

## **ORDINANCE NO. 394**

### **AN ORDINANCE ENACTING AND AMENDING THE CITY'S SALES, USE, AND GROSS RECEIPTS TAX UNDER THE HOME RULE CHARTER OF THE CITY OF BEACH.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEACH, GOLDEN VALLEY COUNTY, NORTH DAKOTA AS FOLLOWS:

**Pursuant to the ballot measure passed by a majority of the qualified electors voting in the election held on June 14, 2022, the following Ordinance enacting the SALES, USE, AND GROSS RECEIPTS TAX is hereby enacted by the City Council of the City of Beach:**

#### **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.

#### **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.

#### **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 of the city of Beach North Dakota.

#### **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 Beach, 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 Beach, North Dakota of tangible personal property not originally purchased for storage, use, or consumption in this city

at the rate of two percent (2%) of the fair market value of the property at the time it was brought into this city.

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 section applies only to bids submitted on or after the effective date of this Ordinance.

### **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 state is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of two percent (2%).

### **Exemptions.**

This Ordinance provides exemptions from imposition and computation of the city sales or use tax for all exemptions provided under State law. The amount of the sales and use tax shall not exceed two percent (2%) of the gross receipt, nor shall the tax exceed one-hundred dollars (\$100) on any single purchase or sales transaction involving one or more items.

### **Contract with Tax Commissioner.**

The Beach City Auditor is hereby authorized to contract with the Tax Commissioner for administration and collection of taxes imposed by this Ordinance. 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.

### **Dedication of Tax Proceeds.**

The proceeds of any sales and use tax, less administrative costs, shall be dedicated and utilized for maintenance of the swimming pool (20%), and infrastructure and community enhancement (80%).

### **Effective Date.**

This Ordinance shall take effect after its passage, approval, and publication, but not prior to January 1, 2023.

### **Termination Date.**

The Sales, Use, and Gross Receipts Taxes enacted through this Ordinance shall remain in effect until repealed or revoked.

(Municipal Seal)

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Walter Losinski, Mayor

ATTEST:

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Kimberly Gaugler, City Auditor

First Reading: August 1, 2022

Second Reading: August 18, 2022

Final Reading: September 6, 2022