

ORDINANCE NO. 2024-07-1119

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF TONTITOWN, ARKANSAS ON THE QUESTIONS OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COSTS OF CAPITAL IMPROVEMENTS; LEVYING A THREE-FOURTHS OF ONE PERCENT (0.75%) SALES AND USE TAX FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

BECKY LEWALLEN
CO. & PROBATE CLERK
TONTITOWN, ARK.

2024 JUL 17 PM 12:35

FILED

WHEREAS, the City Council of the City of Tontitown, Arkansas (the "City") has determined that the City is in need of the following capital improvements:

- (a) a new police station and any land acquisition, furnishings, equipment and parking, landscaping, signage, drainage, lighting, road and utility improvements related thereto (the "Police Improvements");
- (b) new streets and any land acquisition, intersection, curb, gutter, drainage and utility improvements, sidewalks, trails, lighting and traffic control devices related thereto (the "Street Improvements");
- (c) betterments and improvements to the City's water system, including particularly, without limitation, a new water storage tank (the "Water Improvements"); and
- (d) park and recreational facilities and improvements, including particularly, without limitation, a community center and improvements to Sbanotto Park and any furnishings, equipment and parking, landscaping, signage, drainage, lighting, road and utility improvements related thereto (the "Park and Recreational Improvements"); and

WHEREAS, pursuant to a special election held July 11, 2017, the City issued and has outstanding its Sales and Use Tax Bonds, Series 2017 (the "Outstanding Bonds") and

WHEREAS, the Outstanding Bonds are secured by and payable from collections of a 0.75% City-wide sales and use tax levied pursuant to Ordinance No. 2017-05-634 of the City, adopted on May 2, 2017 (the "Existing Tax"); and

WHEREAS, the City Council has determined that the Police Improvements, the Street Improvements, the Water Improvements and the Park and Recreational Improvements (collectively, the "Capital Improvements") can be financed without a tax increase if the Outstanding Bonds are refunded; and

WHEREAS, the City Council proposes to finance all or a portion of the costs of the refunding of the Outstanding Bonds (the "Refunding") and the Capital Improvements by the issuance of capital improvement bonds (the "Bonds") under the authority of Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), allocated as follows: (a) \$1,400,000 in maximum aggregate principal amount for the Refunding; (b) \$7,100,000 in maximum aggregate principal amount for the Police Improvements; (c) \$7,100,000 in maximum aggregate principal amount for the Street Improvements; (d) \$5,500,000 in maximum aggregate principal amount for the Water Improvements; and (e) \$1,100,000 in maximum aggregate principal amount for the Park and Recreational Improvements; and

WHEREAS, the City can pay the principal of and interest on the Bonds from the proceeds of a City-wide 0.75% sales and use tax to be levied under the authority of the Authorizing Legislation that will replace the Existing Tax; and

WHEREAS, the purpose of this Ordinance is to submit to the electors of the City the questions of issuing the Bonds for the Capital Improvements and the Refunding under Amendment 62 and the Authorizing Legislation at a special election to be called for that purpose and to levy a sales and use tax at the rate of three-fourths of one percent (0.75%) 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 "2024 Tax" or the "Sales and Use Tax");

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

Section 1. There is hereby called a special election to be held on November 5, 2024, at which election there shall be submitted to the electors of the City the questions of issuing the Bonds under Amendment 62 and the Authorizing Legislation to pay all or a portion of the costs of accomplishing the Refunding and the Capital Improvements in the maximum aggregate principal amounts described above, to be payable from collections of the Sales and Use Tax remaining after deduction of the administrative charges of the State of Arkansas and required rebates.

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 for one or more of the purposes is approved by the voters; provided, however, that no Bonds will be issued unless the issuance of the Bonds for the Refunding is approved. The effective date of the 2024 Tax will be the day following the date the Existing Tax expires. 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 questions of issuing the Bonds shall be placed on the ballot for the election in substantially the following form:

The bonds described below that are approved may be combined into a single issue or may be issued in series from time to time. If the bonds for one or more of the purposes are approved and if one of such purposes is the Refunding Bonds, there will be levied a new 0.75% sales and use tax, the net collections of which remaining after deduction of the administrative charges of the State of Arkansas and required rebates will be used solely to retire the bonds and obligations of the City with respect thereto. The tax will replace the City's existing 0.75% sales and use tax levied in 2017 for the sole purpose of retiring bonds. The effective date of the new tax will be the day following the date the existing tax expires. The rate of taxation will be 0.75% even if bonds for more than one purpose are approved. No bonds will be issued for any purpose unless the Refunding Bonds are also approved. The 0.75% sales and use tax will expire after the bonds have been paid or provision is made therefor in accordance with Arkansas statutes.

REFUNDING BONDS

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$1,400,000 for the purpose of refunding the City's outstanding Sales and Use Tax Bonds, Series 2017 and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR.....

AGAINST.....

POLICE IMPROVEMENT BONDS

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$7,100,000 for the purpose of financing all or a portion of the costs of a new police station and any land acquisition, furnishings, equipment and parking, landscaping, signage, drainage, lighting, road and utility improvements related thereto and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR.....

AGAINST.....

STREET IMPROVEMENT BONDS

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$7,100,000 for the purpose of financing all or a portion of the costs of new streets and any land acquisition, intersection, curb, gutter, drainage and utility improvements, sidewalks, trails, lighting and traffic control devices related thereto and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR.....

AGAINST.....

WATER IMPROVEMENT BONDS

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$5,500,000 for the purpose of financing all or a portion of the costs of betterments and improvements to the City's water system, including particularly, without limitation, a new water storage tank, and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR.....

AGAINST.....

PARK AND RECREATIONAL IMPROVEMENT BONDS

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$1,100,000 for the purpose of financing all or a portion of the costs of park and recreational facilities and improvements, including particularly, without limitation, a community center and improvements to Sbanotto Park and any furnishings, equipment and parking, landscaping, signage, drainage, lighting, road and utility improvements related thereto and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

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 (a) be filed with the Washington County Clerk at least 70 days prior to the date of the special election and (b) 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-Treasurer, 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. If the Bonds are approved and issued, the City intends to negotiate with Stephens Inc., which has assisted the City in preparation of the Bond size and repayment structure, for the sale of the Bonds.

Section 9. If the Bonds for the Refunding are approved by the voters and if such Bonds are issued, the Existing Tax shall be abolished at the proper time so that the Existing Tax and the 2024 Tax are not in effect at the same time. Collections of the Existing Tax received after the date the Bonds are issued shall be used, if necessary or appropriate, to provide for the payment of the Bonds.

Section 10. 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 11. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: July 16, 2024.

ATTEST:



City Clerk-Treasurer

APPROVED:



Mayor

(SEAL)

CERTIFICATE

The undersigned, City Clerk-Treasurer of Tontitown, Arkansas hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 2024-07-118, passed at a regular session of the City Council of Tontitown, Arkansas, held at the regular meeting place of the City Council at 6:00 o'clock p.m., on the 16th day of July, 2024, and that the Ordinance is of record in Ordinance Record Book No. _____, Page _____ now in my possession.

GIVEN under my hand and seal this 16th day of July, 2024.



City Clerk-Treasurer

(SEAL)