ORDINANCE NO. 2019-06

AN ORDINANCE AMENDING ORDINANCE NO. 2007-08 IN ORDER TO AUTHORIZE THE NET COLLECTIONS OF THE 1.5% SALES AND USE TAX LEVIED WITHIN THE CITY OF ATKINS, ARKANSAS BY ORDINANCE NO. 2007-08 TO BE USED TO PAY AND SECURE THE REPAYMENT OF BONDS APPROVED BY THE VOTERS AND ISSUED BY THE CITY FROM TIME TO TIME TO FINANCE AND REFINANCE CAPITAL IMPROVEMENTS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Ordinance No. 2007-08, adopted April 24, 2007 ("Ordinance No. 2007-08"), and an election held June 12, 2007, the City of Atkins, Arkansas (the "City") has levied a City-wide 1.5% sales and use tax (the "Tax"); and

WHEREAS, the net collections of the Tax are currently used by the City to pay and secure the repayment of bonds approved by the voters and issued by the City from time to time for the purpose of financing all or a portion of the costs of extensions, betterments and improvements to the City's water system; 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 Bonds, Series 2007 and finance the following capital improvements: (a) park facilities and improvements and parking, furnishings, equipment, drainage, lighting and utility improvements related thereto, (b) betterments and improvements to the City's water system and (c) betterments and improvements to the City's sewer system and to secure the Bonds with a pledge of the collections of the Tax; and

WHEREAS, it is necessary to amend Ordinance No. 2007-08 to change the purposes for which the net collections of the Tax may be used in order for the Bonds to be secured by Tax receipts;

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

Section 1. The title of Ordinance No. 2007-08 is hereby amended to read as follows:

"AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE AND ONE-HALF PERCENT (1.5%) SALES AND USE TAX WITHIN THE CITY OF ATKINS, ARKANSAS TO PAY AND SECURE THE REPAYMENT OF BONDS ISSUED TO FINANCE AND REFINANCE ALL OR A PORTION OF THE COSTS OF CAPITAL IMPROVEMENTS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO. "

Section 2. The first and fourth WHEREAS clauses of Ordinance No. 2007-08 are hereby amended to read as follows:

> "WHEREAS, the City Council of the City of Atkins, Arkansas (the "City") has determined that the City is in need of a source of revenue to pay and secure the repayment of bonds approved by the voters and issued by the City from time to time for the purpose of financing and refinancing all or a portion of the costs of capital improvements ("Capital Improvement Bonds"); and
>
> WHEREAS, the purpose of this Ordinance is to levy an additional city-wide sales and use tax at the rate of 1.5%, the net collections of which will be used to pay and secure the repayment of Capital Improvement Bonds;"

Section 3. Section 1 of Ordinance No. 2007-08 is hereby amended to read as follows:

> "Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a one and one-half percent (1.5%) 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 and one-half percent (1.5%) 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 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 4. Section 2 of Ordinance No. 2007-08 is hereby amended to read as follows:

> "Section 2. The Sales and Use Tax shall be levied, and the net collections received after deduction of the administrative charges of the State of Arkansas and required rebates shall be used by the City to pay and secure the repayment of Capital Improvement Bonds and all obligations of the City with respect thereto; provided, however, that any amounts not necessary to pay in full the Capital Improvement Bonds and all obligations of the City with respect thereto may be used for any lawful municipal purpose."

Section 5. Section 3 of Ordinance No. 2007-08 is hereby amended to read as follows:

"Section 3. The Sales and Use Tax shall expire on the first date on which the Sales and Use Tax can be administratively removed when (a) there are sufficient funds to pay in full any outstanding Capital Improvement Bonds secured by a pledge of collections of the Sales and Use Tax and (b) the City Council determines that the purposes of the Sales and Use Tax cannot be or cannot continue to be fulfilled because no Capital Improvement Bonds secured by a pledge of collections of the Sales and Use Tax will be issued in the future."

Section 6. 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 7. Ordinance No. 2007-08, as amended hereby, shall remain and be in full force and effect.

PASSED: June 11, 2019

APPROVED:

ATTEST:

Angela Singleton
City Clerk

Mayor

(SEAL)

FILED
Angela Singleton, City Clerk
City of Atkins
Date: June 11, 2019

CERTIFICATE

The undersigned, City Clerk of Atkins, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 2019-06, passed at a regular session of the City Council of Atkins, Arkansas, held at the regular meeting place of the City Council at 7:00 o'clock p.m., on the 11th day of June, 2019, and that the Ordinance is of record in Ordinance Record Book No. _____, Page _____, now in my possession.

GIVEN under my hand and seal this 11th day of June, 2019.

Angela Singleton
City Clerk

(SEAL)

CITY OF ATKINS SEAL POPE COUNTY ARKANSAS

FILED
Angela Singleton, City Clerk
City of Atkins
Date: June 11, 2019

Ordinance # 2019-06 Date: June 11, 2019

Alderman Daniel Dunn moved Ordinance # 2019-06 to be placed on its first reading. Alderman Bro Price seconded. The vote was:

Rehm Yes
Price Yes
Pearce Yes
Dunn Yes
Spence –
Waddle –

4 for 0 against

Alderman Daniel Dunn moved the rules be suspended and Ordinance# 2019-06 be placed on its second reading. Alderman Bro Price seconded. The vote was:

Rehm Yes
Price Yes
Pearce Yes
Dunn Yes
Spence –
Waddle –

4 for 0 against

Alderman Daniel Dunn moved the rules be further suspended and Ordinance # 2019-06 be placed on its third on final reading. Alderman Bro Price seconded. The vote was:

Rehm Yes
Price Yes
Pearce Yes
Dunn Yes
Spence –
Waddle –

4 for 0 against

Alderman Daniel Dunn moved Ordinance # 2019-06 be adopted. Alderman Bro Price seconded. The vote was:

Rehm Yes
Price Yes
Pearce Yes
Dunn Yes
Spence –
Waddle –

4 for 0 against

Alderman Daniel Dunn moved Ordinance # 2019-06 Emergency Clause be adopted. Alderman Bro Price seconded. The vote was:

Rehm Yes
Price Yes
Pearce Yes
Dunn Yes
Spence –
Waddle –

4 for 0 against

Emergency Clause Adopted 4-0.

ROWDY SWEET, MAYOR

Angela Singleton

ANGELA D SINGLETON, CITY CLERK

SEAL

FILED
Angela Singleton, City Clerk
City of Atkins
Date: