

**AN ORDINANCE TO RAISE THE SALES AND USE TAX IN THE CITY OF DUNLAP FROM 2.25% TO 2.75% AND TO REQUEST A REFERENDUM OF THE PEOPLE TO APPROVE THE ORDINANCE.**

WHEREAS, Tennessee Code Annotated, § 67-6-701 et seq. authorizes municipalities to set local option sales tax rates up to 2.75% on the first \$1,600 of any single article of personal property; and

WHEREAS, through a previous referendum and ordinance, the City of Dunlap has set the local option sales tax rate at 2.25%; and

WHEREAS, currently the City of Dunlap, like all governmental entities, is experiencing significant shortages in funding from traditional sources; and

WHEREAS, the City desires the voters of the City of Dunlap to decide on this ordinance and subsequent sales tax increase.

**BE IT ORDAINED BY THE BOARD OF MAYOR AND COMMISSIONERS OF THE CITY OF DUNLAP AS FOLLOWS:**

Section 1. Under the authority of Tennessee Code Annotated, § 67-6-701 et seq., the sales tax of the CITY OF DUNLAP is increased from 2.25% to 2.75%, except where different sales tax rates for particular goods and services are set by statute and are not subject to variation by ordinance.

Section 2. The City shall furnish a certified copy of this ordinance to the state Department of Revenue in accordance with regulations prescribed by the Department.

Section 3. As required by Tennessee Code Annotated, § 67-6-710(d)(2), the city designates the mayor as the municipal officer against whom suit can be filed for the recovery of sales taxes illegally assessed or collected.

Section 4. That the City Recorder shall submit this ordinance to the voter registrar of Sequatchie County with a request that the following question be placed on the ballot in a special called election:

Shall Ordinance No. \_\_\_\_\_, which increases the city's sales tax from 2.25% to 2.75%, except where the sales tax rate is limited or modified by statute, be approved?

For the Ordinance \_\_\_\_\_

Against the Ordinance \_\_\_\_\_

Section 5. If a majority of those voting in the election required by *Tennessee Code Annotated*, Section 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 thirty (30) or more days after the county election commission makes its official canvass of the election returns. If a majority of those voting in the election votes against this ordinance, the increase in sales tax will not take effect.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2010.

Passed on first reading: \_\_\_\_\_

Passed on second reading: \_\_\_\_\_

Passed on third reading: \_\_\_\_\_

\_\_\_\_\_

MAYOR

\_\_\_\_\_

CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney