



Legislation Text

File #: ORD-19:031, Version: 1

AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE PERCENT (1.00%) SALES AND USE TAX WITHIN THE CITY OF JONESBORO, ARKANSAS; TO PROVIDE THAT ONE-HALF OF ALL NET COLLECTIONS DERIVED FROM THE SALES AND USE TAX SHALL BE USED TO FUND THE ACQUISITION, CONSTRUCTION, REPAIR, EQUIPPING, AND IMPROVING OF CAPITAL IMPROVEMENTS OF A PUBLIC NATURE FOR CITY'S POLICE AND FIRE DEPARTMENTS, AND FOR THE OPERATION, MAINTENANCE, AND STAFFING OF SUCH CAPITAL IMPROVEMENTS; TO PROVIDE THAT ONE-HALF OF ALL NET COLLECTIONS DERIVED FROM THE SALES AND USE TAX SHALL BE USED TO FUND THE ACQUISITION, CONSTRUCTION, REPAIR, EQUIPPING, AND IMPROVING OF CAPITAL IMPROVEMENTS OF A PUBLIC NATURE FOR THE ARTS, AQUATICS, BEAUTIFICATION, LIBRARIES, MUSEUMS, PARK FACILITIES, RECREATIONAL FACILITIES, SIDEWALKS, AND TRAIL SYSTEMS AND FOR THE OPERATION, MAINTENANCE, AND STAFFING OF SUCH CAPITAL IMPROVEMENTS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City Council of the City of Jonesboro, Arkansas (the "City") has determined that the City is in need of an additional source of revenue for the following purposes: (a) to acquire, construct, repair, equip, and improve capital improvements of a public nature for the City's Police and Fire departments, and to provide funds for the operation, maintenance, and staffing of such capital improvements; and (b) to acquire, construct, repair, equip, and improve capital improvements of a public nature directly related to arts, aquatics, beautification, libraries, museums, park facilities, recreational facilities, sidewalks, and trail systems, and to provide funds for the operation, maintenance, and staffing of such capital 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%, 0.50%, 0.75% or 1.00%, or any combination thereof; and

WHEREAS, the City is proposing to levy a new sales and use tax at the rate of one percent (1.00%), the net collections of which will be distributed to the City and used for the purposes described above, under the Authorizing Legislation; and

NOW, THEREFORE BE IT ORDAINED, by the City Council of the City of Jonesboro, Arkansas, as follows:

Section 1. Under the authority of the Authorizing Legislation there is hereby levied one percent (1.00%) tax on the gross receipts from the sale at retail within the City on all items which are subject to the Arkansas Gross Receipts Tax 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 (1.00%) 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 net collections received after the State deducts its administrative charges of the State of Arkansas and required rebates (the "Net Collections") shall be used to provide financial support for the following purposes: (a) one-half of all Net Collections derived from the Sales and Use Tax shall be used to acquire, construct, repair, equip, and improve

capital improvements of a public nature for the City's Police and Fire departments, and to provide funds for the operation, maintenance, and staffing of such capital improvements; and (b) one-half of all Net Collections derived from the Sales and Use Tax shall be used to acquire, construct, repair, equip, and improve capital improvements of a public nature directly related to arts, aquatics, beautification, libraries, museums, park facilities, recreational facilities, sidewalks, and trail systems, and to provide funds for the operation, maintenance, and staffing of such capital improvements, and which Sales and Use Tax will expire not later than twelve (12) years after the date the Sales and Use Tax is first collected. The Sales and Use Tax shall be levied and collected on gross receipts, gross proceeds, or sales price in the maximum amount allowed from time-to-time under Arkansas law, subject to rebates and limitations as required from time-to-time by Arkansas statutes.

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 as provided in Section 1 of this Ordinance.

Section 3. The City Council hereby covenants that it may, not later than six (6) months prior to the date which is twelve (12) years following the commencement of the new Sales and Use Tax (the "Commencement Date"), submit to the electors of the City the question of whether the Sales and Use Tax shall continue to be collected in the City after the date which is twelve (12) years following the Commencement Date.

Section 4. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. 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 AND APPROVED this 2nd day of July, 2019.