

**ORDINANCE NO. 1005**

**AN ORDINANCE ESTABLISHING A TWO PERCENT (2%) TAX UPON THE GROSS RECEIPTS OF HOTEL AND MOTEL ACCOMODATIONS IN THE CITY OF LOWELL, ARKANSAS AND A TWO PERCENT (2%) TAX UPON THE SALE OF PREPARED FOOD AND BEVERAGES FOR ON OR OFF PREMISES CONSUMPTION IN THE CITY OF LOWELL FOR ADVERTISING AND PROMOTION OF THE CITY AND FOR OTHER PURPOSES.**

**WHEREAS**, the City Council for the City of Lowell has determined that there is a need to advertise and promote the City of Lowell and establish an Advertising and Promotion Commission; and

**WHEREAS**, the levy of a two percent (2%) hotel and motel tax is essential to the development of advertising and promotion of the City of Lowell; and

**WHEREAS**, the levy of a two percent (2%) tax on prepared food and beverage is essential to the development of advertising and promotion of the City of Lowell; and

**WHEREAS**, the City is authorized under A.C.A Sections 26-75-601 through 26-75-613 as amended, to levy a gross receipts tax of two percent (2%) upon the gross receipts of hotels, motels, and lodging establishments within the city limits as well as the sale of prepared food and beverages within the city limits of Lowell; and

**WHEREAS**, the moneys collected as a tax on the gross proceeds of hotels, motels, lodging establishments as well as the sale of prepared food and beverages under Arkansas Code § 26-75-602 are dedicated to tourism, recreation, advertising, and promotion of the City of Lowell under Arkansas Code § 26-75-606; and

**WHEREAS**, under A.C.A § 26-75-602, as amended, the City is authorized to create an Advertising and Promotion Commission to collect, determine use of, and distribute the tax funds collected.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the city of Lowell, Arkansas:

Section 1: A tax of two percent (2%) is hereby levied on the portion of the gross receipts or gross proceeds received from the renting, leasing or otherwise furnishing of hotel, motel or short term condominium rental accommodations of sleeping, meeting or party room facilities for profit in the City of Lowell, Arkansas, but such accommodations shall not include the rental or lease of such accommodations for periods of thirty (30) days for more.

Section 2: A tax of two percent (2%) is hereby levied on the portion of the gross receipts or gross proceeds received from the proceeds received by restaurants, cafes, cafeterias, delicatessens, drive-in restaurants, carry-out restaurants, concessions stands, convenience stores,

grocery store restaurants, mobile food vendors, and similar businesses from the sale of prepared food and beverages for on or off premises consumption for profit in the City of Lowell.

Section 3: (a) The two percent (2%) tax described in this ordinance hereof shall be paid by the persons, firms, and corporations liable therefor and shall be collected by the Advertising and Promotions Commission of the City of Lowell (herein after called the (“Commission”), or by a designated agent of the Commission, in the same manner and at the time as the tax is 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 practicable, be applicable with respect to the enforcement and collection of the tax levied pursuant to the authority of A.C.A § 26-75-603. The administration and enforcement, and all actions shall be by and through the proper Commission officials or agents.

Section 4: (a) There is hereby created the City of Lowell Advertising and Promotions Commission, which shall be composed of seven (7) members, each of whom shall reside within the city, as follows:

1. Four (4) members shall be owners or managers of a business in the tourism industry, at least three (3) of whom shall be owners or managers of hotels, motels or restaurants, and who shall serve for staggered terms of four (4) years; and

2. Two (2) members of the Commission shall be members of the Lowell City Council, selected by the Lowell City Council and shall serve at the will of the Lowell City Council; and

3. One (1) member shall be from the public at large and shall be nominated by the Mayor of Lowell and approved by the Lowell City Council for a term of four (4) years, in accordance with the applicable Arkansas Law.

(b) The four (4) tourism industry positions provided for in subdivision (a)(1) of A.C.A § 26-75-605 (a)(1) shall be filled by appointment made by the Lowell City Council for staggered terms so that:

(A) one (1) member will serve for a term of one (1) years;

(B) one (1) for a term of two (2) years;

(C) one (1) for a term of three (3) years; and

(D) one (1) for a term of four (4) years.

All successors to these members shall be appointed for a term of four (4) years. Vacancies on the Commission, whether resulting from expiration of a regular term or otherwise, 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 by a majority of the Lowell City

Council. The City Council may remove any member of the Commission by two thirds (2/3) vote, upon thirty (30) days notice of intent to take such vote and prior to such vote occurring.

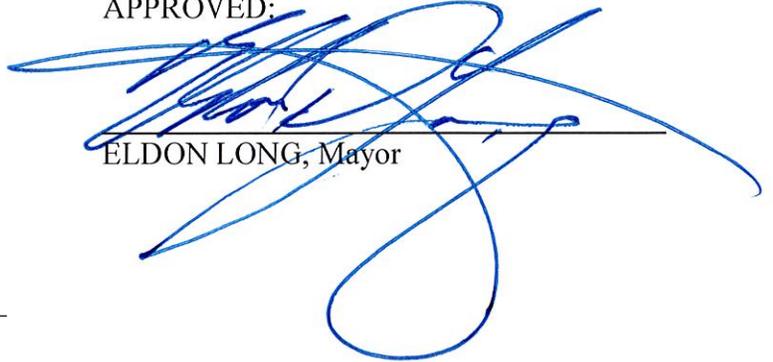
Section 5. All local taxes collected pursuant to this ordinance shall be used for the purposes to pledge all, or any part of, the revenues derived from the tax for the purposes prescribed in this ordinance shall be for the advertising and promotion of the City of Lowell, Arkansas. This revenue shall be used or pledged for the purposes authorized in this ordinance and in accordance with A.C.A § 26-75-606 only upon the recommendation of the Commission.

Section 6: SEVERABILITY. 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 applications of the ordinance which can be given effect without the invalid provision or application and to this end the provision of this ordinance are declared severable.

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

**PASSED and APPROVED this 21<sup>st</sup> day of November, 2017.**

APPROVED:



ELDON LONG, Mayor

ATTEST:



ELIZABETH ESTES, City Clerk  
(Seal)