

ORDINANCE NO. 2021 - 24

AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE PERCENT (1%) SALES AND USE TAX WITHIN THE CITY OF SEARCY ARKANSAS TO COMMENCE ON JULY 1, 2022; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, Title 26, Chapter 75, Subchapter 2 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 of Searcy, Arkansas (the "City") is currently levying a 0.5% sales and use tax and a 1% sales and use tax (the "Existing 1% Tax"), both under the authority of the Authorizing Legislation; and

WHEREAS, the Existing 1% Tax will terminate on June 30, 2022; and

WHEREAS, the City Council has determined that there is a great need to replace the Existing 1% Tax; and

WHEREAS, the City Council has proposed the levy of a one percent (1%) city-wide sales and use tax, commencing on July 1, 2022, under the authority of the Authorizing Legislation;

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

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a one percent (1%) 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 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%) 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 law, subject to rebates and limitations as from time to time required by Arkansas statutes for certain single transactions.

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 for one or more of the following: (a) for general operations,

capital improvements and any other purpose of municipal government and (b) to pay and secure the repayment of bonds approved by the voters and issued by the City from time to time to finance capital improvements.

Section 3. The levy of the Sales and Use Tax shall commence on July 1, 2022.

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 a majority of the electors voting on the question shall have approved the levy of the Sales and Use Tax.

PASSED AND ADOPTED this 10<sup>th</sup> day of August, 2021.

/s/ Kyle Osborne  
Mayor of Searcy

ATTEST:

/s/ Jerry Morris  
City Clerk

CERTIFICATE

The undersigned, City Clerk of Searcy, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 2021-24, passed at a regular session of the City Council of Searcy, Arkansas, held at 6:00 o'clock p.m., on the 10th day of August, 2021, and that the Ordinance is of record for the City of Searcy, Arkansas.

GIVEN under my hand and seal this 10<sup>th</sup> day of August, 2021.

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City Clerk

(SEAL)