

ORDINANCE NO. 27-22

As amended

AN ORDINANCE ESTABLISHING A SALES TAX REVIEW COMMITTEE AS A STANDING COMMITTEE TO REVIEW REVENUES AND EXPENDITURES RELATED TO SALES AND USE TAX PROCEEDS OF THE CITY OF FORT SMITH

WHEREAS, the City of Fort Smith believes in transparency and accountability related to its various revenue streams and expenditures, including all proceeds from sales and use taxes that come to the City of Fort Smith; and

WHEREAS, the City of Fort Smith levies a 1% Sales and Use Tax within the City of Fort Smith with a prescribed use approved by Fort Smith voters of funding Capital Improvement Projects related to streets, bridges, and associated drainage; and

WHEREAS, the City of Fort Smith is proposing to extend the levy of a 1/4% Sales and Use Tax within the City of Fort Smith with a prescribed use to be considered by Fort Smith voters on May 24, 2022 of 1/8-cent for Fire Department operations and equipment and 1/8-cent for Parks Department Capital Improvement Projects; and

WHEREAS, the City of Fort Smith is proposing to levy a 3/4% Sales and Use Tax within the City of Fort Smith with a prescribed use to be considered by Fort Smith voters on May 24, 2022 of 1/8-cent for Police Department operations and equipment and 5/8-cent for Consent Decree Sanitary Sewer Capital Projects; and

WHEREAS, the City of Fort Smith currently receives proceeds from a county-wide 1% Sales and Use Tax, allocated to the City by percentage of population, the uses of which were prescribed in Resolution No. R-22-13 dated February 19, 2013; and

WHEREAS, in the interest of accountability and transparency, the Board of Directors wishes to create a Sales Tax Review Committee that will meet regularly to review all sales and use tax revenues received by the City of Fort Smith, as well as all expenditures of such funds, in order to verify that the funds were spent in accordance with the expectations and within the regulations approved by the voters of the City of Fort Smith.

NOW, THEREFORE, BE IT ENACTED by the Board of Directors of the City of Fort Smith, Arkansas, that:

Section 1. There is hereby established in and for the city a Sales Tax Review Committee administered by the Finance Department for the purpose of serving as a standing committee to review Sales and Use Tax revenues received by the City of Fort Smith, as well as the expenditure of such funds. As the uses of each sales and use tax is prescribed in the ballot title considered by Fort Smith voters (or by Board resolution in the case of the county-wide sales and use tax), this Sales Tax Review Committee will verify that all funds received from these various sales and use taxes are being spent for their intended purpose.

Section 2. The Sales Tax Review Committee shall be comprised of nine (9) regular members who are qualified electors of the city. Appointments shall be made by the Board of Directors. At all times the

membership of the Sales Tax Review Committee shall include at least one resident from each of the four city wards, and five at-large members. At least one of the nine regular members shall be a Certified Public Accountant (CPA). No member of the Fort Smith Board of Directors shall be appointed to the committee. In addition to the nine regular members, the City of Fort Smith's Mayor, Deputy City Administrator, and Director of Finance shall serve as ex-officio (participatory, but non-voting) members of the Sales Tax Review Committee.

Section 3. Upon appointment and at the first organizational meeting of the Sales Tax Review Committee, the members shall draw lots for one, two, or three year terms. Thereafter, appointments to fill expired terms on the Sales Tax Review Committee shall be for three year terms. Members are eligible to apply for re-appointment at the expiration of their terms.

Section 4. The Sales Tax Review Committee shall select a chairperson from its own membership on an annual basis. The chairperson's duty shall be to preside at all meetings of the Sales Tax Review Committee. The Sales Tax Review Committee shall also select a vice-chair, who will preside in the absence of the chair, and a secretary, who will be responsible for the minutes of the Committee's meetings and recording the Committee's actions or recommendations. Meetings shall operate under Roberts Rules of Order and shall be conducted as public meetings according to the City's Code of Business Conduct.

Section 5. The Sales Tax Review Committee shall establish a regular meeting schedule for the discussion and review of revenues and expenditures related to Sales and Use Tax proceeds. The Committee shall meet at least once per quarter on the first week of the third month after the end of a fiscal quarter. The City of Fort Smith Finance Department shall publish and distribute to the Committee members a report containing sales tax revenues and applicable expenses for the most recently completed fiscal quarter at least one week prior to the scheduled meeting. The Committee shall review the financial reports and after each meeting shall report any findings or concerns to the Board of Directors.

Section 6. This Ordinance shall be codified and included in Chapter 2 (Administration), Article V (Finance) of the Fort Smith Municipal Code.

PASSED AND APPROVED this 15th day of March, 2022.

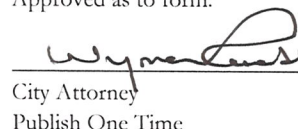
APPROVED:


Mayor

ATTEST:


City Clerk (Acting)

Approved as to form:


City Attorney
Publish One Time