

FILED 12/19 2025ORDINANCE NO. 1932

MANDI FUDGE, CLERK

AN ORDINANCE PROVIDING FOR THE LEVY OF ~~BY~~ NEW M. Carley D.C.
ONE-HALF OF ONE PERCENT (0.50%) SALES AND USE TAX
WITHIN THE CITY OF EL DORADO, ARKANSAS FOR
HOSPITAL AND RELATED HEALTH CARE FACILITIES, AND
PRESCRIBING OTHER MATTERS PERTAINING THERETO

WHEREAS, South Arkansas Regional Hospital LLC, an Arkansas non-profit corporation ("SARH"), operates a health care facility known as "South Arkansas Regional Hospital", including land, buildings and equipment (collectively, the "Hospital"), located in the City of El Dorado, Arkansas (the "City"); and

WHEREAS, SARH currently leases a portion of the Hospital facility from Union County, Arkansas (the "County"); and

WHEREAS, the balance of the Hospital facility is owned by SARH, and

WHEREAS, revenues of the Hospital are such that SARH may be unable to continue to provide health care services at the Hospital at the levels presently provided unless an additional source of revenue is made available to assist in the maintenance, improvement, renovation, expansion, equipping and insuring of the Hospital and to assist in obtaining access to providers of health care services at the Hospital; and

WHEREAS, if access to services at the Hospital is reduced, the residents of the City will not be provided with adequate health care facilities in the City; and

WHEREAS, it is proposed that the County, SARH and the City enter into an agreement whereby the County and SARH will convey fee ownership, subject to all restrictions, reservations, easements, rights of way and mineral rights previously reserved or conveyed of record and all covenants of record, of the Hospital facility to the City, free and clear of all other liens and encumbrances, and

WHEREAS, the conveyance from the County will contain a reverter clause providing that the Hospital properties owned by the County will revert to the County if the Hospital facility ceases to be an operating Hospital; and

WHEREAS, if the Hospital is conveyed to the City, it is contemplated that the Hospital will initially be leased by the City to SARH or another non-profit corporation; and

WHEREAS, in order for residents of the City to have adequate health care facilities and access to health care services at the Hospital, the City Council has determined that it would be in the best interest of the City and its residents for the City to own the Hospital, enter into a lease with SARH and provide an additional source of revenue to assist in the maintenance, improvement, renovation, expansion, equipping and insuring of the Hospital and related health care facilities (collectively, "Hospital Facilities") and to assist in obtaining access to providers of health care services at Hospital Facilities; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") provides for the levy of a city-wide sales and use tax or taxes at the rate of 0.125%, 0.25%, 0.50%, 0.75% or 1%, or any combination thereof; and

WHEREAS, the City is currently levying city-wide sales and use taxes at the combined rate of 1.25% under the authority of the Authorizing Legislation; and

WHEREAS, the City is proposing to levy an additional sales and use tax at the rate of 0.50% under the Authorizing Legislation,

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of El Dorado, Arkansas:

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a new 0.50% 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 the 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 0.50% 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")

Section 2. 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.

Section 3. The Sales and Use Tax shall be levied, and the net collections received after deduction of the administrative charges of the State of Arkansas and required rebates, shall be used, after the City accepts ownership of the Hospital, to assist in the maintenance, improvement, renovation, expansion, equipping and insuring of the Hospital Facilities and to assist in obtaining access to providers of health care services at the Hospital Facilities.

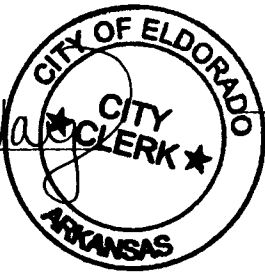
Section 4. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This Ordinance shall not take effect until an election is held on the question of levying the Sales and Use Tax, at which election a majority of the electors voting on the question shall have approved the levy of the Sales and Use Tax.

PASSED: December 18, 2025.

ATTEST:

Leatherman
City Clerk



APPROVED

[Signature]
Mayor

(SEAL)