

This Instrument Prepared by:

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POPE COUNTY, ARKANSAS
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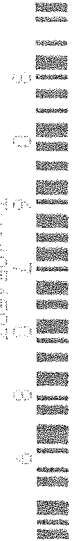
Ordinance
INSTRUMENT TYPE

City of Russellville
GRANTOR

Ordinance #2358
GRANTEE

30
PATTI EDWARDS
POPE COUNTY CLERK
2020 JUL -8 AM 8:38

FILED



ORDINANCE NO. 2358

AN ORDINANCE PROVIDING FOR THE LEVY OF A REPLACEMENT ONE PERCENT (1%) SALES AND USE TAX WITHIN THE CITY OF RUSSELLVILLE, ARKANSAS FOR A PERIOD OF FIVE (5) YEARS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO

WHEREAS, the City Council of the City of Russellville, Arkansas (the "City") has determined that the City is in need of a source of revenue for the purposes described herein for the time period described herein; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") provides for the levy of a city-wide sales and use tax or taxes at the rate of 0.125%, 0.25%, 0.50%, 0.75% or 1%, or any combination thereof; and

WHEREAS, the City is currently levying city-wide sales and use taxes at the rate of 0.50% and 1% under the authority of the Authorizing Legislation; and

WHEREAS, the existing 1% sales and use tax is scheduled to expire on December 31, 2020; and

WHEREAS, the City Council is proposing to replace the existing 1% city-wide sales and use tax by levying a new city-wide sales and use tax under the Authorizing Legislation at the rate of 1% for a period of five (5) years;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RUSSELLVILLE, ARKANSAS, OF THE FOLLOWING:

SECTION 1: Under the authority of the Authorizing Legislation, there is hereby levied a new 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 a new excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personable property subject to the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, et. seq.), at a rate of 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"). The Sales and Use Tax will be levied and collected on the gross receipts, gross proceeds or sales price for each single transaction in the maximum amount allowed from time to time by Arkansas law, subject to rebates and limitations as required for certain single transactions as from time to time required by Arkansas statutes. The Sales and Use Tax shall replace the existing 1% sales and use tax on January 1, 2021.

SECTION 2: The Sales and Use Tax shall be levied for a period five (5) years. The levy of the Sales and Use Tax shall commence on January 1, 2021 and expire on December 31, 2025.

SECTION 3: The Sales and Use Tax shall be levied, and the net collections received after the State of Arkansas deducts its administrative charges and required rebates (“Municipal Collections”), shall be used as follows:

(a) Municipal Collections derived from the sale of aviation fuel at the Russellville Municipal Airport (the “Airport”) shall be used for the capital or operating costs of the Airport (“Airport Collections”); and,

(b) 100% of Municipal Collections remaining after deducting Airport Collections (“Net Collections”) as follows:

(1) 70% of Net Collections for street, road and drainage facilities purposes; and

(2) 30% of Net Collections as follows:

(A) 10% for Fire Department vehicles and equipment, Police Department vehicles and equipment and other capital asset replacement purposes, or any of the foregoing;

(B) 10% for capital improvements or operating costs, or both, for the Parks and Recreation Department;

(C) 10% for economic development purposes or capital improvement purposes, or both; and

SECTION 4: (a) "Economic development purposes" means the funding, promoting and providing of economic development purposes and economic development projects to stimulate the local economy or to support the creation of private sector job opportunities, or both.

(b) "Capital improvements purposes" means the acquisition, construction, reconstruction, restoration, improvement, alteration or repair of (i) any physical public betterment or improvement or any preliminary plans, studies, or surveys relative thereto, (ii) land or rights in land, including, without limitation, leases, air rights, easements, rights-of-way, or licenses, or (iii) any furnishings, machinery, vehicles, apparatus, or equipment for any public betterment or improvement or (iv) any combination of the foregoing.

(c) "Capital asset replacement purposes" means the replacement of a capital asset such as machinery, vehicles, equipment and other similar tangible items owned or leased by the City that were used in the operation of the City or provided benefits to the City through its use; that had a useful life of more than one (1) year and the purchase price of the capital asset at the time of purchase met or exceeded the threshold of \$2,500.

(d) "Street, road and drainage facilities purposes" means the acquisition, construction, reconstruction, restoration, improvement, alteration, extension, repair, replacement or betterment of: 1) the surface of, as well as the spaces above and below, that provides vehicular traffic access to adjacent lands or for the movement of through traffic for the purpose of creating or

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Sponsor: Finance Committee
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maintaining streets, alleys, avenues, roads, bridges, traffic control devices, street lights, street signs, sidewalks, railroad crossings, electrical communication, multi-modal transportation systems, easements, rights-of-ways and public places of the City within the corporate limits or planning boundary of the City, as the same now exist or may be hereafter extended or altered, and any location thereon, thereover or thereunder any portion thereof; and 2) creating or maintaining any ditch, channel, swale, pipe, creek, river, culvert, gutter, basin, box, head wall or other structure which does or is designed for conveying or directing the flow of storm water runoff on the surface, in any open ditch or within an enclosed culvert or pipe within the corporate limits or planning boundary of the City.

SECTION 5: The allocations of the Net Collections as described in Section 3 are to be achieved over the five (5) year life of the Sales and Use Tax and not on a monthly basis. For example, 100% of the Net Collections received in a certain month can be spent or reserved for only one purpose, i.e., the economic development, so long as each purpose receives the specified allocation of funds over the five (5) year life of the Sales and Use Tax.

SECTION 6: All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 7: That this Ordinance shall not take effect until an election is held on the question of levying the Sales and Use Tax, at which election a majority of the electors voting on the question shall have approved the levy of the Sales and Use Tax.

SECTION 8: The recitals in the Preamble of this Ordinance are incorporated into this Section of the Ordinance by reference.

ORDAINED, this 7th day of July, 2020.



RICHARD HARRIS, MAYOR

ATTEST:


GINA SKELTON, CITY CLERK-TREASURER

I, Gina Skelton, City Clerk-Treasurer for the City of Russellville, Arkansas, hereby certify that the above and foregoing is a true and correct copy of Ordinance No. ~~2358~~ passed by the City Council of the City of Russellville, Pope County, Arkansas, on the 7th day of July, 2020.

APPROVED AS TO LEGAL FORM:


WILLIAM F. SMITH III, CITY ATTORNEY



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SECTION 9: Due to the need coordinate and schedule the appropriate deadlines in order to inform the voting public as soon as possible as well as coordinate with the Pope County Election Commission and Department of Finance and Administration, an emergency is declared and this Ordinance shall become immediately effective upon and after passage.

ORDAINED, this 7th day of July, 2020.



RICHARD HARRIS, MAYOR

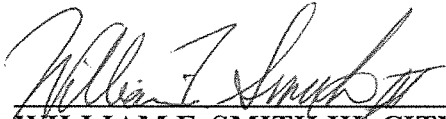
ATTEST:



GINA SKELTON, CITY CLERK-TREASURER

I, Gina Skelton, City Clerk-Treasurer for the City of Russellville, Arkansas, hereby certify that the above and foregoing is a true and correct copy of Ordinance No. 238 passed by the City Council of the City of Russellville, Pope County, Arkansas, on the 7th day of July, 2020.

APPROVED AS TO LEGAL FORM:



WILLIAM F. SMITH III, CITY ATTORNEY

