

ORDINANCE NO. 2021-03-921

2021 MAR -3 AM 11:49
BECHTOLD COUNTY & HERBERT
WASHINGTON

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 AND REFINANCE CAPITAL 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 RELATING 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"); and

WHEREAS, the City Council amended Ordinance No. 131 pursuant to Ordinance No. 191, adopted November 3, 2004 ("Ordinance No. 191"); and

WHEREAS, at an election held December 14, 2004, the voters of the City approved Ordinance No. 191; and

WHEREAS, pursuant to Ordinance No. 131, as amended by Ordinance No. 191, 75% of the net collections of the Tax are currently 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 used to improve municipal water and sewer services and the remaining 25% of the net collections of the Tax are currently used to improve 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 (the "Bonds") to refund the City's Sales and Use Tax Refunding Bonds, Series 2013 and to finance the following capital improvements: (a) extensions, betterments and improvements to the City's water system, (b) extensions, betterments and improvements to the City's sewer system and (c) a new public safety facility containing the police department, a fire station and a courtroom and any necessary furnishings and equipment and parking, street, lighting and utility improvements related thereto, and to secure the Bonds with a pledge of 75% of the net collections of the Tax; and

WHEREAS, it is necessary to amend Ordinance No. 131 to change the purposes for which the net collections of the Tax may be used in order for the Bonds to be secured by 75% of the net collections of the Tax;

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

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

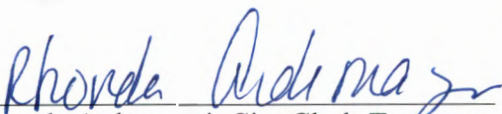
"**Section 1.** Under the authority of the Authorizing Legislation, there is hereby levied a one percent (1%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §§26-52-101, et. seq.), and the 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 deduction of the administrative charges of the State of Arkansas and required rebates (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 and refinance capital 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 on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time by Arkansas law, subject to rebates and limitations as from time to time required by Arkansas statutes for certain single transactions."

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.

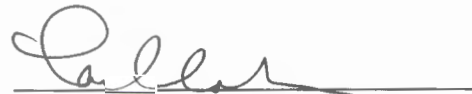
Section 3. Ordinance No. 131, as amended hereby, shall remain and be in full force and effect.

PASSED: March 2, 2021

ATTEST:


Rhonda Ardemagni, City Clerk-Treasurer

APPROVED:



Paul Colvin, Jr., Mayor

(SEAL)

CERTIFICATE

The undersigned, City Clerk-Treasurer of Tontitown, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 2021-03-921, passed at a regular session of the City Council of Tontitown, Arkansas, held at the regular meeting place of the City Council at 6:00 o'clock p.m., on the 2nd day of March, 2021, and that the Ordinance is of record in Ordinance Record Book No. 2021, Page N/A, now in my possession.

GIVEN under my hand and seal this 2nd day of March, 2021.


Rhonda Ardemagni, City Clerk-Treasurer

(SEAL)