitown, Arkansas, held at the regular meeting place of the City Council at 7:30 o'clock p.m., on the 3rd day of November, 2004, and that the Ordinance is of record in Ordinance Record Book No. 3, Page , now in my possession.

GIVEN under my hand and seal this 3rd day of November, 2004.



Frances Franco
Frances Franco, City Recorder/Treasurer