

ORDINANCE NO. 799

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF MONTICELLO, ARKANSAS ON THE QUESTION OF ISSUING CAPITAL IMPROVEMENTS BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS; LEVYING A NEW ONE-FOURTH OF ONE PERCENT (0.25%) SALES AND USE TAX FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City of Council of the City of Monticello, Arkansas (the "City") has determined that it would be in the best interest of the City to acquire, construct, furnish and equip a new community convention, civic and event center facility, to include particularly, without limitation, a multipurpose arena, a performance stage, banquet space, conference and meeting rooms, office space, locker rooms, and any necessary parking, utility and road improvements related thereto or in support thereof (collectively, the "Event Center Improvements"); and

WHEREAS, the City of Council of the City has determined that it would be in the best interest of the City to issue capital improvement bonds in one or more series 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") in the maximum aggregate principal amount of \$8,250,000 to finance a portion of the costs of the Event Center Improvements; and

WHEREAS, the remainder of the costs of the Event Center Improvements are anticipated to be financed through one or more of the following sources: revenue bonds or other indebtedness to be issued or incurred by the City and available funds of the City; and

WHEREAS, the Authorizing Legislation provides for the levy of one or more city-wide sales and use taxes at the rate of 0.125%, 0.25%, 0.50%, 0.75% or 1% or any combination thereof, but not to exceed 1% in the aggregate; and

WHEREAS, the City can pay the principal of and interest on the capital improvement bonds from the proceeds of a new city-wide 0.25% sales and use tax to be levied under the authority of the Authorizing Legislation for that purpose; and

WHEREAS, the purpose of this Ordinance is to levy a sales and use tax at the rate of 0.25% 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 "Sales and Use Tax") and to submit to the electors of the City the question of issuing capital improvement bonds for the Event Center Improvements

under Amendment 62 and the Authorizing Legislation (collectively, the “Bonds”) at a special election to be called for that purpose;

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

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied the Sales and Use Tax. The Sales and Use Tax shall be levied, and the net collections received after the State of Arkansas deducts its administrative charges and required rebates shall be used for the purpose of retiring or paying obligations with respect to the Bonds. 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. If the issuance of the Bonds is approved by the voters, the levy of the Sales and Use Tax shall take effect on July 1, 2016.

Section 2. There is hereby called a special election to be held on December 8, 2015, at which election there shall be submitted to the electors of the City, the question of issuing the Bonds under Amendment 62 and the Authorizing Legislation for the Event Center Improvements in the maximum aggregate principal amount described above to be payable from the net collections of the Sales and Use Tax.

Section 3. The question of issuing the Bonds shall be placed on the ballot for the election in substantially the following form:

EVENT CENTER BONDS AND CITY-WIDE 0.25% SALES AND USE TAX

An issue of capital improvement bonds of the City of Monticello, Arkansas (the "City") in the maximum aggregate principal amount of \$8,250,000 to finance all or a portion of the costs of the acquisition, construction, furnishing and equipping of a new community convention, civic and event center facility, to include particularly, without limitation, a multipurpose arena, a performance stage, banquet space, conference and meeting rooms, office space, locker rooms, and any necessary parking, utility and road improvements related thereto or in support thereof, and, in order to pay the bonds, the levy and pledge of a 0.25% local sales and use tax within the City. The remainder of the costs of the improvements referenced above are anticipated to be financed through one or more of the following sources: revenue bonds or other indebtedness to be issued or incurred by the City and available funds of the City.

If the bonds are approved, there will be levied within the City a new 0.25% sales and use tax, the net collections of which remaining after the State of Arkansas deducts its administrative charges and required rebates will be used by the City to retire or pay obligations with respect to the bonds in accordance with Amendment No. 62 to the Arkansas Constitution. The levy and collection of the sales and use

tax shall commence on July 1, 2016. The tax will expire after the bonds have been paid or provision is made therefor in accordance with Arkansas statutes. The bonds may be issued in series from time to time.

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 published in the City and having a general circulation therein, 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. If the Bonds are approved, proof of publication of the Proclamation shall be filed with the Commissioner of Revenues of the State of Arkansas (the "Commissioner") not later than March 31, 2016.

Section 6. A copy of this Ordinance shall be filed with the Drew County Clerk at least 60 days prior to the date of the special election. A copy of this Ordinance shall be given to the Drew 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 as soon as practical.

Section 7. The Mayor and City Clerk, 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, if the issuance of the Bonds is approved by the electors, to cause the Sales and Use Tax to be collected in accordance with the Authorizing Legislation, 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, the City intends to negotiate with Crews & Associates, Inc., which has assisted the City in preparation of the Bond size and repayment structure, for the sale of the Bonds.

Section 9. The provisions of this Ordinance are separable and if an article, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of the Ordinance.

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

PASSED: October 6, 2015.

ATTEST:

Andi L. Clark
City Clerk

APPROVED:

[Signature]
Mayor

(SEAL)



CERTIFICATE

The undersigned, City Clerk of the City of Monticello, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 799, passed at a Special called session of the City Council, held at the regular meeting place of the City Council at 6 o'clock p.m., on the 6 day of October, 2015, and that the Ordinance is of record in Ordinance Record Book No. 4, Page 98, now in my possession.

GIVEN under my hand and seal this 6 day of October, 2015.

Aud. T. Clark

City Clerk

(SEAL)

