

ORDINANCE NO: 2008-75

WHEREAS, pursuant to the Local Option Revenue Act, codified at Tennessee Code Annotated 67-6-701 through 67-6-716 (otherwise known as the "1963 Local Option Revenue Act"), the current local option sales and use tax in Bradley County and the City of Cleveland is 2.25%; and

WHEREAS, the City Council of the City of Cleveland, has considered the various revenue sources available to the City of Cleveland to fund various municipal capital projects; and

WHEREAS, the City Council passed a Motion on November 10, 2008, which authorized the City Clerk to advertise the City's intent to consider the passage of an Ordinance to authorize a referendum to be held for the citizens to determine whether there should be an increase in the local option sales tax from 2.25% to 2.75% in order to avoid a property tax increase for 2009 and to provide needed additional revenue for various capital projects; and

WHEREAS, should the citizens voting in the referendum approve an increase in the local option sales tax from 2.25% to 2.75%, it is the intent of the City to use 1/3 of the additional sales tax revenue generated by the .5% increase to provide funding for Cleveland City school capital projects, such as the much-needed science wing for Cleveland High School, with the remaining 2/3 of the additional sales tax revenue generated by the .5% increase to be used to improve City streets, make intersection improvements, purchase fire equipment, and to provide for other capital needs of the City; and

WHEREAS, any increase in sales tax revenue from the .5% increase would not be used for salaries or day-to-day operations of the City nor the City school system; and

WHEREAS, after hearing public comments, and after considering the various capital needs of the City and the City school system, the City Council of the City of Cleveland desires to exercise its statutory option of levying a local option sales and use tax within the City of Cleveland in the amount of 2.75%, which is the statutory maximum set forth in Tennessee Code Annotated 67-6-702; and

WHEREAS, the City Council of the City of Cleveland desires to pass this Ordinance to amend and increase the local option sales and use tax to 2.75%, in accordance with the procedures established in the "1963 Local Option Revenue Act" codified at Tennessee Code Annotated 67-6-701 through 67-6-716.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cleveland, Tennessee, in regular session assembled:

Section 1. Any Ordinances of the City Council of the City of Cleveland, Tennessee, imposing a local sales and use tax as authorized under the provisions of Tennessee Code Annotated, 67-6-701, *et seq.*, previously adopted by the City of Cleveland, are amended to hereby levy a local sales and use tax at a rate of 2.75%, the maximum percentage as provided for in the "1963 Local Option Revenue Act," Tennessee Code Annotated 67-6-701 through 67-6-716, as amended, except as limited or modified by statute.

Section 2. If a majority of those voting in the election required by Tennessee Code Annotated 67-6-706 vote for the increase in the tax imposed by this Ordinance, collection of the increased tax levied by this Ordinance shall begin on the first day of the month occurring 30 or more days after the County Election Commission makes its official canvass of the election returns.

Section 3. The Department of Revenue of the State of Tennessee shall collect the additional tax imposed by this Ordinance concurrent with the collection of the state tax and the local tax being collected for the City of Cleveland in accordance with rules and regulations promulgated by the Department of Revenue.

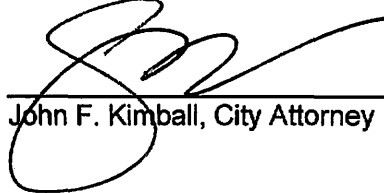
Section 4. The City Clerk of the City of Cleveland is authorized to contract with the Department of Revenue for the collection of the additional tax imposed by this Ordinance, and to provide in the contract that the Department may deduct from the tax collected a reasonable amount or percentage, as provided by statute, to cover the expense of the administration and collection of the tax, as provided for in Tennessee Code Annotated 67-6-710.

Section 5. In the event the tax is collected by the Department of Revenue, suits for the recovery of any tax illegally assessed or collected shall be brought against the State Commissioner of Revenue and the City Clerk of the City of Cleveland.


Section 6. A certified copy of this Ordinance shall be transmitted to the Department of Revenue by the City Clerk of the City of Cleveland forthwith and shall be published one time in a newspaper of general circulation in the City of Cleveland prior to the election called for in Section 2.

Section 7. This Ordinance shall take effect upon final reading, the public welfare requiring it.

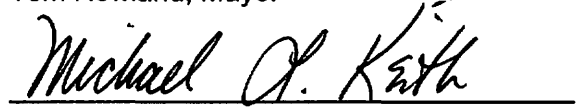
APPROVED AS TO FORM:



John F. Kimball, City Attorney



Tom Rowland, Mayor



Michael L. Keith, City Clerk