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**ORDINANCE NO. 2020-05**

**COTTER, ARKANSAS**

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

**WHEREAS**, the City Council of the City of Cotter, Arkansas (the "City") has determined that there is a great need for a source of revenue for one or more of the following: (a) 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 and (b) for water and sewer purposes; and

**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 is not currently levying a sales and use tax under the authority of the Authorizing Legislation; and

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

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

**Section 1.** Under the authority of the Authorizing Legislation, there is hereby levied a new 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 a new 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) to pay and secure the repayment of

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**L202101218**

**BAXTER CO, AR FEE \$20.00**

PRESENTED: 02-02-2021 10:34:23 AM

RECORDED: 02-02-2021 10:34:23 AM

CANDA REESE  
COUNTY AND CIRCUIT CLERK

BY: AMANDA SCHILLUNG  
DEPUTY

**MISC LAND DOCUMENT**

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bonds approved by the voters and issued by the City from time to time to finance capital improvements and (b) for water and sewer purposes.

**Section 3.** The levy of the Sales and Use Tax shall commence on January 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: January 28, 2021.

APPROVED:

ATTEST:

Andrea Kray  
Andrea Kray, Recorder / Treasurer

McGeorge Caradine  
McGeorge Caradine, Mayor

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