

ORDINANCE NO. 2018-09-4468

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF ARKANSAS CITY, KANSAS, AUTHORIZING THE LEVY OF A ONE PERCENT (1%) CITY-WIDE RETAILERS' SALES TAX AND RELATED MATTERS.

WHEREAS, pursuant to the provisions of K.S.A. 12-187 *et seq.* (the "Act"), the City of Arkansas City, Kansas (the "City") is authorized to impose a local retailers' sales tax upon all retail sales within the boundaries of the City, except as specifically exempted by the Act; and

WHEREAS, pursuant to the Act, the electors of the City have heretofore approved propositions to authorize the levy of the following City-wide retailers' sales taxes:

- (a) one percent (1%) perpetual sales for general purposes, approved in 1985 (the "1985 Sales Tax"); and
- (b) one-half percent (0.50%) for financing the construction and equipping of a new hospital facility in the City known as the South Central Kansas Medical Center (the "Medical Center") and the costs of operation thereof, commencing on April 1, 2009 and ending on March 31, 2019 (the "2009 Medical Center Sales Tax"); and
- (c) one percent (1%) for financing the costs of operation of a hospital facility in the City, commencing on October 1, 2016 and ending on September 30, 2026 (the "2016 Sales Tax"); and

WHEREAS, the 1985 Sales Tax and the 2009 Medical Center Sales Tax were imposed for general purposes and the 2016 Sales Tax was imposed for a special purpose; and

WHEREAS, in order to finance payment of: (a) costs of the existing financial obligations incurred in the original construction of the Medical Center; (b) costs associated with refinancing the existing financial obligations incurred in the original construction of the Medical Center to obtain more favorable terms thereof; (c) purchasing and repairing equipment of the Medical Center; (d) compensating the Medical Center for operational expenses and supplies incurred in delivering uncompensated medical care; and (e) other health care related services provided in or for the City; the governing body of the City (the "Governing Body") deemed it advisable to call a special question election in the City on September 6, 2018 for the purpose of submitting to the qualified electors of the City the following question:

Shall the following be adopted?

Shall the City of Arkansas, Kansas, be authorized to impose a one percent (1.00%) Citywide retailers' sales tax (the "2018 Health Care Sales Tax"), the proceeds of which shall be used only to finance payment of: (a) costs of the existing financial obligations incurred in the original construction of the South Central Kansas Medical Center (the "Medical Center"); (b) costs associated with refinancing the existing financial obligations incurred in the original construction of the Medical Center to obtain more favorable terms thereof; (c) purchasing and repairing equipment of the Medical Center; (d) compensating the Medical Center for operational expenses and supplies incurred in delivering uncompensated medical care; and (e) other health care related services provided in or for the City; the collection of the 2018 Health Care Sales Tax to commence on January 1, 2019, or as soon thereafter as permitted by law; all pursuant to K.S.A. 12-187 *et seq.* and K.S.A. 25-431 *et seq.*, as amended; and upon the effective date of collection

of the 2018 Health Care Sales Tax, the collection of: (i) the one-half percent (0.50%) special sales tax imposed in 2009 for the financing of the construction, equipping and operation of a new hospital facility; and (ii) the one percent (1%) special sales tax imposed in 2016 for financing the costs of operation of a hospital facility in the City; shall be terminated pursuant to K.S.A. 12-187 *et seq.*, as amended?

WHEREAS, the question of the imposition of the 2018 Health Care Sales Tax was approved by a majority of the qualified electors of the City voting on that proposition at the special question election; and

WHEREAS, pursuant to the provisions of K.S.A. 12-187 *et seq.* and the special question election, the Governing Body deems it necessary and advisable to authorize the imposition of the 2018 Health Care Sales Tax for the purposes described above, which constitutes a sales tax imposed for general purposes, and to provide for the termination of the 2009 Medical Center Sales Tax and the 2016 Sales Tax upon the effective date of the 2018 Health Care Sales Tax.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF ARKANSAS CITY, KANSAS:

SECTION 1. Implementation of the 2018 Health Care Sales Tax. The levy of the one percent (1%) 2018 Health Care Sales Tax and the application of the revenue received therefrom is hereby authorized. In accordance with K.S.A. 12-191, collection of the 2018 Health Care Sales Tax shall commence on January 1, 2019, or as soon thereafter as permitted by law.

SECTION 2. Termination of the 2009 Medical Center Sales Tax and the 2016 Sales Tax. The termination of the existing 2009 Medical Center Sales Tax and the 2016 Sales Tax is hereby authorized. Such terminations shall occur upon the effective date of collection of the 2018 Health Care Sales Tax, which is scheduled to occur on January 1, 2019, or as soon thereafter as permitted by law.

SECTION 3. Department of Revenue Submittal. The Clerk, upon passage of this Ordinance, shall provide a certified copy of the same to the State Director of Taxation pursuant to K.S.A. 12-189 and request the implementation of the 2018 Health Care Sales Tax and the termination of the 2009 Medical Center Sales Tax and the 2016 Sales Tax in accordance with the provisions hereof.

SECTION 4. Effective Date. This Ordinance shall be effective upon passage by the Governing Body, execution by the Mayor and publication once in the official City newspaper.

PASSED by the governing body of the City of Arkansas City, Kansas on September 18, 2018, and **SIGNED** by the Mayor.

Dan Jurkovich, Mayor

ATTEST:
Lesley Shook, City Clerk