

ORDINANCE 1040

AN ORDINANCE REPEALING AND REENACTING TITLE TWENTY, TAXATION, FOR THE CITY OF VALLEY CITY, NORTH DAKOTA

BE IT ORDAINED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF VALLEY CITY, BARNES COUNTY, NORTH DAKOTA, PURSUANT TO THE HOME RULE CHARTER OF THE CITY OF VALLEY CITY, NORTH DAKOTA:

Section 1. That Title Twenty, Taxation, of the Revised Ordinances of the City of Valley City, North Dakota, 1963, is hereby repealed and re-enacted to read as follows:

TITLE 20. Taxation

Chapter 20-01. City Sales and Use Tax Dedicated to Economic Development, Property Tax Relief and Retail Image Enhancement and Beautification. [Effective January 1, 2010 to December 31, 2019.]

Section 20-01-01	Definitions
Section 20-01-02	Collection and Administration
Section 20-01-03	Sales Tax Imposed
Section 20-01-04	Use Tax Imposed
Section 20-01-05	Gross Receipts of Alcoholic Beverages
Section 20-01-06	Gross Receipts of New Farm Irrigation Equipment
Section 20-01-07	Exemptions
Section 20-01-08	Maximum Tax Imposed
Section 20-01-09	Contract with Tax Commissioner
Section 20-01-10	Dedication of Tax Proceeds
Section 20-01-11	Effective Date
Section 20-01-12	Termination of Tax

Chapter 20-01.1. City Sales and Use Tax Dedicated to Economic Development, Property Tax Relief and Retail Image Enhancement and Beautification. [Effective January 1, 2020 to December 31, 2029.]

Section 20-01.1-01	Definitions
Section 20-01.1-02	Collection and Administration
Section 20-01.1-03	Sales Tax Imposed
Section 20-01.1-04	Use Tax Imposed
Section 20-01.1-05	Gross Receipts of Alcoholic Beverages
Section 20-01.1-06	Gross Receipts of New Farm Irrigation Equipment

Section 20-01.1-07	Exemptions
Section 20-01.1-08	Maximum Tax Imposed
Section 20-01.1-09	Contract with Tax Commissioner
Section 20-01.1-10	Dedication of Tax Proceeds
Section 20-01.1-11	Effective Date
Section 20-01.1-12	Termination of Tax

Chapter 20-02. City Sales, Use and Gross Receipts Tax Dedicated to the Funding of Infrastructure Renew & Replacement Projects. [Effective July 1, 2007 to June 30, 2027.]

Section 20-02-01	Definitions
Section 20-02-02	Collection and Administration
Section 20-02-03	Sales Tax Imposed
Section 20-02-04	Use Tax Imposed
Section 20-02-05	Gross Receipts of Alcoholic Beverages
Section 20-02-06	Exemptions
Section 20-02-07	Maximum Tax Imposed
Section 20-02-08	Contract with Tax Commissioner
Section 20-02-09	Dedication of Tax Proceeds
Section 20-02-10	Effective Date
Section 20-02-11	Termination Date

Chapter 20-03. City Sales, Use and Gross Receipts Tax Dedicated to the Funding of Infrastructure Renew & Replacement Projects. [Effective October 1, 2010 to September 30, 2029.]

Section 20-03-01	Definitions
Section 20-03-02	Collection and Administration
Section 20-03-03	Sales Tax Imposed
Section 20-03-04	Use Tax Imposed
Section 20-03-05	Gross Receipts of Alcoholic Beverages
Section 20-03-06	Gross Receipts of New Farm Irrigation Equipment
Section 20-03-07	Exemptions
Section 20-03-08	Maximum Tax Imposed
Section 20-03-09	Contract with Tax Commissioner
Section 20-03-10	Dedication of Tax Proceeds
Section 20-03-11	Effective Date
Section 20-03-12	Termination Date

Chapter 20-04. City Sales, Use & Gross Receipts Tax Dedicated to Payment of Permanent Flood Protection and Wellness Center Effective After Sunset of School Bond Issue. [Effective December 1, 2017 to November 30, 2047.]

Section 20-04-01	Definitions
Section 20-04-02	Collection and Administration
Section 20-04-03	Sales Tax Imposed
Section 20-04-04	Use Tax Imposed
Section 20-04-05	Gross Receipts of Alcoholic Beverages
Section 20-04-06	Gross Receipts of New Farm Irrigation Equipment
Section 20-04-07	Exemptions
Section 20-04-08	Maximum Tax Imposed
Section 20-04-09	Contract with Tax Commissioner
Section 20-04-10	Dedication of Tax Proceeds—Effective Date— Termination Date

Chapter 20-05. City Restaurant Tax. [Effective April 19, 2010 to December 31, 2020.]

Section 20-05-01	Restaurant Tax Imposed
Section 20-05-02	Disposition of Restaurant Tax
Section 20-05-03	Visitors' Committee
Section 20-05-04	Collection and Administration of Restaurant Tax
Section 20-05-05	Termination of Restaurant Tax

Chapter 20-5.1. City Restaurant Tax. [Effective January 1, 2021 to December 31, 2025.]

Section 20-05.1-01	Restaurant Tax Imposed
Section 20-05.1-02	Disposition of Restaurant Tax
Section 20-05.1-03	Visitors' Committee
Section 20-05.1-04	Collection and Administration of Restaurant Tax
Section 20-05.1-05	Termination of Restaurant Tax

Chapter 20-06. City Lodging Tax. [Effective January 17, 2000 until repealed.]

Section 20-06-01	Lodging Tax Imposed
Section 20-06-02	Disposition of Lodging Tax
Section 20-06-03	Visitors' Committee
Section 20-06-04	Collection and Administration of Lodging Tax
Section 20-06-05	Tax Payments and Penalties
Section 20-06-06	Conflicting Titles and Resolutions
Section 20-06-07	Effective Date

Chapter 20-01. City Sales and Use Tax Dedicated to Economic Development, Property Tax Relief and Retail Image Enhancement and Beautification. [Effective January 1, 2010 to December 31, 2019.]

Section 20-01-01. 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 (NDCC), including all future amendments, are adopted by reference and incorporated herein. (Ord. 909 § 26-1, Ord. 753 § 26-1.)

Section 20-01-02. Collection and Administration.

Where not in conflict with the provisions of this Chapter, the provisions of N.D.C.C. chapters credit, govern the administration by the North Dakota Office of State Tax Commissioner (hereinafter "Tax Commissioner") of the taxes imposed by this Chapter. (Ord. 909 § 26-2.)

Section 20-01-03. Sales Tax Imposed.

Subject to the provisions of N.D.C.C. §40-05.1-06, and except as otherwise provided by this Chapter, or the sales and use tax laws of the State of North Dakota, a tax of one (1) percent 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 Valley City, North Dakota. This tax is in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-04 of this Title and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-2 of this Title.

(Ord. 909 § 26-3, Ord. 753 § 26-2.)

Section 20-01-04. Use Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, 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 Valley City, North Dakota of tangible personal property purchased at retail for storage, use, or consumption in this city, at the rate of one (1) percent 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 Valley City, North Dakota of tangible personal property not originally purchase for storage, use or consumption in this city at the rate of one (1) percent of the fair market value of the property at the time it was brought into the city. This tax is in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-04 of this Title and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-2 of this Title. (Ord. 909 § 26-4, Ord. 753 § 26-3.)

Section 20-01-05. 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 Chapter, a gross receipts tax of one (1) percent 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 state is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of one (1) percent. This tax is in

addition to and not in place of the one-half (1/2) percent tax imposed by Chapter 20-01 and subsequently by Chapter 20-01.1 of this Title and in addition to and not in place of the one-half (1/2) percent tax imposed by Chapter 20-2 of this Title. (Ord. 909 § 26-5.)

Section 20-01-06. Gross Receipts of New Farm Irrigation Equipment.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, a gross receipts tax of one (1) percent is imposed upon all gross receipts from the sale of new farm irrigation equipment within this city. A person who receives new farm irrigation equipment for storage, use, or consumption in this state is subject to tax on storage, use, or consumption of that equipment at the rate of one (1) percent. This tax is in addition to and not in place of the one-half (1/2) percent tax imposed by Chapter 20-4 of this Title and in addition to and not in place of the one-half (1/2) percent tax imposed by Chapter 20-4 of this Title. Taxation. (Ord. 909 § 26-6.)

Section 20-01-07. Exemptions.

There are specifically exempted from the provisions of this Chapter, and from the computation of the amount of tax imposed by it, the following:

1. All sales, storage, use, or consumption of tangible personal property which are exempt from imposition and computation of the sales or use tax of the State of North Dakota are specifically exempt from the provisions of this Chapter.
2. Natural Gas Sales.
3. New Farm Machinery.

(Ord. 909 § 26-7, Ord. 753 § 26-4.)

Section 20-01-08. Maximum Tax Imposed.

Any patron or user paying a tax imposed by this Chapter in excess of \$25.00 upon any single transaction of one or more items may obtain a refund of the excess tax payment by filing a request for refund upon the forms provided by the Tax Commissioner. (Ord. 909 § 26-8, Ord. 753 § 26-5.)

Section 20-01-09. Contract with Tax Commissioner.

The City Auditor of Valley City is hereby authorized to contract with the Tax Commissioner for administration and collection of taxes imposed by this Chapter. The City Auditor has all powers granted to the Tax Commissioner and in the absence of a valid contract with the Tax Commissioner or failure of the Tax Commissioner to perform the delegated duties, shall perform these duties in place of the Tax Commissioner. (Ord. 909 § 26-9, Ord. 753 § 26-8)

Section 20-01-10. Dedication of Tax Proceeds.

Upon completion of all payments due from the Hi-Line Activities Center as directed by section 20-02-09 of this Title, the provisions of this Chapter shall become effective and the provisions derived hereunder shall be redirected as provided herein; and shall continue for the period of thirty (30) years or until the obligations created hereunder have been fulfilled, whichever occurs first (hereinafter referred to as the “Effective Term”).

All fees, taxes, penalties and other charges imposed and collected under this Title, including administrative costs, shall be dedicated as follows:

- a. Seventy (70) percent thereof to Economic Development, Basic Industry and Job Development.
- b. Twenty-five (25) percent thereof to property tax relief, infrastructure and other special requests.
- c. Five (5) percent to Service and Retail Business Development and Image Enhancement.

(Ord. 909 § 26-10, Ord. 758 § 26-10, Ord. 753 § 26-10.)

Section 20-01-11. Effective Date.

This Chapter shall be in full force and effect only after approval by a majority of the qualified electors of the City of Valley City voting at a special election and subsequent approval by at least a majority vote of the City Commission of the City of Valley City, North Dakota, and shall then be effective on, from and after the January 1, 2010. (Ord. 909 § 26-11, Ord. 753 § 26-11.)

Section 20-01-12. Termination of Tax.

This Chapter shall terminate on December 31, 2019. (Ord. 909 § 26-12, Ord. 753 § 26-12.)

Chapter 20-01.1. City Sales and Use Tax Dedicated to Economic Development, Property Tax Relief and Retail Image Enhancement and Beautification. [Effective January 1, 2020 to December 31, 2029.]

Section 20-01.1-01. 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. (Ord. 943 § 26-1.)

Section 20-01.1-02. Collection and Administration.

Where not in conflict with the provisions of this Chapter, 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 North Dakota Tax Commissioners, 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 Chapter. (Ord. 943 § 26-2.)

Section 20-01.1-03. Sales Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, or the sales and use tax laws of the State of North Dakota, a tax of one (1) percent 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 Valley City, North Dakota. This tax is in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-4 of this Title and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-2 of this Title. (Ord. 943 § 26-3.)

Section 20-01.1-04. Use Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, 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 Valley City, North Dakota of tangible personal property purchased at retail for storage, use, or consumption in this city, at the rate of one (1) percent 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 Valley City, North Dakota of tangible personal property not originally purchased for storage, use, or consumption in this city at the rate of one (1) percent of the fair market value of the property at the time it was brought into the city. This tax is in addition to and not in place of the one-half (1/2) percent use tax imposed by Chapter 20-4 of this Title and in addition to and not in place of the one-half (1/2) percent use tax imposed by Chapter 20-2 of this Title. (Ord. 943 § 26-4.)

Section 20-01.1-05. 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 Chapter, a gross receipt tax of one (1) percent 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 state is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of one (1) percent. This tax is in addition to and not in place of the one-half (1/2) percent tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title and in addition to and not in place of the one-half (1/2) percent tax imposed by Chapter 20-02 of this Title. (Ord. 943 § 26-5.)

Section 20-01.1-06. Gross Receipts of New Farm Irrigation Equipment.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, a gross receipts tax of one (1) percent is imposed upon all gross receipts from the sale of new farm irrigation equipment within the city. A person who receives new farm irrigation equipment for storage, use, or consumption in this state is subject to tax on storage, use, or consumption of that equipment at the rate of one (1) percent. This tax is in addition to and not in place of the one-half (1/2) percent tax imposed by Chapter 20-04 of this Title and in addition to and not in place of the one-half (1/2) percent tax imposed by Chapter 20-02 of this Title. (Ord. 943 § 26-6.)

Section 20-01.1-07. Exemptions.

There are specifically exempted from the provisions of this Chapter and from the computation of the amount of tax imposed by it the following:

1. All sales, storage, use, or consumption of tangible personal property which are exempt from imposition and computation of the sales or use tax of the State of North Dakota are specifically exempt from the provisions of this Chapter.
2. Natural Gas Sales.
3. New Farm Machinery.

(Ord. 943 § 26-7.)

Section 20-01.1-08. Maximum Tax Imposed.

Any patron or user paying a tax imposed by this Chapter in excess of twenty-five (\$25.00) dollars upon any single transaction of one or more items may obtain a refund of the excess tax payment by filing a request for refund upon the forms provided by the Tax Commissioner. (Ord. 943 § 26-8.)

Section 20-01.1-09. Contract with Tax Commissioner.

The City Auditor of Valley City is hereby authorized to contract with the Tax Commissioner for administration and collection of taxes imposed by this Chapter. The City Auditor has all powers granted to the Tax Commissioner and in the absence of a valid contract with the Tax Commissioner or failure of the Tax Commissioner to perform the delegated duties, shall perform these duties in place of the Tax Commissioner. (Ord. 943 § 26-9.)

Section 20-01.1-10. Dedication of Tax Proceeds.

All fees, taxes, penalties and other charges imposed and collected under this Chapter, including administrative costs, shall be dedicated as follows:

- a. Seventy (70) percent thereof to Economic Development, Basic Industry and Job Development.

b. Twenty-five (25) percent thereof to property tax relief, infrastructure and other special requests.

c. Five (5) percent to Service and Retail Business Development and Image Enhancement.

(Ord. 943 § 26-10.)

Section 20-01.1-11. Effective Date.

This Chapter shall be in full force and effect only after approval by a majority of the qualified electors of the City of Valley City voting at a special election and subsequent approval by at least a majority vote of the City Commission of the City of Valley City, North Dakota, and shall then be effective on, from and after January 1, 2020. (Ord. 943 § 26-11.)

Section 20-01.1-12. Termination of Tax.

This Chapter shall terminate on December 31, 2029. (Ord. 943 § 26-12.)

Chapter 20-02. City Sales, Use and Gross Receipts Tax Dedicated to the Funding of Infrastructure Renew & Replacement Projects. [Effective July 1, 2007 to June 30, 2027.]

Section 20-02-01. 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. (Ord. 902 § 26-52.)

Section 20-02-02. Collection and Administration.

Where not in conflict with the provisions of this Chapter, 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 North Dakota 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 Chapter. (Ord. 902 § 26-53.)

Section 20-02-03. Sales Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided by this Chapter, or the sales and use tax laws of the State of North Dakota, a tax of one-half (1/2) percent 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 Valley City, North Dakota. This tax is in addition to and not in place of the

one (1) percent sales tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title and is in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-04 of this Title. (Ord. 902 § 26-54.)

Section 20-02-04. Use Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, 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 Valley City, North Dakota of tangible personal property purchased at retail for storage, use, or consumption in this city, at the rate of one-half (1/2) percent 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 Valley City, North Dakota of tangible personal property not originally purchase for storage, use, or consumption in this city at the rate of one-half (1/2) percent of the fair market value of the property at the time it was brought into this city. This tax is in addition to and not in place of the one (1) percent use tax imposed by Chapter 20-01 and subsequently by Chapter 20-01.1 of this Title and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-04 of this Title. (Ord. 902 § 26-55.)

Section 20-02-05. 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 Chapter, a gross receipts tax of one-half (1/2) percent 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 state is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of one-half (1/2) percent. This tax is in addition to and not in place of those one (1) percent use tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-04 of this Title. (Ord. 902 § 26-56.)

Section 20-02-06. Exemptions.

There are specifically exempted from the provisions of this Chapter and from the computation of the amount of tax imposed by it the following:

1. All sales, storage, use, or consumption of tangible personal property which are exempt from imposition and computation of the sales and use tax of the State of North Dakota are specifically exempt from the provisions of this Chapter.
2. Natural Gas Sales.
3. New Farm Machinery.

(Ord. 902 § 26-57.)

Section 20-02-07. Maximum Tax Imposed.

Any patron or user paying a tax imposed by this Chapter in excess of \$12.50 upon any single transaction of one or more items may obtain a refund of the excess tax payment by filing a request for refund upon the forms provided by the Tax Commissioner. (Ord. 902 § 26-58.)

Section 20-02-08. Contract with Tax Commissioner.

The City Auditor of Valley City is hereby authorized to contract with the Tax Commissioner for administration and collection of taxes imposed by this Chapter. The City Auditor has all powers granted to the Tax Commissioner and in the absence of a valid contract with the Tax Commissioner or failure of the Tax Commissioner to perform the delegated duties, shall perform these duties in place of the Tax Commissioner. (Ord. 902 § 26-59.)

Section 20-02-09. Dedication of Tax Proceeds.

All fees, taxes, penalties, and other charges imposed and collected under this Title, including administrative costs, shall be dedicated as follows:

- a. The additional one-half (1/2) percent sales tax proceeds under this Chapter are to be dedicated to the funding of city infrastructure renewal and replacement projects. The original one (1) percent sales tax proceeds are dedicated as follows: seventy (70) percent to the Economic Development fund, twenty-five (25) percent to the Property Tax Relief Fund and five (5) percent to the Retail Image Enhancement Fund. The original one-half (1/2) percent sales tax proceeds are dedicated in full (100 percent) to the payment of a school bond.
- b. The estimated third quarter sales tax proceeds for 2007 shall be allocated as follows: for the original one (1) percent sales tax and the one-half (1/2) percent sales tax, an amount of \$228,527.00, with the balance of the tax proceeds collected allocated to this one-half percent sales tax Chapter.
- c. Thereafter, beginning with the fourth quarter of 2007, the total tax proceeds collected shall be divided as follows: The original one (1) percent sales tax Chapter is to receive one-half (1/2) of the total sales tax proceeds collected; the original one-half (1/2) percent sales tax is to receive one-fourth (1/4) of the total sales tax proceeds collected; and the one-half (1/2) percent sales tax subject to this Title shall receive one-fourth (1/4) of the total sales tax proceeds collected.

(Ord. 902 § 26-60.)

Section 20-02-10. Effective Date.

This Chapter shall be in full force and effect only after approval by a majority of the

qualified electors of the City of Valley City voting at a special election and subsequent approval by at least a majority vote of the City Commission of the City of Valley City, North Dakota, and shall then be effective on, from and after July 1, 2007. (Ord. 902 § 26-61.)

Section 20-02-11. Termination Date.

This Chapter shall terminate on July 1, 2027. (Ord. 902 § 26-62.)

Chapter 20-03. City Sales, Use and Gross Receipts Tax Dedicated to the Funding of Infrastructure Renew & Replacement Projects. [Effective October 1, 2010 to September 30, 2029.]

Section 20-03-01. Definitions.

All terms 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. (Ord. 932 § 26-70.)

Section 20-03-02. Collection and Administration.

Where not in conflict with the provisions of this Chapter, the provisions of N.D.C.C. chapters 40-05.1, 57-39., 57-39.4, 57-39.5, 57-39.6, and 57-40.2, and all administrative rules adopted by the North Dakota 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 Chapter. (Ord. 932 § 26-71.)

Section 20-03-03. Sales Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided by this Chapter, or the sales and use tax laws of the State of North Dakota, a tax of one-half (1/2%) percent is imposed upon the gross receipts of retailers from all sales at retail, including the leasing or renting of tangible property, within the corporate limits of the city of Valley City, North Dakota. This tax is in addition to and not in place of the one (1%) percent sales tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title, in addition to and not in place of the one-half (1/2%) percent sales tax imposed by Chapter 20-04 of this Title, and in addition to and not in place of the one-half (1/2%) percent sales tax imposed by Chapter 20-02 of this Title. (Ord. 932 § 26-72.)

Section 20-03-04. Use Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, 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 Valley City, North Dakota of tangible personal property purchased at retail for storage,

use, or consumption in this city, at the rate of one-half (1/2%) percent 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 Valley City, North Dakota of tangible personal property not originally purchased for storage, use, or consumption in this city at the rate of one-half (1/2%) percent of the fair market value of the property at the time it was brought into this city. This tax is in addition to and not in place of the one (1%) percent use tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title, in addition to and not in place of the one-half (1/2%) percent sales tax imposed by Chapter 20-04 of this Title, and in addition to and not in place of the one-half (1/2%) percent sales tax imposed by Chapter 20-02 of this Title. (Ord. 932 § 26-73.)

Section 20-03-05. 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 Chapter, a gross receipts tax of one-half (1/2%) percent 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 state is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of one-half (1/2%) percent. This tax is in addition to and not in place of the one (1%) percent use tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title, in addition to and in place of the one (1%) percent use tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title, in addition and not in place of the one-half (1/2%) percent sales tax imposed by Chapter 20-04 of this Title, and in addition to and not in place of the one-half (1/2%) percent sales tax imposed by Chapter 20-2 of this Title. (Ord. 932 § 26-74.)

Section 20-03-06. Gross Receipts of New Farm Irrigation Equipment.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, a gross receipts tax of one-half (1/2%) percent is imposed upon all gross receipts from the sale of new farm irrigation equipment within the city. A person who receives new farm irrigation equipment for storage, use, or consumption in this state is subject to tax on storage, use, or consumption of that equipment at the rate of one-half (1/2%) percent. (Ord. 932 § 26-75.)

Section 20-03-07. Exemptions.

There are specifically exempted from the provisions of this Chapter and from the computation of the amount of tax imposed by it the following:

1. All sales, storage, use, or consumption of tangible personal property which are exempt from imposition and computation of the sales or use tax of the State of North Dakota are specifically exempt from the provisions of this Chapter.
2. New Farm Machinery.

(Ord. 932 § 26-76.)

Section 20-03-08. Maximum Tax Imposed.

Any patron or user paying a tax imposed by this Chapter in excess of \$12.50 upon any single transaction of one or more items may obtain a refund of the excess tax payment by filing a request for refund upon the forms provided by the Tax Commissioner. (Ord. 932 § 26-77.)

Section 20-03-09. Contract with Tax Commissioner.

The City Auditor of Valley City is hereby authorized to contract with the Tax Commissioner for administration and collection of taxes imposed by this Chapter. The City Auditor has all powers granted to the Tax Commissioner and in the absence of a valid contract with the Tax Commissioner or failure of the Tax Commissioner to perform the delegated duties, shall perform these duties in place of the Tax Commissioner. (Ord. 932 § 26-78.)

Section 20-03-10. Dedication of Tax Proceeds.

All fees, taxes, penalties and other charges imposed and collected under this Chapter, excluding administrative costs, shall be dedicated to the funding of city infrastructure renewal and replacement projects. (Ord. 932 § 26-79.)

Section 20-03-11. Effective Date.

This article shall be in full force and effect only after approval by a majority of the qualified electors of the City of Valley City voting at the municipal election to be held June 8, 2010 and subsequent approval by at least a majority vote of the City Commission of the City of Valley City, North Dakota, and shall then be effective on, from and after October 1, 2010.

With respect to the purchase price of tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in N.D.C.C. § 57-40.2-03.3, the tax imposed by this Chapter applies only to bids submitted on or after the effective date of this Chapter.

(Ord. 932 § 26-80.)

Section 20-03-12. Termination Date.

This Chapter shall terminate on September 30, 2030. (Ord. 932 § 26-81.)

Chapter 20-04. City Sales, Use & Gross Receipts Tax Dedicated to Payment of Permanent Flood Protection and Wellness Center Effective After Sunset of School Bond Issue. [Effective December 1, 2017 to November 30, 2047.]

Section 20-04-01. Definitions.

All terms defined in chapters 40-05.1, 57-39.2, 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. (Ord. 978 § 26-51.1.)

Section 20-04-02. Collection and Administration.

Where not in conflict with the provisions of this Chapter, 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 North Dakota 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 Chapter. (Ord. 978 § 26-51.2.)

Section 20-04-03. Sales Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided by this Chapter, or the sales and use tax laws of the State of North Dakota, a tax of one-half (1/2) percent is imposed upon the gross receipts of retailers of all sales at retail, including the leasing or renting of tangible personal property, within the corporate limits of the city of Valley City, North Dakota. This tax is in addition to and not in place of the one (1) percent use tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title, in addition to and not in place of the one-half (1/2) percent use tax imposed by Chapter 20-02 of this Title, and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-03 of this Title. (Ord. 978 § 26-51.3.)

Section 20-04-04. Use Tax Imposed.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and exempt as otherwise provided in this Chapter, 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 Valley City, North Dakota of tangible personal property purchased at retail for storage, use, or consumption in this city, at the rate of one-half (1/2) percent 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 Valley City, North Dakota of tangible personal property not originally purchased for storage, use, or consumption in this city at the rate of one-half (1/2) percent of the fair market value of the property at the time it was brought into this city. This tax is in addition to and not in place of the one (1) percent use tax imposed by Article I of Chapter 6, Taxation, in addition to and not in place of the one-half (1/2) percent use tax imposed by Chapter 20-02 of this Title, and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-03 of this Title. (Ord. 978 § 26-51.4.)

Section 20-04-05. 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 Chapter, a gross receipts tax of one-half (1/2) percent 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 state is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of one-half (1/2) percent. This tax is in addition to and not in place of the one (1) percent use tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title, in addition to and not in place of the one-half (1/2) percent use tax imposed by Chapter 20-02 of this Title, and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-03 of this Title. (Ord. 978 § 26-51.5.)

Section 20-04-06. Gross Receipts of New Farm Irrigation Equipment.

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Chapter, a gross receipts tax of one-half (1/2) percent is imposed upon all gross receipts from the sale of new farm irrigation equipment within the city. A person who receives new farm irrigation equipment for storage, use, or consumption in this state is subject to tax on storage, use, or consumption of that equipment at the rate of one-half (1/2) percent. This tax is in addition to and not in place of the one (1) percent use tax imposed by Chapter 20-01 and subsequently Chapter 20-01.1 of this Title, in addition to and not in place of the one-half (1/2) percent use tax imposed by Chapter 20-02 of this Title, and in addition to and not in place of the one-half (1/2) percent sales tax imposed by Chapter 20-03 of this Title. (Ord. 978 § 26-51.6.)

Section 20-04-07. Exemptions.

There are specifically exempted from the provisions of this Chapter and from the computation of the amount of tax imposed by it the following:

1. All sales, storage, use, or consumption of tangible personal property which are exempt from imposition and computation of the sales or use tax of the State of North Dakota are specifically exempt from the provisions of this Chapter.
2. Natural Gas Sales.
3. New Farm Machinery.

(Ord. 978 § 26-51.7.)

Section 20-04-08. Maximum Tax Imposed.

Any patron or user paying a tax imposed by this Chapter in excess of twelve dollars and fifty cents (\$12.50) upon any single transaction of one or more items may obtain a refund of the excess tax payment by filing a request for refund upon the forms provided by the Tax Commissioner. (Ord. 978 § 26-51.8.)

Section 20-04-09. Contract with Tax Commissioner.

The City Auditor of Valley City is hereby authorized to contract with the Tax

Commissioner for administration and collection of taxes imposed by this Chapter. The city Auditor has all powers granted to the Tax Commissioner and in absence of a valid contract with the Tax Commissioner or failure of the Tax Commissioner to perform the delegated duties, shall perform these duties in place of the Tax Commissioner. (Ord. 978 § 26-51.9.)

Section 20-04-10. Dedication of Tax Proceeds—Effective Date—Termination Date.

All fees, taxes, penalties and other charges imposed and collected under this Title, including administrative costs, shall be dedicated as follows:

- a) No less than eighty-three (83%) percent of the total projected revenue collected during the thirty (30) year Effective Term of this Title to Permanent Flood Protection and infrastructure.
- b) No more than seventeen (17%) percent of the total projected revenue collected during the thirty (30) year Effective Term of this Title to the construction and development of the Valley City Health, Wellness, and Physical Education Center.

In the event that all annual proceeds satisfy the annual financial requirements of Permanent Flood Protection Fund and the Valley City Health, Wellness and Physical Education Center Fund, any excess proceeds may be dedicated towards the special assessment relief for property owners. The City hereby dedicates an amount not to exceed two hundred thirty thousand dollars (\$230,000) per year of all sales and use tax revenues imposed and collected pursuant to this Chapter to the Valley City Park District commencing completion of all payments due for the Hi-Line Activities Center or January 1, 2017, whichever occurs later, (hereinafter the “Commencement Date”) and terminating two hundred forty (240) months after the Commencement Date. The Valley City Park District may use the sales and use tax revenues dedicated herein to make direct payments of costs or pledged to amortize bonds or other debt instruments which may be sold to finance the construction and development of the Valley City Health, Wellness and Physical Education Center. The dedication of the aforementioned amounts are sufficient to permit the Valley City Park District to amortize three million dollars (\$3,000,000.00) of principal debt service plus interest for a term of twenty years. (Ord. 860 [terminated], 978 § 26-51.10 [amended], 997 § 26-51.10.)

Chapter 20-05. City Restaurant Tax. [Effective April 19, 2010 to December 31, 2020.]

[Legislative intent: The City of Valley City, as authorized by North Dakota Century Code section 40-57.3-01.1, established and imposed a City Restaurant Tax under Ordinance No. 795, which was finally approved and adopted by the governing body of the City of Valley City on February 17, 1997, and which provided for the termination of this tax on April 30, 2002. The City of Valley City under Ordinance No. 837, which was finally approved and adopted April 17, 2000, continued the Restaurant Tax with a

termination date of December 31, 2010. The City of Valley City under Ordinance No. 927, which was finally approved and adopted April 19, 2010, continued the Restaurant Tax with a termination date of December 31, 2020. The City of Valley City desires to provide for the continuation of the Restaurant Tax with an extended termination date of December 31, 2025.]

Section 20-05-01. Restaurant Tax Imposed.

Pursuant to Section 40-57.3-01.1 of the North Dakota Century Code, the City of Valley City does hereby continue imposition of a city tax of one percent (1%) upon the gross receipts of a restaurant from any sales of prepared food or beverages, not including alcoholic beverages for consumption off the premises where purchased, which are subject to state sales taxes. "Restaurant" means any place where food is prepared and intended for individual portion service for consumption on or off the premises and "prepared" includes heating prepackaged food. (Ord. 795 § 26-30, Ord. 837 § 26-30, Ord. 927 § 26-30.)

Section 20-05-02. Disposition of Restaurant Tax.

There is hereby established a "City Visitors' Promotion Capital Construction Fund" into which shall be deposited all proceeds received by the City from the Restaurant Tax. Disbursements from said fund shall, as provided by law, be used generally for the purchase, equipping, improving, construction, maintenance, repair, and acquisition of buildings or property consistent with visitor attraction or promotion. (Ord. 795 § 26-31, Ord. 837 § 26-31.)

Section 20-05-03. Visitors' Committee.

The existing "Visitors' Committee" established by Resolution No. 811 adopted on December 19, 1983, in connection with the imposition of a City Lodging Tax shall also serve as the advisory committee to the city governing body in administering the proceeds of the Restaurant Tax. (Ord. 795 § 26-32, Ord. 837 § 26-32.)

Section 20-05-04. Collection and Administration of Restaurant Tax.

The Restaurant Tax shall be collected and administered by the State Tax Commissioner as provided by Section 40-57.3-04 of the North Dakota Century Code, and the penalties and liabilities referenced therein shall apply to the filing of returns and administration of taxes imposed under this Chapter. (Ord. 795 § 26-33, Ord. 837 § 26-33.)

Section 20-05-05. Termination of Restaurant Tax.

The Restaurant Tax hereby imposed shall terminate on December 31, 2020, unless prior to that date such tax is extended indefinitely or to a new time certain. (Ord. 795 § 26-34, Ord. 837 § 26-34, Ord. 927 § 26-34.)

Chapter 20-05.1. City Restaurant Tax. [Effective January 1, 2021 to December 31, 2025.]

Section 20-05.1-01.

Pursuant to Section 40-57.3-01.1 of the North Dakota Century Code, the City of Valley City does hereby continue imposition of a city tax of one percent (1%) upon the gross receipts of a restaurant from any sales of prepared food or beverages, not including alcoholic beverages for consumption off the premises where purchased, which are subject to state sales taxes. "Restaurant" means any place where food is prepared and intended for individual portion service for consumption on or off the premises and "prepared" includes heating prepackaged food. (Ord. 795 § 26-30, Ord. 837 § 26-30, Ord. 927 § 26-30.)

Section 20-05.1-02. Disposition of Restaurant Tax.

There is hereby established a "City Visitors' Promotion Capital Construction Fund" into which shall be deposited all proceeds received by the City from the Restaurant Tax. Disbursements from said fund shall, as provided by law, be used generally for the purchase, equipping, improving, construction, maintenance, repair, and acquisition of buildings or property consistent with visitor attraction or promotion. (Ord. 795 § 26-31, Ord. 837 § 26-31.)

Section 20-05.1-03. Visitors' Committee.

The existing "Visitors' Committee" established by Resolution No. 811 adopted on December 19, 1983, in connection with the imposition of a City Lodging Tax shall also serve as the advisory committee to the city governing body in administering the proceeds of the Restaurant Tax. (Ord. 795 § 26-32, Ord. 837 § 26-32.)

Section 20-05.1-04. Collection and Administration of Restaurant Tax.

The Restaurant Tax shall be collected and administered by the State Tax Commissioner as provided by Section 40-57.3-04 of the North Dakota Century Code, and the penalties and liabilities referenced therein shall apply to the filing of returns and administration of taxes imposed under this Chapter. (Ord. 795 § 26-33, Ord. 837 § 26-33.)

Section 20-05.1-05. Termination of Restaurant Tax.

The Restaurant Tax hereby imposed shall terminate on December 31, 2025, unless prior to that date such tax is extended indefinitely or to a new time certain. (Ord. 795 § 26-34, Ord. 837 § 26-34, Ord. 927 § 26-34, Ord. 984 § 26-34.)

Chapter 20-06. City Lodging Tax. [Effective January 17, 2000 until repealed.]

Section 20-06-01. Lodging Tax Imposed.

Pursuant to Section 40-57.3-01 of the North Dakota Century Code and further authority of the Home Rule Charter of the City of Valley City, North Dakota, the City of Valley City does hereby impose a city tax of three percent (3%) upon the gross receipts of retailers on the leasing or rent of hotel, motel, or tourist accommodations within the City

of Valley City for periods of less than thirty (30) consecutive calendar days or one (1) month. (Ord. 832 § 26-40.)

Section 20-06-02. Disposition of Lodging Tax.

There is hereby established a “City Visitors’ Promotion Fund” into which shall be deposited all proceeds received by the City from the Lodging Tax. Disbursements from said fund, except payments for the collection and administration of the Lodging Tax, must be used generally to promote, encourage and attract visitors to come to the City and use the travel and tourism within the City. (Ord. 832 § 26-41.)

Section 20-06-03. Visitors’ Committee.

The governing body of the City shall establish a “Visitors’ Committee” to serve as an advisory committee to the City governing body in administering the proceeds from the Lodging Tax available to the City. The committee shall consist of five (5) members appointed by the Board of City Commissioners to serve without compensation except reimbursement for necessary expenses. Committee members shall serve for a term of four (4) years, except that those two (2) of those initially appointed must be appointed for an initial term of two (2) years. Vacancies must be filled in the same manner as the initial appointment. The committee shall elect a chair person from its members to serve for a term of two (2) years. (Ord. 832 § 26-42.)

Section 20-06-04. Collection and Administration of Lodging Tax.

The Lodging Tax shall be collected and administered by the City of Valley City under the direction and supervision of its City Auditor. The City Auditor is authorized to create, publish and to require the use of such tax return forms and information reports as in his judgement necessary to collect and administer the tax provided for herein. (Ord. 832 § 26-43.)

Section 20-06-05. Tax Payments and Penalties.


The tax imposed herein shall be paid as nearly as practical in accordance with the payment and penalty provisions of Section 57-39.2 of the North Dakota Century Code. The general penalty provisions set forth in Title 1 of the Valley City Municipal Code are also applicable hereto. 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. (Ord. 832 § 26-44.)

Section 20-06-06. Conflicting Titles and Resolutions.

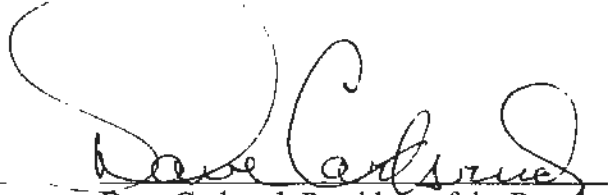
All other Titles and Resolutions of the City of Valley City that are in conflict with this Title, including Resolution 811, a Resolution imposing a City Lodging Tax adopted on December 19, 1983, are hereby repealed as of the effective date of this Title to the extent of such conflict. (Ord. 832 § 26-45.)

Section 20-06-07. Effective Date.

This Chapter shall be in full force and effect from and after April 1, 2000, subject to its prior passage and approval and publication of its title and penalty clause. (Ord. 832 § 26-46.)



Avis Richter, Auditor of the City
City of Valley City, Barnes County,
North Dakota



Dave Carlsrud, President of the Board of
Commissioners of the City of Valley City,
Barnes County, North Dakota

Introduction and First Reading:
Second Reading, Final Passage, and Adoption:
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