

DRAFT

ORDINANCE NO. _____

ORDINANCE AMENDING A CITY SALES AND USE TAX

Be it ordained by the City Council of the City of Casselton, North Dakota that an ordinance amending a city sales and use tax is hereby enacted to read as follows:

SECTION 1. DEFINITIONS

All terms defined in Chapters 40-05.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6, and 57-40.2 of the North Dakota Century Code (N.D.C.C.), including any future amendments, are adopted by reference. All references to the N.D.C.C. include amendments adopted by the North Dakota Legislative Assembly.

SECTION 2. SALES TAX IMPOSED

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided by this Ordinance, or the sales and use tax laws of the State of North Dakota, a tax of two percent (2%) is imposed upon the gross receipts of retailers from all sales at retail, including the leasing or renting of tangible personal property, within the corporate limits of the City of Casselton, North Dakota.

SECTION 3. USE TAX IMPOSED

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Ordinance, or the sales and use tax laws of the State of North Dakota, an excise tax is imposed upon the storage, use, or consumption within the corporate limits of the City of Casselton, North Dakota, of tangible personal property purchased at retail for storage, use, or consumption in this City, at the rate of two percent (2%) of the purchase price of the property. An excise tax is imposed on the storage, use, or consumption within the corporate limits of the City of Casselton.

SECTION 4. GROSS RECEIPTS OF ALCOHOLIC BEVERAGES

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Ordinance, a gross receipts tax of two percent (2%) is imposed upon all gross receipts from the sale of alcoholic beverages within the City. A person who receives alcoholic beverages for storage, use, or consumption in this city is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of two percent (2%).

SECTION 5. EXEMPTIONS

All sales, storage, use or consumption of tangible personal property which are exempt from the imposition and computation of the sales or use tax of the state of North Dakota are specifically exempted from the provisions of this ordinance.

SECTION 6. MAXIMUM TAX IMPOSED

No single transaction by the taxpayer from any one customer involving one or more items is subject to a tax in excess of \$25.00.

SECTION 7. TAX RETURNS AND INFORMATION REPORTS

The tax administrator shall be the city auditor. The tax administrator is authorized to create, publish, and to require the use of, such tax return forms and information reports as in his judgment are necessary to administer the tax provided for herein. To the extent feasible, these forms shall incorporate or be integrated with the returns and reports required by the State Tax Commissioner under § 57-39.2 and § 57-40.2 of the North Dakota Century Code.

SECTION 8. COLLECTION AND ADMINISTRATION

Where not in conflict with the provisions of this Ordinance, the provisions of N.D.C.C. Chapters 40-05.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6, and 57-40.2, and all administrative rules adopted by the Tax Commissioner, pertaining to the collection and administration of the retail sales, use, and gross receipts tax, including provisions for liability, refund, penalty, interest or credit, govern the administration by the North Dakota Office of State Tax Commissioner (hereinafter "Tax Commissioner") of the taxes imposed by this Ordinance.

SECTION 9. CONTRACT WITH STATE TAX COMMISSIONER

The City Auditor for the City of Casselton is hereby authorized to contract with the Tax Commissioner for the administration and collection of taxes imposed by this chapter. The City Auditor has all powers granted the Commissioner and, in the absence of a valid contract with the Commissioner or failure of the Commissioner to perform the delegated duties, shall perform these duties in place of the Commissioner.

SECTION 10. CORPORATE OFFICER LIABILITY

Officers of any corporation required to remit taxes imposed by this ordinance are personally liable for the failure of the corporation to file required returns or remit required payments. the dissolution of a corporation shall not discharge an officer's liability for a prior failure of the corporation to make a return or remit the tax due. The tax, penalty, and interest due maybe assessed and collected pursuant to the provisions adopted by this ordinance.

SECTION 11. DEDICATION OF TAX PROCEEDS

All fees, taxes, penalties and other charges imposed and collected under this chapter, less administrative costs shall be dedicated and utilized with City Council consent as provided below. Proceeds collected pursuant to this chapter from such sales and use tax, may be used to make direct payments of costs for the purposes below, or may be pledged to amortize bonds or other debt instruments which may be sold to finance such costs. All revenues raised and collected under this chapter, less administrative expenses shall be dedicated as follows:

1. Fifty percent (50%) of the City's two percent (2%) City sales and use tax shall be dedicated to the construction, development and benefit of a community center (the "Project") for a period of time commencing on the effective date of this ordinance and terminating upon the repayment of all principal and interest on all bonds, including any refunding bonds issued for the Project by the City.
2. Fifty percent (50%) of the two percent (2%) City sales and use tax commencing on the effective date of this ordinance may be dedicated by the City Council for 1) infrastructure and capital improvements; 2) parks and recreation; 3) job development by business retention, expansion and recruitment; and 4) property tax relief.

Whenever the bonds related to the community center are fully paid, the sales and use tax for the city of Casselton shall revert to one percent (1%) and one hundred percent (100%) of the City's sales and use tax shall be dedicated to 1) infrastructure and capital improvements; 2) parks and recreation; 3) job development by business retention, expansion and recruitment; and 4) property tax relief. The dedication of the aforementioned amounts are sufficient to amortize two million five hundred thousand dollars (\$2,500,000.00) of principal and debt service plus interest for a term not to exceed twenty (20) years on bonds issued for the Project.

SECTION 12. SAVING CLAUSE

Should any section, paragraph, sentence, clause or phrase of this ordinance be declared

unconstitutional, or invalid for any reason, the remainder of this ordinance shall not be affected thereby.

SECTION 13. EFFECTIVE DATE

This ordinance shall be in full force and effect from and after the date of its final passage and publication.

APPROVED:

Lee Anderson
Mayor of Casselton, North Dakota

ATTEST:

Sheila Klevgard, City Auditor

DRAFT

FIRST READING:
SECOND READING:
PUBLICATION: