

Ordinance No. 2012-27

AN ORDINANCE LEVYING A TAX ON THE GROSS RECEIPTS OF HOTELS, MOTELS AND OTHER SHORT-TERM RENTAL ACCOMMODATIONS WITHIN THE CITY OF SEARCY, ARKANSAS AT THE RATE OF THREE PERCENT (3%); LEVYING A TAX ON THE GROSS RECEIPTS OF RESTAURANTS AND OTHER BUSINESSES FOR THE SALE OF PREPARED FOOD AND BEVERAGES WITHIN THE CITY OF SEARCY ARKANSAS AT THE RATE OF ONE PERCENT (1%); PROVIDING THAT TAX COLLECTIONS BE USED FOR THE DEVELOPMENT, CONSTRUCTION AND MAINTENANCE OF CITY PARKS; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND FOR OTHER PURPOSES.

Whereas, pursuant to Arkansas Code Annotated §§ 26-75-601, et seq., and specially A. C. A. § 26-75-604 (b) the City of Searcy, Arkansas, may levy a tax not to exceed three percent (3%) upon the gross receipts or gross proceeds derived from restaurants and other businesses for the sale of prepared food and beverages and from hotels, motels and other short-term rental accommodations; and

Whereas, the City Council of the City of Searcy recognizes the need to create such a tax or taxes for the purpose of developing, constructing and maintaining city parks, and

Whereas, the City Council of the City of Searcy, Arkansas, further recognizes the need for the taxes to be levied by this ordinance to be referred to the vote of the citizens of Searcy, Arkansas.

Now Therefore, be it ordained by the City Council of the City of Searcy, Arkansas, to-wit:

Section 1. The Code of Ordinances of the City of Searcy, Arkansas, is hereby amended by adding a Chapter to the number Article 17, which said Chapter reads as follows:

“17-16. City Parks Development, Construction & Maintenance
Special Fund

17-16-1. Definitions.

17-16-1.1. Gross Receipts Tax – Restaurants. A tax of one percent (1%) upon the activities defined in Ark. Code Ann. § 26-75-602(c)(2) as may be amended from time to time and including, but not limited to, the gross receipts or gross proceeds from by restaurants, cafes, cafeterias, delicatessens, drive-in restaurants, carry-out restaurants, concession stands, convenience stores, grocery store-restaurants, or any other, similar, business for the sale of prepared food and beverages for on-premises or off-premises consumption, but excluding the gross receipts or gross proceeds of

organizations qualified under 26 U.S.C. § 501(c)(3), as may be amended from time to time.

17-16-1.2. Gross Receipts Tax – Lodging. A tax of three percent (3%) upon the activities defined in Ark. Code Ann § 26-75-602(c)(1) as may be amended from time to time and including, but not limited to, the gross receipts or gross proceeds from renting, leasing, or otherwise furnishing hotel, motel, or short-term rental accommodations for sleeping, meeting, or party room facilities, cabins, bed and breakfasts, camp grounds, for profit but excluding any rental or lease of any such accommodation for periods of thirty (30) days or more.

17-16-2. Levy of Gross Receipts Tax.

17-16-2.1. From and after July 1, 2013, the Gross Receipts Tax – Restaurant, shall be levied within the corporate limits of the City of Searcy, Arkansas. The tax herein levied shall be paid by the persons, firms, corporations or entities liable therefore, and shall be collected by the City of Searcy in the same manner and at the same time as the gross receipt tax levied by the Arkansas Gross Receipts Act of 1941, Ark. Code Ann. § 26-52-101, et seq., as may be amended from time to time, and pursuant to other ordinances of the City of Searcy.

17-16-2.2 From and after July 1, 2013, the Gross Receipts Tax – Lodging, shall be levied within the corporate limits of the City of Searcy, Arkansas. The tax herein levied shall be paid by the persons, firms, corporations or entities liable therefore, and shall be collected by the City of Searcy in the same manner and at the same time as the gross receipt tax levied by the Arkansas Gross Receipts Act of 1941, Ark. Code Ann. § 26-52-101, et seq., as may be amended from time to time, and pursuant to other ordinances of the City of Searcy.

17-16-2.3 The purpose and use of the funds generated by the levy of the Gross Receipts Tax shall be for the development, construction and maintenance of city parks as authorized in Ark. Code Ann. § 26-75-604 (b), as may be amended from time to time, and, to the extent permitted by law, for the issuance of bonds pursuant to Ark. Code Ann. §§ 26-75-601 et seq., or Ark. Code Ann. §§ 14-164-301 et seq.

17-16-2.4 The proceeds from the tax shall be deposited into a Special Fund to be used for the development, construction and maintenance of city parks. The funds shall be disbursed by the Mayor upon approval of the City Council.

Section 2. The tax to be levied by this ordinance shall not be effective until this ordinance is approved by the voters of the City of Searcy, Arkansas.

Section 3. All ordinances and parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

PASSED AND ADOPTED this 14th day of August, 2012.

/S/ David Morris
David Morris, Mayor

ATTEST:

/s/ **Margaret Meads**
Margaret Meads, City Clerk