

ORDINANCE NO. 0-04-03

AN ORDINANCE PROVIDING FOR THE LEVY OF A NEW ONE-FOURTH OF ONE PERCENT (0.25%) SALES AND USE TAX WITHIN THE CITY OF ARKADELPHIA, ARKANSAS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the Board of Directors of the City of Arkadelphia, Arkansas (the "City") has determined that the City is in need of an additional source of revenue (a) to finance the operation and maintenance of park and recreational facilities and/or (b) to pay and secure the repayment of capital improvement bonds approved by the voters and issued from time to time by the City to finance park and recreational improvements; 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%, 0.5%, 0.75% or 1%, or any combination thereof; and

WHEREAS, the City is not currently levying a city-wide sales and use tax under the authority of the Authorizing Legislation; and

WHEREAS, the City is proposing to levy a sales and use tax at the rate of 0.25% under the Authorizing Legislation;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Arkadelphia, Arkansas:

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a new 0.25% 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 0.25% 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.

Section 2. The Sales and Use Tax shall be levied, and the net collections received after the State of Arkansas deducts its administrative charges, shall be used by the City (a) to finance the operation and maintenance of park and recreational facilities and/or (b) to pay and secure the repayment of capital

improvement bonds approved by the voters and issued from time to time by the City to finance park and recreational improvements.

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 All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 4. 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.

PASSED: April 15, 2004.

APPROVED:

ATTEST:

City Clerk

Mayor

(SEAL)

CERTIFICATE

The undersigned, City Clerk of Arkadelphia, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. O-04-03, passed at a regular session of the Board of Directors of Arkadelphia, Arkansas, held at the regular meeting place of the Board of Directors at 7:00 o'clock p.m., on the 15th day of April, 2004, and that the Ordinance is of record in Ordinance Record Book No. _____, Page _____, now in my possession.

GIVEN under my hand and seal this _____ day of April, 2004.

City Clerk

(SEAL)