

ORDINANCE NO. 1892A

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF EUREKA SPRINGS, ARKANSAS, ON THE QUESTION OF LEVYING A CITY-WIDE ONE-HALF OF ONE PERCENT (1/2%) SALES AND USE TAX FOR A PERIOD OF FIVE (5) YEARS FOR PARK AND RECREATIONAL PURPOSES; AND PRESCRIBING OTHER MATTERS RELATED THERETO.

WHEREAS, the City Council of the City of Eureka Springs, Arkansas (the "City") has passed on August 5, 2002, Ordinance No. 1891 (the "Tax Ordinance") providing for the levy of a 1/2% sales and use tax within the City (the "Sales and Use Tax") to assist in funding (a) the operation and maintenance of park and recreational facilities, (b) the acquisition and construction of new or improved park and recreational facilities; (c) recreational programming; and/or for (d) the retirement of any capital improvement bonds subsequently approved by the voters to acquire and construct new or improved park and recreational facilities ("Park and Recreation Bonds"); and

WHEREAS, the Sales and Use Tax is to be levied and collected only on the first \$2,500 of gross receipts, gross proceeds or sales price from each single transaction; and

WHEREAS, the purpose of this ordinance is to call a special election on the question of the levy of the Sales and Use Tax; and

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

Section 1. There be and there is hereby called, a special election to be held on November 5, 2002, at which election there shall be submitted to the electors of the city, the question of the levy of the Sales and Use Tax for a period of five years to assist in funding (a) the operation and maintenance of park and recreational facilities; (b) the acquisition and construction of new or improved park and recreational facilities; (c) recreational programming; and/or for (d) the retirement of any Park and Recreation Bonds.

Section 2. The question for levying the Sales and Use Tax shall be incorporated into the ballot for the general election to be held November 5, 2002, in substantially the following form:

FOR adoption of a 1/2% local sales and use tax within the City of Eureka Springs for a period of five (5) years to assist in funding: (a) the operation and maintenance of park and recreational facilities; (b) the acquisition and construction of new or improved park and recreational facilities; (c) recreational programming; and/or (d) the retirement of any capital improvement bonds subsequently approved by the voters to acquire and construct new or improved park and recreational facilities.

AGAINST adoption of a 1/2% local sales and use tax within the City of Eureka Springs for a period of five (5) years to assist in funding: (a) the operation and maintenance of park and recreational facilities; (b) the acquisition and construction of new or improved park and recreational facilities; (c) recreational programming; and/or (d) the retirement of any capital improvement bonds subsequently approved by the voters to acquire and construct new or improved park and recreational facilities.

Section 3. The election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections, and only qualified voters of the City shall have the right to vote at the election.

Section 4. The results of the election shall be proclaimed by the Mayor, and the proclamation shall be published one time in a newspaper published in the City and/or having a general circulation therein, which proclamation shall advise that the results as proclaimed shall be conclusive unless challenged in a court of competent jurisdiction within thirty days after the date of publication.

Section 5. A copy of this ordinance shall be given to the Carroll County Board of Election Commissioners so that the necessary election officials and supplies may be provided. A certified copy of this ordinance and of the Tax Ordinance shall also be provided to the Commissioner of Revenues of the State of Arkansas as soon as practical.

Section 6. The Mayor and City Clerk, for and on behalf of the City, be and they are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided and, if the levy of the Sales and Use Tax is approved by the electors, to cause the Sales and Use Tax to be collected, and to perform all acts of whatever nature necessary to carry out the authority conferred by this ordinance.

Section 7. The Sales and Use Tax shall be levied and collected only on the first \$2,500 from each single transaction. "Single transaction" is defined according to the nature of the goods purchased as follows:

A. When two or more devices in which or by which any person or property is, or may be, transported or drawn, including but not limited to, on-road vehicles, whether required to be licensed or not, off-road vehicles, farm vehicles, airplanes, water vessels, motor vehicles, or non-motorized vehicles, and mobile homes, are sold to a person by a seller, each individual unit, whether part of a "fleet" sale or not, shall be treated as a single transaction for the purpose of the sales and use tax.

B. The charges for utility services, which are subject to the sales and use tax, and which are furnished on a continuous service basis, whether such services are paid daily, weekly, monthly or annually, shall be computed in daily increments, and each such daily charge increment shall be considered to be a single transaction for the purposes of the sales and use tax.

C. For sales of building materials and supplies to contractors, builders or other persons, a single transaction, for the purposes of the sales and use tax, shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which an aggregate sales (or use) tax figure has been reported and remitted to the State of Arkansas.

D. When two or more items or major household appliances, commercial appliances, major equipment and machinery are sold, each individual unit shall be treated as a single transaction for the purposes of the sales and use tax.

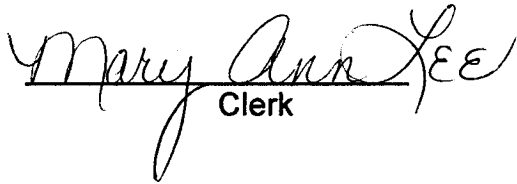
E. For groceries, drug items, dry goods, and other tangible personal property and/or services not otherwise expressly covered in this section, a single transaction shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which an aggregate sales tax figure has been reported and remitted to the State of Arkansas.

Section 8. All ordinances and parts thereof in conflict are hereby repealed to the extent of such conflict.


Section 9. Emergency Clause. Because of time constraints imposed by the general election in November and the critical importance of continuing tax revenues to support the city's parks and recreation programs, it is necessary for the public health, safety and welfare and continuance of public services that this ordinance shall take effect and be in force from and after its passage and approval.

Passed August 19, 2002.

ATTEST:


Clerk

APPROVED:


Mayor