

FILED

JUL 23 2024

ORDINANCE NO. 24-16

COUNTY & PROBATE COURT CLERK

BE IT ENACTED BY THE QUORUM COURT OF THE COUNTY OF CRAIGHEAD, STATE OF ARKANSAS, AN ORDINANCE TO BE ENTITLED:

AN ORDINANCE CALLING AND SETTING A DATE FOR A SPECIAL ELECTION ON THE QUESTION OF THE ISSUANCE BY THE COUNTY OF SALES AND USE TAX CAPITAL IMPROVEMENT BONDS FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COST OF VARIOUS IMPROVEMENTS, RENOVATIONS AND EXPANSIONS TO THE CRAIGHEAD COUNTY DETENTION CENTER; LEVYING A TEMPORARY LOCAL SALES AND USE TAX AT THE RATE OF ONE-HALF OF ONE PERCENT (0.50%) FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

**WHEREAS**, the Quorum Court of Craighead County, Arkansas (the "County") has determined that the County is greatly in need of improvements to its jail, public safety, law enforcement and court facilities, including particularly, renovations to and expansion of the Craighead County Detention Center, and utility, parking and landscaping improvements related thereto or in support thereof (collectively, the "Improvements"); and

**WHEREAS**, the County finds that a temporary source of revenue will be needed in order to provide for the financing of the Improvements; and

**WHEREAS**, Amendment 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 "Local Government Bond Act") authorize the issuance of capital improvement bonds by counties to finance capital projects such as the Improvements, which bonds may be secured by the pledge of all of the receipts of the special countywide sales and use tax prescribed by the Local Government Bond Act, which tax may be levied in increments of 0.125%, 0.25%, 0.50%, 0.75% or 1.00%, or any combination thereof, but not to exceed 1.00% in the aggregate; and

**WHEREAS**, there is no current levy by the County of any sales and use tax pursuant to the Local Government Bond Act; and

**WHEREAS**, if approved by the electors of the County, the County has determined to issue its capital improvement bonds in principal amount not to exceed \$105,000,000 (the "Bonds") for the purpose of financing the Improvements, which Bonds are to be secured by a pledge of and lien upon all of the receipts of a temporary one-half of one percent (0.50%) countywide sales and use tax (the "Sales and Use Tax"), all as authorized by Amendment 62 and the Local Government Bond Act; and

**WHEREAS**, the purpose of this Ordinance is to call a special election on the issuance of the Bonds and the levy of the Sales and Use Tax by the County and for related purposes;

**NOW, THEREFORE, BE IT ORDAINED** by the Quorum Court of Craighead County, Arkansas, that:

**Section 1.** Under the authority of Amendment 62 and the Local Government Bond Act and subject to approval by the electors of the County of the issuance of the Bonds described in Section 3 below, there are hereby levied (i) a sales tax at the rate of one-half of one percent (0.50%) on the gross receipts from the sale at retail within the County of all items and services which are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended (Arkansas Code of 1987 Annotated §26-52-101 *et seq.*), and (ii) an excise (or use) tax at the rate of one-half of one percent (0.50%) on the storage, use, distribution or other consumption within the County of tangible personal property or taxable services subject to taxation under the Arkansas Compensating Tax Act of 1949, as amended (Arkansas Code of 1987 Annotated §26-53-101 *et seq.*), on the sale price of the property or, in the case of leases or rentals, on the lease or rental price (collectively, the "Sales and Use Tax"). 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 utilized only for the payment of debt service on the Bonds approved by the voters. The Sales and Use Tax shall be levied and collected only 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 limitation as required for certain "single transactions" as from time to time required under Arkansas law. The levy and collection of the Sales and Use Tax shall commence on and as of such date as provided in the Local Government Bond Act, and shall cease upon retirement in full of the Bonds.

**Section 2.** There is hereby called, a special election to be held on Tuesday, November 5, 2024, at which election there shall be submitted to the electors of the County the question of the issuance of the Bonds.

**Section 3.** The question shall be placed on the ballot for the special election in substantially the following form:

**SPECIAL ELECTION ON COUNTY SALES AND USE TAX LEVY  
AND BOND ISSUANCE**

Upon approval of the question set forth below and the issuance of the Bonds (defined below), there will be levied a temporary one-half of one percent (0.50%) countywide sales and use tax (the "Sales and Use Tax"), the net collections of which remaining after the State of Arkansas deducts its administrative charges and after required rebates will be used solely for the payment of debt service on the Bonds approved and issued. The levy and collection of the Sales and Use Tax will commence on and as of such date as provided in Arkansas law and will cease upon retirement in full of the Bonds. *The Sales and Use Tax will be levied only if the question described below is approved.* The Bonds may be combined into a single issue or may be issued in series from time to time.

There is submitted to the qualified electors of Craighead County, Arkansas, the question of the issuance of capital improvement bonds in principal amount not to exceed \$105,000,000 (the "Bonds") pursuant to Amendment 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 "Local Government Bond Act") for the purpose of financing all or a portion of the costs of acquisition, design, engineering, construction, reconstruction, repair, renovation and equipping of improvements to the County's jail, public safety, law

enforcement and court facilities, including particularly, renovations to and expansion of the Craighead County Detention Center, and utility, parking and landscaping improvements related thereto or in support thereof. If the issuance of the Bonds is approved, the Bonds will be secured by a pledge of and lien upon all of the receipts of the Sales and Use tax described above.

Vote on the question by placing an "X" in one of the squares following the question, either for or against:

FOR the issuance of Capital Improvement Bonds in principal amount not to exceed \$105,000,000 .....

AGAINST the issuance of Capital Improvement Bonds in principal amount not to exceed \$105,000,000.....

**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 Arkansas county elections unless otherwise provided in the Local Government Bond Act, and only qualified voters of the County shall have the right to vote at the election. The County Clerk is hereby directed to give notice of the special election by one advertisement in a newspaper of general circulation within the County, the publication to be not less than ten (10) days prior to the date of the election.

**Section 5.** A copy of this Ordinance shall be (i) filed with the Craighead County Clerk at least seventy (70) days prior to the date of the special election and (b) given to the Craighead 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 Secretary of the Department of Finance and Administration and to the Treasurer of the State of Arkansas as soon as practical.

**Section 6.** The results of the special election shall be proclaimed by the County Judge, and his proclamation shall be published one time in a newspaper of general circulation within the County. The proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the Circuit Court of Craighead County within thirty (30) days after the date of publication of the proclamation.

**Section 7.** The County Judge and the County Clerk, for and on behalf of the County, be, and they hereby are 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 described herein is approved by the electors, to cause the Sales and Use Tax to be collected in accordance with the Local Government Bond Act, and to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

**Section 8.** The County considers this Ordinance to be its declaration of official intent to issue the Bonds and to make reimbursement to the County with a portion of the proceeds thereof for all original expenditures incurred by the County in acquiring, constructing or equipping the improvements described herein between the date that is sixty (60) days prior to the date of this Ordinance and the date a series of Bonds is issued, plus a *de minimis* amount and preliminary

expenditures, as such terms are defined in Section 1.150-2(f) of the Federal Income Tax Regulations.

**Section 9.** The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

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

PASSED AND APPROVED this 22<sup>nd</sup> day of July, 2024.

APPROVED:

By: Marvin [Signature]  
County Judge

ATTEST:

By: MaryAnn Marshall  
County Clerk



**CERTIFICATE**

The undersigned, County Clerk of Craighead County, Arkansas, hereby certifies that (i) the foregoing pages are a true and perfect copy of Ordinance No. 24-16, adopted at a Regular session of the Quorum Court, held at the regular meeting place of the Quorum Court at 05:30 o'clock p.m., on the 22 day of July, 2024, and that the Ordinance is of record in Ordinance Record Book No. 8, Page 137/141 now in my possession and (ii) this Ordinance has been filed in my office as of the date hereof.

GIVEN under my hand and seal the 22 day of July, 2024.

Mary Ann Marshall  
County Clerk

