

ORDINANCE 21.

AN ORDINANCE RELATING TO A SALES AND USE TAX TO THE HOME RULE CHARTER OF THE CITY OF PARK RIVER.

Section 1.

Definitions. All terms defined in Chapters 57-39.2 and 57- 40. 2 NDCC, including any future amendments, are adopted by reference. All references to the North Dakota Century Code include amendments adopted by the legislature of the State of North Dakota.

Section 2.

Sales tax imposed. Except as otherwise provided in this chapter, a tax of two percent (2%) (1-1-05) is imposed upon the gross receipts of retailers from all sales at retail including the leasing or renting of tangible personal property as provided in this section, within the corporate limits of the City of Park River. Such sales tax shall parallel the State of North Dakota Sales and Use Tax law. All of the exemptions applicable for state sales and use tax apply to the Park River sales and use tax including exemptions for tax exempt entities (schools, counties, state agencies, etc.). Such sales tax shall be applied to the following:

- 1.) Tangible personal property, consisting of goods, wares, or merchandise.
- 2.) The furnishing or service of communications services.
- 3.) Tickets or admissions to places of amusement or entertainment or athletic events, including amounts charged for participation in an amusement, entertainment, or athletic activity.
- 4.) The leasing or renting of a hotel or motel room or tourist court 'of accommodations.
- 5.) Magazine and other periodicals.
- 6.) The leasing or renting of tangible personal property, the tax transfer of title to which has not been subjected to tax under this chapter.
- 7.) Sale of alcoholic beverages and tobacco products as defined in NDCC Section 57-39.2 - 03.2.
- 8.) Furnishing and installment or attachment to real property in this state by a contractor or subcontractor who is a retailer of drapes, hardware for hanging drapes, or carpet for floor covering.

(Section 2 revised 1-1-2005)

Section 3.

Use tax imposed. Except as otherwise provided in this chapter, an excise tax of two percent (2%) is imposed on the storage, use or consumption in the City of Park River on:

The purchase price of tangible personal property purchased at retail for storage use or consumption within the city.

The fair market value, at the time it's brought into the city, of tangible personal property not originally purchased for storage, use or consumption in the city, at the time which it is brought into the City of Park River.

3.) Alcoholic beverages and tobacco products as defined in NDCC Section 57-39.2-03.2.

4.) Tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in NDCC Section 57 - 40.2-03.3. The tax applies only to bids submitted on or after January 1, 1995.

Section 4.

Exemptions.

1.) All sales, storage, use or consumption of tangible personal property which are exempt from imposition and consumption of the sale or use tax of the State of North Dakota are specifically exempt from the provisions of this article.

2.) The Park River tax ordinance provides exemptions for gross receipts from the sale of farm machinery and farm machinery repair parts.

3.) Gross receipts from coin operated amusement devices.

Section 5.

Minimum tax imposed. (repealed by vote of city voters 6-12-2012)

Section 6.

Collection and administration. The tax commissioner and the city auditor shall have the powers enumerated in the provisions of NDCC Chapters 57-39.2 and 57- 40.2 relating to the collections and administration of the state sales and use tax including all administrative rules adopted by the tax commissioner. The tax commissioner is authorized to establish rate tables integrating the tax imposed by this chapter with other state, county, and city taxes.

Section 7.

City Auditor empowered to contract with State Tax Commissioner. The city auditor is authorized to contract with the tax commissioner for the administration and collection of taxes imposed by this chapter. The city auditor has all the 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 those duties in the place of the commissioner.

Section 8.

Corporate officer liability. Officers of any corporation required to remit taxes imposed by this chapter 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 may be assessed and collected pursuant to the provisions adopted by this chapter.

Section 9.

Dedication of tax proceeds.

1.) All revenues raised and collected under this ordinance shall be dedicated only to capital improvements and economic development.

All revenue shall be maintained in the fund, to be known as the Park River City Sales Tax Fund, separate and apart from all other funds.

The revenue contained in such fund shall be used for:

A.) Twenty-five percent (25%) for the purchase of, construction, operation and maintenance of Park River area capital improvements including, but not limited to, street system, water system, sewer system, public safety improvements, park system improvements, and other projects deemed important by the Park River Sales and Use Tax Committee.

B.) Twenty-five percent (25%) for community and economic development projects enhancing the general welfare of the City of Park River including, but not limited to, business and commerce expansion & retention and other projects that will enhance the growth, maintenance, and development of the city of Park River.

C.) Fifty percent (50%) for capital improvements and associated debt reduction at First Care Health Center, including but not limited to building improvements, expansions and additions and equipment. (amended effective 1-1-05)

Section 10.

Dispersal of funds. Funds collected from the one percent sales tax may only be dispersed by the Park River City council upon recommendation of the Park River Sales and Use Tax Committee, the membership of which shall be as follows:

- 1.) Mayor;
- 2.) Park Board president;
- 3.) Park River Community Club president;
- 4.) Park River Development Corporation president; and
- 5.) Park River Community Foundation representative.

The City Council shall accept the recommendation of the Committee as to the utilization of these funds provided the recommendations are for lawful purposes and in accordance with the terms of the ordinance.

Funds may only be dispensed the year following the year in which they were collected. Funds not dispensed each year may accumulate in the sale tax fund and be allocated the following year or years in which justifiable projects warrant.