



STATE OF ARKANSAS
City of Brookland

FILED

SEP 01 2015

KADE HOLLIDAY
COUNTY & PROBATE COURT CLERK

Ordinance No. 1

ORDINANCE NO. 2015-25

AN ORDINANCE PROVIDING FOR THE LEVY OF A TWO PERCENT (2%) SALES AND USE TAX WITHIN THE CITY OF BROOKLAND, ARKANSAS TO PAY AND SECURE THE REPAYMENT OF BONDS ISSUED TO FINANCE WATER IMPROVEMENTS; REPEALING ORDINANCE NOS. 2015-23 AND 2015-24; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City Council of the City of Brookland, Arkansas (the "City") has determined that there is a great need for a source of revenue to pay and secure the repayment of bonds approved by the voters and issued by the City in the maximum aggregate principal amount of \$4,700,000 to finance all or a portion of the costs of extensions, betterments and improvements to the City's water facilities ("Water Improvement Bonds"); and

WHEREAS, Title 26, Chapter 75, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") provides for the levy of city-wide sales and use 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 sales and use tax under the authority of the Authorizing Legislation; and

WHEREAS, the City Council has proposed the levy of a two percent (2%) city-wide sales and use tax under the authority of the Authorizing Legislation to pay and secure Water Improvement Bonds;

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

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a new two percent (2%) 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 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 two percent (2%) 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 under Arkansas statutes, subject to rebates and limitations as required for certain single transactions as from time to time required 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 to pay and secure the repayment of Water Improvement Bonds and all obligations of the City with respect thereto; provided, however, that any amounts not necessary to pay in full the Water Improvement Bonds and all obligations of the City with respect thereto may be used for water system purposes.

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 Water 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 Water Improvement Bonds secured by a pledge of collections of the Sales and Use Tax will be issued in the future.

Section 4. Following adoption, this Ordinance shall be posted in the following public places in the City: City Hall, Police Station, Post Office, LaCascada Restaurant, and Dollar General.

Section 5. Ordinance No. 2015-23 of the City, adopted August 10, 2015, and Ordinance No. 2015-24 of the City, adopted August 10, 2015, are hereby repealed.

Section 6. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

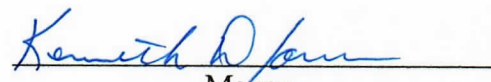
Section 7. This Ordinance shall not take effect until an election is held on the question of levying the Sales and Use Tax at which a majority of the electors voting on the question shall have approved (a) the levy of the Sales and Use Tax and (b) the issuance of the Water Improvement Bonds secured by a pledge of collections of the Sales and Use Tax.

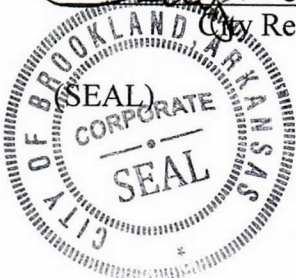
PASSED: August 31, 2015.

ATTEST:


Barry W. Davis
City Recorder

APPROVED:


Kenneth D. Pennington
Mayor

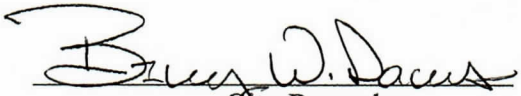


CERTIFICATE

The undersigned, City Recorder of Brookland, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 2015-25, passed at a special session of the City Council of Brookland, Arkansas, held at the regular meeting place of the City Council at 7:00 o'clock p.m., on the 31st day of August, 2015, and that the Ordinance is of record in the Ordinance Record Book now in my possession.

GIVEN under my hand and seal this 31st day of August, 2015.




City Recorder