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ORDINANCE NO. 2017-03

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF BULL SHOALS, ARKANSAS ON THE QUESTION OF ISSUING BONDS FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF SEWER IMPROVEMENTS; LEVYING A ONE PERCENT (1%) SALES AND USE TAX FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City Council of the City of Bull Shoals, Arkansas (the "City") has determined that the City is greatly in need of betterments and improvements to the City's sewer system (the "Sewer Improvements"); and

WHEREAS, the City Council proposes to finance a portion of the costs of the Sewer Improvements by the issuance of capital improvement bonds (the "Bonds") in the maximum principal amount of \$5,000,000; and

WHEREAS, the City can pay the principal of and interest on the Bonds from (a) the proceeds of a city-wide one percent (1%) sales and use tax to be levied under the authority of Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") and (b) revenues of the City's water and sewer system; and

WHEREAS, the City is not currently levying a sales and use tax 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 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, distributing, using 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.) (the "Sales and Use Tax");

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

Section 1. There is hereby called a special election to be held on May 9, 2017, at which election there shall be submitted to the electors of the City the question of issuing the Bonds in the maximum principal amount of \$5,000,000 to pay a portion of the costs of the Sewer Improvements, to be payable as described above.

Section 2. In order to provide for the payment of the principal of and interest on the Bonds and all obligations of the City in connection therewith, 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 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 3. The question of issuing the Bonds shall be placed on the ballot for the election in substantially the following form:

SEWER IMPROVEMENT BONDS

Bonds of the City of Bull Shoals in the maximum principal amount of \$5,000,000 to finance a portion of the costs of acquiring, constructing and equipping betterments and improvements to the City's sewer system and, in order to pay the bonds, (a) the levy and pledge of a 1% local sales and use tax within the City and (b) revenues of the City's water and sewer system.

If the bonds are approved, there will be levied within the City a new 1% sales and use tax, the net collections of which remaining after deduction of the administrative charges of the State of Arkansas and required rebates, shall be used solely to retire the bonds and obligations of the City with respect thereto. The 1% sales and use tax will expire after the bonds have been paid or provision is made therefor in accordance with Arkansas statutes. The bonds may be combined into a single issue or the bonds may be issued in series from time to time. If the bonds are approved, the City may, prior to the issuance of the bonds, obtain interim financing as permitted by Arkansas law.

FOR.....
AGAINST.....

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 filed with the Marion County Clerk at least 60 days prior to the date of the special election. A copy of this Ordinance shall be given to the Marion 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 Recorder, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided and to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

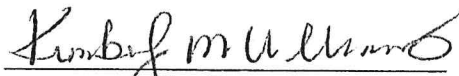
Section 8. Pursuant to Ordinance No. 2009-12, adopted November 19, 2009, this Ordinance, following its adoption, will be posted in the following public places in the City: Harp's Food Store, First Security Bank, Arvest Bank, City Hall and Meeting Place.

Section 9. 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 10. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: February 23, 2017.

ATTEST:



City Recorder

(SEAL)

APPROVED:



Mayor