ORDINANCE NO. _________

AN ORDINANCE TO AMEND CHAPTER 17, ARTICLE IV OF THE LITTLE ROCK CODE (1988), TO CLARIFY THE SCOPE OF THE GROSS RECEIPTS AND GROSS PROCEEDS SUBJECT TO TAXATION AND UPDATE THE RATES OF TAXATION; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, pursuant to the authority of Title 26, Chapter 75, Subchapter 6 of the Arkansas Code of 1987 Annotated (the “Act”) and Little Rock, Ark. Ordinance Nos. 12,353 (May, 1970), 13,527 (November, 1978), 17,100 (January, 1996), 18,992 (November, 2003), 21,140 (December, 2015), and 21,141 (December, 2015) (collectively, the “Prior Tax Ordinances”), the City of Little Rock now levies and collects a 4% (lodging) and a 2% (prepared food and beverage) gross receipts tax as authorized under the Act; and

WHEREAS, the City wishes to clarify the rates and scope of the gross receipts and proceeds subject to the aforementioned taxes, clarify the types of businesses subject to the gross receipts tax, and otherwise ensure that the City Code remains consistent with the Act.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

Section 1. Little Rock Code 1988, Chapter 17, Article IV, Section 17-96 is hereby amended to read as follows:

(a) There is hereby levied a tax of 4% upon the gross receipts or gross proceeds derived and received from the renting, leasing or otherwise furnishing of hotel, motel, house, cabin, bed and breakfast, campground, condominium, or apartment accommodations, or other similar rental accommodations for sleeping, meeting, or party or banquet use for profit in the city, provided that such levy shall not apply to the rental or leasing of such accommodations for a period of thirty (30) days or more; and

(b) There is hereby levied a tax of 2% percent upon the gross receipts or gross proceeds received by:

(i) restaurants,

(ii) cafes,

(iii) cafeterias,

(iv) delicatessens,

(v) drive-in restaurants,

(vi) caterers,
(vii) carry-out or delivery restaurants,
(viii) concessions stands,
(ix) convenience stores,
(x) grocery store-restaurants,
(xi) mobile retail food establishments,
(xii) bars,
(xii) taverns,
(xiii) private clubs,
(xiv) private chefs,
(xv) private residences, and
(xvi) any platform, online or offline, which (i) advertises and offers to a purchaser prepared food and beverage and (ii) accepts payment from the purchaser for such prepared food and beverage to be furnished to the purchaser or the purchaser’s designated recipient engaged in the city in the selling of prepared foods and beverages for on-premises or off-premises consumption, provided that such levy shall not apply to such gross receipts or gross proceeds of organizations qualified under 26 U.S.C. § 501(c)(3).

For purposes of this article, “prepared foods and beverage” means,
(1) Food sold in a heated state or heated by or on behalf of the Seller;
(2) Two (2) or more food ingredients mixed or combined by or on behalf of the Seller for sale as a single item; or
(3) Food sold with an eating utensil provided by or on behalf of the Seller, including a plate, knife, fork, spoon, glass, cup, napkin, or straw. However, a “plate” does not include a container or packaging used to transport the food.

“Food” and “food ingredients” shall mean that defined in the Arkansas Gross Receipts Act, Ark. Code Ann. § 26-52-101 et seq., as amended.

Section 2. Little Rock Code 1988, Chapter 17, Article IV, Section 17-97 is hereby amended to read as follows:

The tax levied by this article shall be paid by the person, firm, corporation, partnership, limited liability company, venture, association, trust or estate (or other such business entity of whatever nature) liable therefor. Such taxpayer shall remit to the Little Rock
Advertising and Promotion Commission on or before the 20th day of each month all
collections of the tax for the preceding month, as directed by the commission and
accompanied by such reports and forms as are prescribed by the Commission from time to
time.

Section 3. Little Rock Code 1988, Chapter 17, Article IV, Section 17-98.1 is hereby amended to read
as follows:
The following words and phrases, except where the context clearly indicates the application
of a different meaning, when used in this article shall have the following meanings:
(a) A&P Tax means the gross receipts tax levied by Ordinance No. 12,353,
13,527, 18,992, 21,140, 21,141, as amended from time to time.
(b) Assessment means a tax is assessed when it is recorded as the liability of a
taxpayer on the Commission's records. The assessment becomes a first
assessment following the decision of the Commission or a Hearing Officer, if
the assessment is protested.
(c) Business entity means a corporation, association, partnership, joint venture,
Limited Liability Company, Limited Liability Partnership, Trust or other legal
business entity.
(d) Commission means the City Advertising and Promotion Commission of Little
Rock, Arkansas, and any agent or representative designated by the
Commission to perform any function hereunder.
(e) City means the City of Little Rock, Arkansas.
(f) Delinquency date means the A&P Tax is delinquent and subject to penalty on
the 1st day of the month following the month it was due.
(g) Due date means the A&P Tax is due no later than the 20th calendar day of the
month following the month the tax is imposed on gross receipts.
(h) Person means any natural person, firm, corporation or other business entity.
(i) Taxpayer means any person liable to remit the A&P Tax.

Section 4. Little Rock Code 1988, Chapter 17, Article IV, Section 17-99(a) is hereby amended to read
as follows:
(a) (1) There is hereby created the City Advertising and Promotion Fund, to which fund there
shall be credited all collections of the tax levied by this article. Except as provided in (2)
infra., all funds credited to the City Advertising and Promotion Fund shall be used for
advertising and promoting the city and its environs or for the construction, reconstruction,
extension, equipment, improvement, maintenance, repair and operation of a convention
center, convention centers, advertising and promotion facilities and facilities necessary for,
supporting, or otherwise pertaining to, a convention center or convention centers, or for the 
payment of the principal of, interest on, and fees and expenses in connection with, Bonds 
issued under State Law as shall be determined by the City Advertising and Promotion 
Commission (hereinafter referred to as the "Commission"). The Commission may also 
engage such personnel and agencies and incur such administrative costs that it deems 
necessary to conduct its business.

(2) All collections of the 1% tax levied by Ordinance No. 21,141, shall be transferred by 
the Commission to the Parks & Recreation Department to be used for the promotion and 
development of City parks and recreation areas, or for the payment of the principal of, 
interest on, and fees and expenses in connection with, Bonds authorized by Title 26, 
Chapter 75, Subchapter 6 of the Arkansas Code of 1987 Annotated and Title 14, Chapter 
164, Subchapter 3 of the Arkansas Code of 1987 Annotated, or for any appropriate 
combination of such uses.

(3) The Commission is the body that determines the use of the City Advertising and 
Promotion Fund.

Section 5. Little Rock Code 1988, Chapter 17, Article IV, Section 17-100(a) is hereby amended to 
read as follows:

(a) There is hereby created the City Advertising and Promotion Commission. The 
Commission shall have the powers and duties prescribed by the Advertising and Promotion 
Commission Act, Ark. Code Ann. § 26-75-601 et seq. as now or hereafter amended. The 
commission shall be composed of seven (7) members, each of whom shall reside within 
the city unless otherwise provided, as follows:

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

(2) Two (2) members shall be members of the board of directors of the 
city and selected by the board and shall serve at the will of the board; and

(3) One (1) member shall be from the public at-large who shall reside in 
Little Rock or Pulaski County and shall serve for a term of four (4) years.

Section 6. In the event that any title, section, paragraph, item, sentence, clause, phrase, or word of this 
ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall 
not affect the remaining portions of the ordinance which shall remain in full force and effect as if the portion 
so declared or adjudged invalid or unconstitutional was not originally part of the ordinance.
Section 7. All ordinances, resolutions, by-laws, and other matters inconsistent with this ordinance are hereby repealed to the extent of such inconsistency, provided that this ordinance is not intended, nor shall it be construed as to any part, to repeal any part the levying provisions of the Prior Tax Ordinances referred to above, but only to expand and otherwise clarify them.

Section 8. Emergency Clause. It has been found, and it is hereby declared, that the City requires the revenues to be derived from the A&P Tax to be used by the Commission and City in the discharge of their duties and responsibilities to the citizens of the City in accordance with state law and the ordinances adopted by the City from time to time, which duties and responsibilities are essential to the continued development of the City and to the welfare of the its citizens. As to this ordinance, therefore, being necessary for the preservation of the public peace, health and safety, an emergency is declared to exist, and this Ordinance shall be effective from and after its passage and approval.

PASSED: February 20, 2018

ATTEST: APPROVED:

_____________________________________   _________________________________
Susan Langley, City Clerk        Mark Stodola, Mayor

APPROVED AS TO LEGAL FORM:

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Thomas M. Carpenter, City Attorney