

ORDINANCE NO. 1248

AN ORDINANCE AMENDING CHAPTER 4.33 OF THE EUREKA SPRINGS MUNICIPAL CODE CHANGING THE DISTRIBUTION OF THE TAX AND DECLARING AN EMERGENCY.

WHEREAS, because of the recent opinion of the Arkansas Supreme Court regarding revenue bond issues and the resulting fact that the Farmers Home Administration has not and will not close on the City of Eureka Springs revenue bond issue until such time as the legal ability of the City to issue such issues has been legally determined by the Supreme Court of the State of Arkansas; and

WHEREAS, the City of Eureka Springs has already contracted for certain wastewater treatment projects in the City of Eureka Springs totalling more than \$3,000,000; and

WHEREAS, the \$880,000 to be supplied by the Farmers Home Administration and \$50,000 to be supplied by the Arkansas Soil and Water Commission is not forthcoming until some unknown date in the future;

AND WHEREAS, the City of Eureka Springs is experiencing cash flow problems in paying for the wastewater treatment plant and sewer collection line projects.

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

Section 1: That Section 4.33.04 is amended in its entirety to read as follows:

4.33.04 Distribution of Tax Revenues.

(a) The revenue from taxes collected under this Chapter shall be distributed as follows: 100% to be deposited in a special account in the water and sewer fund to be used exclusively for water and sewer improvements.

(b) The City Clerk is directed to calculate each payment of taxes collected under this Chapter in accordance with the original Section 4.33.04 of the Eureka Springs Municipal Code for the purpose of redistributing revenue when and if the same is received from the Farmers Home Administration to replace the funds which would have been deposited in the street funds and fire and police equipment funds had this ordinance not been passed. Specifically, the City Clerk/Treasurer is to make the following allocation of all tax revenues collected under this Chapter: (1) 50% to be used

exclusively for water and sewer improvements; (2) 40% to be used exclusively for street construction, maintenance and drainage; and (3) 10% to be used exclusively for purchase, repair and maintenance of fire and police equipment.

(c) All revenue from taxes collected under this Chapter which have not yet been expended by the City of Eureka Springs for any other purpose shall be transferred to the special account in the water and sewer fund to be used exclusively for water and sewer improvements. At such time as funds become available from other sources, such as the Farmers Home Administration of the United States of America, the funds transferred herein shall be restored in full.

Section 2: Severability. If any part of this Ordinance is held to be unenforceable by any reason by a Court of competent jurisdiction, such holding shall not affect the remaining parts of this Ordinance, which shall remain in full force and effect.

Section 3: Emergency Declared. There is hereby found by the City Council of the City of Eureka Springs, Arkansas, that unless the sales and use tax is reallocated in accordance with the terms of the Ordinance, the City will suffer a serious financial crisis, and City services and functions may be drastically effected. Therefore, an emergency is declared to exist and this Ordinance, being necessary for the preservation of the public peace, health and safety, shall take effect and be in full force from the date of its passage, approval and publication according to law.

PASSED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF EUREKA SPRINGS, ARKANSAS, this 8th day of April, 1986.

APPROVED:



Donald L. Thurman, Mayor

ATTEST:



Deputy Clerk/Treasurer