

ORDINANCE NO. 181

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AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF GREENLAND, ARKANSAS ON THE QUESTION OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING THE COST OF SEWER IMPROVEMENTS; LEVYING A NEW ONE PERCENT (1%) SALES AND USE TAX FOR THE PURPOSE OF RETIRING SUCH BONDS; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY TO EXIST:

WHEREAS, the City Council of the City of Greenland, Arkansas (the "City") has determined that extensions, betterments and improvements to the City's sewer system should be acquired, constructed and equipped (the "Sewer Improvements"); and,

WHEREAS, the City Council has determined that it would be in the best interest of the City to issue capital improvement bonds under the authority of Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Sub-chapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") in the maximum principal amount of \$500,000. to finance the Sewer Improvements; and,

WHEREAS, such principal amount includes expenses of authorizing and issuing the capital improvement bonds and a debt service reserve; and,

WHEREAS, the City can pay the principal of and interest on the capital improvement bonds from the net collections of a new one percent (1%) sales and use tax to be levied under the authority of the Authorizing Legislation; and,

WHEREAS, the purpose of this Ordinance is to submit to the electors of the City the question of issuing the bonds for the Sewer Improvements under Amendment 62 and the Authorizing Legislation (the "Bonds") at a special election to be called for that purpose and to levy a sales and use tax at the rate of one percent (1%) on the receipts from the sales at retail within the City of all items which are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §26-52-101, et seq.), and the receipts from storing, using, distributing or consuming within the City tangible personal property under the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §26-53-101, et seq.) (collectively, the "Sales and Use Tax");

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

SECTION 1. There be, and there is hereby called, a special election to be held on February 23, 1999, at which election there shall be submitted to the electors of the City the question of issuing the Bonds under Amendment 62 and the Authorizing Legislation to finance the Sewer Improvements in the maximum principal amount of \$500,000. and the levy of the

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Sales and Use Tax, the net collections of which, after the State of Arkansas deducts its administrative charges, shall be used to retire the Bonds.

SECTION 2. In order to provide for the payment of the principal of and interest on the Bonds, there is hereby levied the Sales and Use Tax. The levy of the Sales and Use Tax shall not become effective until the special election called in Section 1 above has been held and the issuance of the Bonds is approved by the voters. The Sales and Use Tax shall be levied and collected only to a maximum tax of \$25 for 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 of 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 the completed structure. The Sales and Use Tax shall be levied upon the final cost of the materials purchased to build the structure rather than upon the increment sales used in the construction.
- D. When two or more items of 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 3: The question of issuing the Bonds and levying the Sales and Use Tax shall be placed on the ballot for the election in substantially the following form:

SEWER IMPROVEMENT BONDS

If the bonds are approved, there will be levied within the City of Greenland a new 1% sales and

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use tax, the net collections of which, after the State of Arkansas deducts its administrative charges, shall be used solely to retire the bonds in accordance with Amendment No. 62 to the Arkansas Constitution. The new 1% sales and use tax will be collected only so long as necessary to retire the bonds. The bonds may be issued in series from time to time.

FOR an issue of bonds of the City of Greenland in the maximum principal amount of \$ 500,000, to finance extensions, betterments and improvements to the City's sewer system, and, in order to pay the bonds, the levy and pledge of a new 1% local sales and use tax within the City

AGAINST an issue of bonds of the City of Greenland in the maximum principal amount of \$ 500,000, to finance extensions, betterments and improvements to the City's sewer system, and, in order to pay the bonds, the levy and pledge of a new 1% local sales and use tax within the City

SECTION 4. 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 unless otherwise provided in the Authorizing Legislation and only qualified voters of the City shall have the right to vote at the election.

SECTION 5. The results of the election shall be proclaimed by the Mayor, and the Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of publication.

SECTION 6. A copy of this Ordinance shall be given to the Washington County Board of Election Commissioners so that the necessary election officials and supplies may be provided. A certified copy of this Ordinance shall also be provided to the Commissioner of Revenues of the State of Arkansas as soon as practical.

SECTION 7. 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 issuance of the Bonds is approved by the electors, to cause the Sales and Use Tax to be collected in accordance with the Authorizing Legislation, and to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

SECTION 8. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

SECTION 9. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 10. Due to commitments made at the time of a certain annexation of land to the

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City of Greenland, the City's inability to provide sewer improvements by other means, and the recent opening of US 540 from Alma to Fayetteville, it is hereby determined and declared that an emergency exists as to the passage of this Ordinance to allow financing of sewer improvements which will significantly benefit the citizens of Greenland, Arkansas.

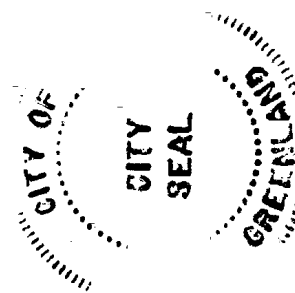
PASSED: January 23, 1999.

APPROVED:

Roy Barnett
Mayor

ATTEST:

Donna Cheevers
City Recorder



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