

ORDINANCE NO. 15-736

AN ORDINANCE ESTABLISHING AN ADDITIONAL ONE PERCENT (1%) TAX UPON THE GROSS RECEIPTS OF HOTELS AND MOTELS IN THE CITY OF CLARKSVILLE, ARKANSAS, FOR ADVERTISING AND PROMOTING THE CITY AND FOR OTHER PURPOSES, AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City of Clarksville, Arkansas has theretofore enacted and established an Ordinance pursuant to the Provisions of Arkansas Code Annotated §65-75-601, et.seq.; and,

WHEREAS, said Ordinance, the same being Ordinance No. 364 of the City of Clarksville, Arkansas, established a one percent (1%) tax upon the gross receipts of hotels and motels and a one percent (1%) tax on restaurants, cafes and cafeterias in the City of Clarksville, Arkansas for the purpose of advertising and promoting the City, for recreational needs and for other purposes; and,

WHEREAS the City Council has determined that there is the need for an additional one (1%) tax for the purpose of advertising and promoting the City; and,

WHEREAS, the City is authorized under Arkansas Code Annotated §26-75-601 et. seq. as amended, to levy a gross receipt tax not to exceed three percent (3%) upon the gross receipts of hotels, motels and other similar rental accommodations within the city limits for the promotion and advertisement of the City; and,

WHEREAS, the City Council has determined that an additional one percent (1%) gross receipts tax on such rental accommodations would be beneficial to and in the best interest of the City of Clarksville, Arkansas;

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

SECTION 1: (A) An additional tax of one percent (1%) is hereby levied on the portion of the gross receipts or gross proceeds received from renting, leasing, or otherwise furnishing hotel, motel, house, cabin, bed and breakfast, campground, condominiums, or other similar rental accommodations for sleeping, meeting, or party facilities for profit in the City of Clarksville, Arkansas, but such accommodations shall not include the rental or lease of such accommodations for periods of thirty (30) days or more.

(B) This tax shall be in addition to the one percent (1%) tax heretofore levied under Ordinance No. 364 of the City of Clarksville, Arkansas.

SECTION 2: (A) The one percent (1%) tax described in this Ordinance shall be paid by the persons, firms and corporations liable therefore and shall be collected by the Advertising and Promotion Commission of the City (hereinafter the "Commission"), or by a designated agent of the Commission, in the same manner and at the same times as the tax levied by the Arkansas Gross Receipts Act. A.C.A. 26-52-101, et. seq. [A.C.A. §26-75-603 (a)(1)].

(B) The person paying the tax shall report and remit said tax on 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 shall, so far as is practicable, be applicable with respect to the enforcement and all actions shall be by and through the proper Commission officials or agents. [A.C.A. §26-75-603 (b)].

(C) The tax levied by this article shall be collected from the purchaser or user of the accommodation by the person furnishing such accommodation. Such person shall pay to the City by the twentieth (20th) day of each month all collections of the tax for the preceding month, accompanied by reports on forms to be prescribed by the Commission.

SECTION 3: The City of Clarksville Advertising and Promotion Commission, heretofore established pursuant to the provisions of Ordinance No. 364 of the City of Clarksville, Arkansas, shall administer and distribute the collections and receipt of this tax as well. The Commission shall have the powers and duties assigned to it by said Ordinance and the provisions of A.C.A. §26-75-601, et. seq. as to this additional tax as well.

SECTION 4: (A) The additional one percent (1%) of gross receipts taxes collected pursuant to the Ordinance shall be used for the purposes authorized under the provisions of A.C.A. §26-75-606.

(B) This tax shall be credited to fund all local taxes levied as authorized by this ordinance, shall be credited to the City Advertising and Promotion Fund and shall be used for the purposes prescribed by state law and this ordinance.

1. Prohibited use of taxes. Such taxes shall not be used:
 - a) for general capital improvements within the City;
 - b) for the costs associated with the general operation of the City and,
 - c) for general subsidy of any civic groups or the chamber of commerce.
2. However, the advertising and promotion commission may contract with such groups to provide to the commission actual services that are connected with tourism events or conventions; and,
3. The authorization and limitations contained herein shall be reasonably construed so as to provide funds for promoting and encouraging tourism and conventions while not allowing such special revenues to be utilized for expenditures that are normally paid for general revenues of the City, (A.C.A. §26-75-606 (c)(4)).

SECTION 5: Penalties: Persons or entities liable for payment of the taxes levied by this section shall be subject to the assessment of penalties and interest as follows:

- (A) A penalty equal to five percent (5) of the unpaid tax amount per month not to exceed a total assessment of thirty-five percent (35%) of the unpaid tax. Simple interest on unpaid taxes shall be assessed at the rate of ten percent (10%) per annum.
- (B) In addition to any civil penalties provided or imposed by statute or ordinance, any person or entity liable for payment of said tax which fails to file the said report or which fails to pay the said tax for a period of sixty (60) days or more after the end of any month for which a report or payment of tax is due, shall be guilty of a violation and shall be fined in a sum not to exceed one hundred dollars (\$100.00) for each additional thirty (30) day period said violation continues.

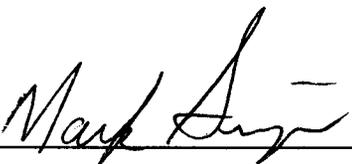
SECTION 6: If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or application of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 7: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 8: This ordinance shall be effective beginning March 1, 2015.

Passed this 12th day of January, 2015.

APPROVED:



Mark Simpson, Mayor

ATTEST:



Barbara Blackard, City Clerk/Treasurer