

TITLE 3

FISCAL AFFAIRS

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CHAPTER 3.04

PURCHASES

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- 3.04.04 Sale or exchange of supplies, materials or equipment valued at less than \$5,000.00

3.04.01 \$5,000.00 or under The Mayor or his duly authorized representative shall have exclusive power and responsibility to make purchases of all supplies, apparatus, equipment, materials and other things requisite for public purposes for the city of Lonoke, Arkansas, and to make all necessary contracts for work or labor to be done, or material or other necessary things to be furnished for the benefit of the city or in carrying out any work or undertaking of a public nature therein, where the amount of the expenditure for any one purpose or contract does not exceed the sum of Five Thousand Dollars (\$5,000.00). (Ord. No. 323, Sec. 1.)

3.04.02 Over \$5,000.00 Where the amount of expenditure for any purchase or contract exceeds the sum of Five Thousand Dollars (\$5,000.00), the Mayor or his duly authorized representative shall invite competitive bids thereon by legal advertisement in any local newspaper. Bids received pursuant to said advertisement shall be opened and read on the date set for receiving said bids, in the presence of the Mayor, or his duly authorized representative, together with any committee that may be named by the Mayor for this purpose. The contract shall be awarded to the lowest responsible bidder; provided, however, the Mayor, or his duly authorized representative, may reject any and all bids received. (Ord. No. 323, Sec. 2.)

3.04.03 Approval of payments The Mayor or his duly authorized representative may approve for payment out of any funds previously appropriated for that purpose, or disapprove any bills, debts or liabilities asserted as claims against the city, when funds on hand are adequate to pay such bills, debts or liabilities, there the amount of such expenditure for payment of any one bill, debt or liability does not exceed the sum of Five Hundred Dollars (\$500.00). The payment or disapproval of any bills, debts or liabilities not covered by a previous appropriation and the sum of Five Hundred Dollars (\$500.00), shall require confirmation of the governing body. (Ord. No. 323, Sec. 3.)

3.04.04 Sale or exchange of supplies, materials or equipment valued at less than \$5,000.00 The Mayor or his duly authorized representative may sell or exchange any municipal supplies, materials or equipment without competitive bidding if such supplies, materials or equipment have a value of less than Five Thousand Dollars (\$5,000.00). That no supplies, materials or equipment shall be sold without receiving competitive bids therefore if the value thereof exceeds the sum of Five Thousand Dollars (\$5,000.00); provided, however, if the Mayor shall certify in writing to the City Council that, in his opinion, the fair market value of such item or lot (to be disposed of in one unit) is less than Five Thousand Dollars (\$5,000.00), the same may be sold by the Mayor without competitive bidding. (Ord. No. 323, Sec. 4.)

CHAPTER 3.05

DISCRETIONARY SPENDING BY MAYOR

Sections:

3.05.01 Establishment

3.05.01 Establishment The Lonoke Municipal Code is amended to include the following: That there is an immediate need to establish a discretionary spending amount for the Mayor to conduct the regular business of the City, as such the City Council approves of the Mayor spending a maximum amount of \$4,000 without City Council approval. (Ord. No. 746, Secs. 1-2)

CHAPTER 3.08

DEPOSITORY BOARD

Sections:

3.08.01 Appointed

3.08.01 Appointed The Mayor, Deputy City Clerk and Treasurer shall constitute the Depository Board to designate depositories and supervise the depositing of municipal funds for the city of Lonoke, Arkansas, and, the same are hereby appointed as said Depository Board, and, are, further, hereby authorized so to act. (Ord. No. 377, Sec. 1 amended by Ord. No. 648, Sec. 2).

CHAPTER 3.12

**COUNCILMEMBERS/MAYOR/MUNICIPAL EMPLOYEES DOING
BUSINESS WITH CITY**

Sections:

3.12.01	Conditions
3.12.02	Waiving bidding
3.12.03	Councilmember and Mayor
3.12.04	Councilmember
3.12.05	Community Center Director
3.12.06	Lonoke Community Center Aquatics Facility Supervisor
3.12.07	Mayor and Councilmembers

3.12.01 Conditions The Mayor and Councilmembers may conduct business with the city as authorized by Act 485 of 1981, under the following conditions:

- A. The purchase is under Ten Thousand Dollars (\$10,000) in value and comparable merchandise or equipment at comparable prices is not otherwise available within the city.
- B. The cost of the service is under Ten Thousand Dollars (\$10,000) in value and comparable services at comparable prices are not otherwise available within the city. (Ord. No. 555, Sec. 1.)

3.12.02 Waiving bidding On all purchases of supplies, equipment or services of more than Ten Thousand Dollars (\$10,000), advertisement for bids must be taken pursuant to A.C.A. 14-58-303 unless the City Council shall be ordinance waive competitive bidding in exceptional situations where such procedure is deemed not feasible or practicable. (Ord. No. 555, Sec. 2.)

3.12.03 Councilmember and Mayor The Lonoke Municipal Code is amended as follows: To allow for the City to conduct business with Emma's Furniture, which is owned by Mayor Wayne McGee, and with Alps, Inc., the stock for which is partially owned by City Council member Michael Florence, when such businesses are able to provide goods and services to the City at prices and quality comparable to those that could be provided by businesses outside of the City.(Ord. No. 718, Sec 1).

3.12.04 Councilmember The Lonoke Municipal Code is amended as follows: To allow for the City to continue engaging in business with Thrive, Inc., which employs Council Member Ryan Biles, as Thrive, Inc., has provided graphic design, marketing, branding, and other professional services for the City in the past and may bid, issue proposals or enter into contracts for such projects with the City in the future. (Ord. No. 759, Sec. 1)

3.12.05 Community Center Director The Lonoke Municipal Code is amended as follows: To allow for the City to continue engaging in business with Sew What, for which Community Center Director Mike Brown is an owner as Sew What has provided embroidery services, screen printing, personalization and other goods and services for the City in the past and may bid, issue proposals or enter into contracts for such projects with the City in the future. (Ord. No. 765, Sec. 1)

3.12.06 Lonoke Community Center Aquatics Facility Supervisor The Lonoke Municipal Code is amended as follows: To allow for the City to continue engaging in business with Chad E. Price and the SharkATAC Swim Team, for which Chad E. Price is an owner, so that Chad E. Price can operate the SharkATAC competitive swim team through the City of Lonoke Community Center. (Ord. No. 770, Sec. 1)

3.12.07 Mayor and Councilmembers- The Lonoke Municipal Code is amended as follows:

To allow for the City to conduct business with:

Provision UAS Aerial Photography and the Fishtown Farmers Market, which are owned by Mayor Henry F. Reed, III, also known as Trae Reed;

With Alps, Inc., the stock for which is partially owned by City Council Member Michael Florence;

And with probation officer and City Council Member Efreem Jones, who is employed by the Lonoke District Court as a Probation Officer:

When such businesses and individuals are able to provide goods and services to the City at prices and quality comparable to or better than those that could be provided by businesses outside of the City. (Ord. No. 744, Sec. 1)

CHAPTER 3.16

FIXED ASSETS

Sections:

3.16.01 Minimum limit

3.16.01 Minimum limit The minimum limit for the recording of fixed assets for the city of Lonoke pursuant to A.C.A. 14-59-107 is established at One Thousand Dollars (\$1,000.00). (Ord. No. 499, Sec. 1.)

CHAPTER 3.20

SALES AND USE TAX

Sections:

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|---------|-----------------------|
| 3.20.01 | First tax levied |
| 3.20.02 | Second tax levied |
| 3.20.03 | Additional Tax Levied |
| 3.20.04 | Additional Tax Levied |

3.20.01 First Tax Levied

- A. First Tax Levied Under the authority of the authorizing legislation, there is hereby levied a one percent (1%) tax on the gross receipts from the sale at retail within the city of all items which are subject to the Arkansas Gross Receipts Tax Act of 1941, as amended (A.C.A.) 26-52-101, *et seq.*, and the imposition of an excise (or use) tax on the storage, use, or other consumption with the city of tangible personal property subject, or the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. 26-53-101, *et seq.*), at a rate of one percent (1%) of the sale price of the property, or, in the case of leases or rentals, of the lease or rental price (collectively, the “Sales and Use Tax”). The Sales and Use Tax shall be levied and collected only to a maximum tax of Twenty-Five Dollars (\$25.00) for each single transaction. (Ord. No. 358, Sec. 1.)
- B. “Single transaction” is defined according to the nature of the goods purchased as follows:
1. When two or more devices in which, upon which or by which any person or property is, or may be, transported or drawn, including but not limited to, on-road vehicles, whether required to be licensed or not, off-road vehicles, farm vehicles, airplanes, water vessels, motor vehicles or non-motorized vehicles and mobile homes, are sold to a person by a seller, each individual unit, whether part of a “fleet” sale or not, shall be treated as a single transaction for the purpose of the Sales and Use Tax.
 2. The charges for utility services, which are subject to the Sales and Use Tax, and which are furnished on a continuous service basis, whether such services are paid daily, weekly, monthly or annually, for the purposes of the Sales and Use Tax, shall be computed in daily increments, and each such daily charge increment shall be considered to be a single transaction for the purposes of the Sales and Use Tax.

3. For sales of building materials and supplies to contractors, builders or other persons, a single transaction, for the purposes of the Sales and Use Tax, shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which an aggregate sales (or use) tax figure has been reported and remitted to the state of Arkansas.
4. When two or more items of major household appliances, commercial appliances, major equipment and machinery are sold, each individual unit shall be treated as a single transaction for the purposes of the Sales and Use Tax.
5. For groceries, drug items, dry goods and other tangible personal property and/or services not otherwise expressly covered in this section, a single transaction shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which an aggregate sales tax figure has been reported and remitted to the state of Arkansas. (Ord. No. 358, Sec. 2.)

C. Based on the voters' passage of the Sales and Use Tax, the revenues collected:

1. Police Department – to receive 25% of revenues collected;
2. Fire Department – to receive 10% of revenues collected;
3. Street Department – to receive 12.5% of revenues collected;
4. Municipal Park Department – to receive 10% of revenues collected;
5. Industrial Development Effort – to receive 17.5% of revenues collected;
6. Retail Economics Development Effort – to receive 5% of revenues collected;
7. Sanitation, District Court, City General (collectively – to receive 10% of revenues collected;
8. Mosquito Control Department – to receive 10% of revenues collected.
(Ord. No. 361, Sec. 2.)
9. Administration fees – to receive 3% of the revenues collected.
(Ord. No. 410, Sec. 1.)

3.20.2 Second tax levied Under the authority of the authorizing legislation, there is hereby levied a one-half of one percent (.5 %) tax on the gross receipts from the sale at retail within the city of all items which are subject to the Arkansas Gross Receipts Tax Act of 1941, as amended (A.C.A.) 26-52-101, *et seq.*, and the imposition of an excise (or use) tax on the storage, use, or other consumption with the city of tangible personal property subject, or the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. 26-53-101, *et seq.*), at a rate of one-half of one percent (.5 %) of the sale price of the property, or, in the case of leases or rentals, of the lease or rental price (collectively, the “Sales and Use Tax”). The Sales and Use Tax shall be levied and collected solely for the purpose of operating and maintaining the Community Center Complex and/or securing the repayment of the capital Improvement Bonds, including the funding of a debt service reserve. The Sales and Use Tax shall be levied and collected only to a maximum tax of Twenty-Five Dollars (\$25.00) for each single transaction. (Ord. No. 450, Sec. 1.)

3.20.3 Additional Tax Levied The Lonoke Municipal Code is amended as follows: Under the authority of the Authorizing Legislation, there is hereby levied a new one and one-quarter percent (1.25%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §§26-52-101, *et seq.*), and imposition of a new excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personal property subject to the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, *et seq.*), at a rate of one and one-quarter percent (1.25%) of the sale price of the property or, in the case of leases or rentals, of the lease or rental price (collectively, the “Sales and Use Tax”). The Sales and Use Tax shall be levied and collected on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time by Arkansas law, subject to rebates and limitations as required for certain single transactions as from time to time required by Arkansas Statutes. (Ord. No. 726, Sec. 1).

- A. Purpose The Sales and Use Tax shall be levied, and the net collections received after the State of Arkansas deducts its administrative charges and required rebates shall be used by the City to retire any outstanding Capital Improvement Bonds secured by a pledge of collections of the Sales and Use Tax and all obligations of the City with respect thereto; provided, however, that any amounts not necessary to fully retire any Capital Improvement Bonds and all obligations of the City with respect thereto may be used for any lawful municipal purpose. (Ord. No. 726, Sec. 2)
- B. Expiration The Sales and use Tax shall expire on the first date on which the Sales and Use Tax can be administratively removed when (a) there are sufficient funds to pay in full any outstanding Capital Improvement Bonds secured by a pledge of collections of the Sales and Use Tax, and (b) the City Council determines that the purposes of the Sales and Use Tax cannot continue to be fulfilled because no additional Capital Improvement Bonds secured by a pledge of collections of the Sales and Use Tax will be issued in the future. (Ord. No. 726, Sec. 3)

3.20.4 Additional Tax Levied The Lonoke Municipal Code is amended as follows: Under the authority of the Authorizing Legislation, there is hereby levied a new one-quarter percent (0.25%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §§26-52-101, et seq.). and imposition of a new excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personal property subject to the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, et seq.), at a rate of one-quarter percent (0.25%) of the sale price of the property or, in the case of leases or rentals, of the lease or rental price (collectively, the "Sales and Use Tax"). The Sales and Use Tax shall be levied and collected on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time by Arkansas law, subject to rebates and limitations as required for certain single transactions as from time to time required by Arkansas Statutes. (Ord. No. 728, Sec. 1).

- A. Purpose The Sales and Use Tax shall be levied, and the net collections received after the State of Arkansas deducts its administrative charges and required rebates shall be used by the City for one or more of the following: (a) to pay and secure the repayment of any outstanding Capital Improvement Bonds approved by the voters and issued by the City from time to time to finance capital improvements; and (b) to provide financial support for the operation of the City's Police and Fire Departments. (Ord. No. 728, Sec. 2)

CHAPTER 3.24

INDUSTRIAL DEVELOPMENT GRANT PROGRAM

Sections:

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|---------|-----------------|
| 3.24.01 | Awarding grants |
| 3.24.02 | Application |
| 3.24.03 | Funding |
| 3.24.04 | Awards |

3.24.01 Awarding grants The city of Lonoke shall periodically award grants to non-profit corporations to encourage the location, relocation, creation, or development of a business, industry, manufacturing facility, transportation facility or other industrial unit which creates jobs, employs people, or generates economic activity in the Lonoke area. (Ord. No. 371, Sec. 1.)

3.24.02 Application Any interested non-profit corporation may apply for a grant to the city. Applications shall be in writing and include the name and address of the corporation, the names of its officers and their residence address, and proof of the organization's non-profit status. The application should include a narrative description of the objectives to be accomplished with the grant funds and the specific purposes for which the grant funds will be expended. (Ord. No. 371, Sec. 2.)

3.24.03 Funding Funding for the grants shall come from the share of the receipts of the One Cent (\$.01) sales and use tax designated by the voters for industrial development in a special election held on February 9, 1993. (Ord. No. 371, Sec. 3.)

3.24.04 Awards The grant applications shall be reviewed by the Mayor and City Council who shall then select the application or applications which will best fulfill the economic and industrial development of the city. At the next regularly scheduled meeting, the City Council shall consider the industrial development grants to the applicant or applicants based on their rank order or the list of grant applications and may award funds until all funds appropriated for grant purposes have been expended. (Ord. No. 371, Sec. 4.)