

ORDINANCE NO. 1227

AN ORDINANCE AMENDING PARAGRAPH 1, SECTION 1, ADDING PARAGRAPH 4 TO SECTION 1, AMENDING PARAGRAPH 1 SECTION 2, AND AMENDING PARAGRAPH 1 SECTION 3 OF ORDINANCE 936 FOR THE PURPOSE OF LEVYING A TAX ON THE GROSS RECEIPTS OF BUSINESSES COMMONLY REFERRED TO AS "GIFT" OR "SOUVENIR" SHOPS.

WHEREAS, the City of Eureka Springs, Arkansas, hereinafter called "the City", has many benefits to offer visitors to the City and is presently unable to take full advantage of its resources for the attraction of visitors; and

WHEREAS, the development of such resources and facilities would result in many economic and other benefits to the City and its inhabitants; and

WHEREAS, the City Council of said city has passed Ordinances Nos. 936 and 1018 levying a tax of two percent (2%) upon the gross receipts of hotels, motels, restaurants, cafes and cafeterias in the City; prescribing the procedure for the collection and enforcement of the tax; prescribing the purposes for which revenues derived from collection of the tax may be used; creating a City Advertising and Promotion Commission; and prescribing other matters pertaining thereto; and

WHEREAS, the City is a city of the first class and a portion of the City has been designated as an historic district and is included in the National Register of Historic Places, and

WHEREAS, the General Assembly of the State of Arkansas adopted Act 696 of 1985, said act being an amendment of Act 185 of 1965 to provide authority by which the City may expand the tax levy as hereinafter set forth.

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

Section 1. That Paragraph I of Section 1 of Ordinance No. 936 of the City of Eureka Springs, Arkansas, as amended, is hereby amended to read in its entirety as follows, to wit:

1. Gross Receipts Tax. A tax of two percent upon the gross receipts or gross proceeds from the renting, leasing or otherwise furnishing of motel or hotel accommodations, and upon the gross receipts or gross proceeds of restaurants, cafes, and cafeterias, and upon the gross receipts or gross proceeds of "gift" or "souvenir" shops, a majority of whose gross receipts or gross proceeds are derived from the sale of items commonly referred to as gifts or souvenirs available for sale to tourists.

Section 2. That Paragraph 4 be added to Section 1 of Ordinance No. 936 of the City of Eureka Springs, Arkansas, as amended, to read in its entirety as follows, to wit:

4. Gift and Souvenir Shops. Any retail establishment a majority of whose gross receipts or gross proceeds are derived from the sale of items commonly referred to as gifts or souvenirs including but not limited to: arts and crafts, toys, souvenir or commemorative clothing such as caps and T-shirts, souvenir or commemorative housewares (such as mugs, glasses, plates, etc.), souvenir photographs, collectibles and artifacts (both natural and man-made), leather goods, jewelry, imported gift items, candy, books, glassware, toiletries, and other items and mementos available to and primarily for sale to tourists. This ordinance specifically excludes from the tax levy those establishments a majority of whose gross receipts or gross proceeds are derived from the sale of hardware, building materials and furnishings, furniture, clothing (except commemorative or souvenir clothing), automotive supplies, drugs and health aids, and groceries.

Section 3. That paragraph 1 of Section 2 of Ordinance No. 936 of the City of Eureka Springs, Arkansas, as amended, be amended to read in its entirety as follows, to wit:

1. Commission Created

The City Advertising and Promotion Commission, hereinafter called "the Commission" is hereby created. The Commission shall be composed of seven (7) members as follows: Three (3) members shall be hotel, motel or restaurant owners or managers and one (1) shall be the owner or manager of a "gift" or "souvenir" shop as heretofore defined, who shall be appointed by the Mayor with the approval of the City Council, for staggered terms of four (4) years; the remaining members shall be the Mayor and two (2) Aldermen of the City selected by the City Council. The first four (4) members appointed by virtue of being hotel, motel, restaurant, or "gift" or "souvenir" shop owners or managers shall serve for terms of one (1), two (2), three (3) or four (4) years with the term of each such member being determined by lot at the first meeting of the Commission, and all successors to such members shall be appointed for terms of four (4) years. A vacancy will be deemed to exist when a member dies or resigns or ceases to possess any of the qualifications for membership heretofore set forth, or when a member is removed from the Commission by a vote of the majority of the members of the City Council at a regular meeting of the City Council upon a finding by such majority that such removal is in the best interest of the City. In the event of a vacancy occurring on the Commission, it shall be filled in the manner heretofore provided, with the member filling the vacancy serving the balance of the term of the former member who created the vacancy. The Treasurer of the Commission, who shall be a member, and the Executive Director and/or Bookkeeper

of the Commission, who shall not be members, shall each furnish to the City of Eureka Springs, Arkansas, a Ten Thousand and No/100 Dollars (\$10,000) surety bond that will serve to insure the City against misappropriation or mishandling of funds. The premiums on such separate surety bonds shall be paid from the City Advertising and Promotion Fund.

Section 4. The Commission position to be held by the owner or manager of a "gift" or "souvenir" shop shall be created and filled by such person when the next vacancy on the Commission occurs after the effective date of this ordinance.

Section 5. That Paragraph 1 or Section 3 of Ordinance No. 936 of the City of Eureka Springs, Arkansas, as amended be amended to read in its entirety as follows, to wit:

1. Tax levy. From and after the passage and approval of this ordinance, a tax in the sum of two percent shall be levied on the gross receipts or gross proceeds upon the renting, leasing, or otherwise furnishing of hotel or motel rooms for profit, upon the gross receipts or gross proceeds of restaurants and cafes, and upon the gross receipts or gross proceeds of "gift" and "souvenir" shops within the corporate limits of the City of Eureka Springs, Arkansas.

Section 6. All ordinances and parts of ordinances in conflict with this ordinance are hereby repealed.

Section 7. Collection of the tax heretofore levied by this ordinance shall begin at 12:01 a.m. on June 1, 1985.

PASSED AND DECLARED BY THE CITY COUNCIL OF THE CITY  
OF EUREKA SPRINGS, ARKANSAS, ON THIS 14th DAY OF May,  
1985.

APPROVED:

Donald L. Hume  
MAYOR

ATTEST:

Joanita S. Baker  
DEP. CITY CLERK-TREASURER

(SEAL)

EMERGENCY DECLARED

It is hereby found and determined by the City Council that the City is in dire need for additional revenues for the establishment and development of tourist oriented facilities, parking facilities and for the advertising and promotion of the City of Eureka Springs, and that this ordinance and the increased tax levied by it are the only reasonable means available for the alleviation of these needs; and the advertisement and promotion of the City and the establishment and development of tourist oriented facilities, parking facilities and all other uses for which the tax revenues may be legally expended are essential for the continued development of the City of Eureka Springs and to the welfare of the inhabitants thereof.

Therefore, this ordinance being necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its passage, approval and publication. Collection of the increased tax levied by this ordinance shall commence at 12:01 o'clock A.M. on June 1, 1985.

PASSED, APPROVED AND DECLARED BY THE CITY COUNCIL OF THE CITY OF EUREKA SPRINGS, ARKANSAS, ON THIS 14th DAY OF May, 1985.

APPROVED:

Donald L. Humm

MAYOR

ATTEST:

Juanita S. Barner  
DEP. CITY CLERK-TREASURER

(SEAL)