

## ORDINANCE NO. 2060

AN ORDINANCE OF THE CITY OF EUREKA SPRINGS,  
ARKANSAS, ADOPTING ARK CODE ANNODATED 26-75-601 ET SEQ AS THE ENABLING  
LEGISLATION UNDER WHICH THE CITY COLLECTS AND ADMINISTERS ITS ADVERTISING  
AND PROMOTION TAX AND COMMISSION, AND SETTING THE TAX RATE

WHEREAS, state code offers two sections under which cities may organize advertising and promotion commissions and collect a sales and use tax to fund the commission

WHEREAS, the City Council of the City of Eureka Springs has determined that its business community would be better served by the City Advertising and Promotion Commission operating under ACA 26-75-601 et seq.,

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EUREKA SPRINGS, ARKANSAS:

1. That beginning on the effective date of this ordinance, the City Advertising and Promotion Commission of the City of Eureka Springs shall operate and collect tax according to ACA 26-75-601 et seq.

2. That Section 2.52.01 of the Eureka Springs Municipal Code shall be replaced in its entirety with the following:

2.52.01 Created. The City Advertising and Promotion Commission is created. The Commission shall be composed of seven (7) members, as follows: four (4) members shall be owners or managers of businesses in the tourism industry, and the owner or manager shall reside within the municipality. At least three (3) of these members shall be owners or managers of hotels, motels, or restaurants and shall serve for staggered terms of four (4) years; two (2) members of the Commission shall be members of the governing body of the municipality and selected by the governing body and shall serve at the will of the governing body; and one (1) member shall be a qualified elector appointed by the Mayor from the public at large who shall reside within the municipality and shall serve for a term of four (4) years.

Members of the A&P commission serving at the time this ordinance takes effect shall continue in office for the balance of the terms to which they have been previously appointed.

Whether resulting from expiration of a regular term or otherwise, a vacancy on the commission in any of the four (4) tourism industry positions or in the at-large position shall be filled by appointment made by the remaining members of the commission, with the approval of the governing body of the city.

3. That the definition of "Gift and souvenir shop" under Sec. 3.20.01 of municipal code is deleted.

4. That the definition of "Gross Receipts Tax" under Sec. 3.20.01 is amended to read

“means a tax of three (3) percent (%)”, and that this definition ends after the word “cafeterias” with all following verbiage in the definition deleted.

5. That the definition of hotel or motel accommodations under Sec. 3.20.01 is replaced with: Hotel or motel accommodations means any sleeping accommodation rented or leased for a period of less than 30 days, including, but not limited to, hotels, motels, bed & breakfast inns, tourist lodgings, condominiums, and camping or RV sites.

6. That Sec. 3.20.02 of Municipal code is replaced with the following:

### 3.20.02 Gross Receipts Tax Levied

A tax in the sum of three (3) percent (%) is levied on the gross receipts or gross proceeds from renting, leasing, or otherwise furnishing hotel, motel, or short-term condominium rental accommodations for sleeping as defined in Sec. 3.20.01, but such accommodations shall not include the rental or lease of such accommodations for periods of thirty (30) days or more; and a tax in the sum of three (3) percent (%) is levied on the portion of the gross receipts or gross proceeds received by restaurants, cafes, and cafeterias, as defined in Sec. 3.20.01, but such tax shall not apply to such gross receipts or gross proceeds of organizations qualified under section 501(c)(3) of the federal Internal Revenue Code.

Taxable business: The Advertising and Promotion Commission shall prepare and maintain a current list of the business establishments in the city subject to the gross receipts tax.

Collection of tax: The tax levied in this section shall be paid by the persons, firms, and corporations liable therefore and shall be collected by the advertising and promotion commission of the levying city or by a designated agent of the commission in the same manner and at the same time as the tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq. The person paying the tax shall report and remit it upon forms provided by the commission, and as directed by the commission. The rules, regulations, forms of notice, assessment procedures, and the enforcement and collection of the tax under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq. and the Arkansas Tax Procedure Act, § 26-18-101, et seq., shall, so far as practicable, be applicable with respect to the practicable, be applicable with respect to the enforcement and collection of the tax levied pursuant to the authority of this subchapter. However, the administration and enforcement, and all actions, shall be by and in the name of the city through the proper officials of the city and pursuant to Chapter 2.56 of the municipal code

7. That all ordinances or resolutions, and parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

8. That each of the provisions of this ordinance are severable and the decision of any court having jurisdiction as to the validity of any provision shall not effect the remaining provisions.

### EMERGENCY CLAUSE

Whereas time is of the essence due to the pending repeal of the current commission and tax levy, and in order to protect the health, safety, and welfare of the people of the City of Eureka

Springs, AR, an emergency is here by declared to exist and this ordinance shall become effective upon its passage by the City Council of Eureka Springs and upon the affixing of the signature of the City Clerk and the Mayor of the City of Eureka Springs, AR

PASSED AND APPROVED JULY 23, 2007.

Approved:

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Mayor Dani D. Wilson

Attest:

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City Clerk Mary Jean Sell