

## MARANA ORDINANCE NO. 2021.022

RELATING TO TRANSACTION PRIVILEGE TAX; AMENDING THE TOWN TAX CODE BY INCREASING THE TAX RATE ON CERTAIN ACTIVITIES BY ONE-HALF CENT FOR THE DESIGN AND CONSTRUCTION, AND FIXTURES, FURNITURE AND EQUIPMENT, FOR A NEW MULTI-GENERATIONAL COMMUNITY CENTER AND AQUATIC CENTER; AMENDING SECTIONS 8-460 (RETAIL SALES; MEASURE OF TAX; BURDEN OF PROOF; EXCLUSIONS) AND 8-610 (USE TAX: IMPOSITION OF TAX; PRESUMPTION) OF THE TOWN TAX CODE BY ADOPTING LOCAL OPTION V OF THE MODEL CITY TAX CODE ESTABLISHING AN ALTERNATE TAX STRUCTURE FOR CERTAIN SALES/PURCHASES; AND DESIGNATING AN EFFECTIVE DATE

WHEREAS A.R.S. §42-6002 provides a procedure for the levy of transaction privilege taxes by a city or town; and

WHEREAS A.R.S. §9-240 provides that the Town Council shall have control of the finances of the town; and

WHEREAS the Town Council has adopted the Model City Tax Code as defined by A.R.S. §42-6051; and

WHEREAS the Model City Tax Code includes an optional Local Option V allowing for an alternate tax structure for certain sales/purchases; and

WHEREAS the Town Council adopted title 8 of the Marana Town Code, adopting the tax code of the Town of Marana ("Town Tax Code") and any amendments to it via Ordinance No. 96.03, which has been amended from time to time; and

WHEREAS the Town Council finds that it is in the best interests of the community to amend the Town Tax Code to adopt a dedicated one-half cent sales tax for the design and construction, and fixtures, furniture and equipment, for a new multi-generational Community Center and Aquatic Center, and to adopt Local Option V of the Model City Tax Code pursuant to the terms of this ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, AS FOLLOWS:

SECTION 1. The tax rate for all activities taxed in the Town Tax Code, except those activities listed in this Section 1, is hereby increased by one-half cent. The tax rate in each of the following sections of the Town Tax Code shall not be increased pursuant to this ordinance:

- A. Construction Contracting under Town Tax Code Sections 8-415, 8-416, 8-417
- B. Hotel/Motel - Additional Tax under Town Tax Code Section 8-447
- C. Mining under Town Tax Code Section 8-432
- D. Telecommunication Services under Town Tax Code Section 8-470
- E. Utility Services under Town Tax Code Section 8-480

SECTION 2. The Town hereby adopts Local Option V of the Model City Tax Code as follows:

A. Section 8-460 of the Town Tax Code (Retail sales; measure of tax; burden of proof; exclusions) is hereby amended to add paragraph (d) as follows:

**Sec. 8-460. Retail sales: measure of tax; burden of proof; exclusions.**

[paragraphs (a) through (c) remain unchanged]

(d) Notwithstanding the provisions of subsection (a) above, when the gross income from the sale of a single item of tangible personal property exceeds five thousand dollars (\$5,000.00), the two percent (2%) tax rate shall apply to the first \$5,000.00. Above \$5,000.00, the measure of tax shall be at a rate of two percent (2%).

[paragraphs (e) through (g) remain unchanged]

B. Section 8-610 of the Town Tax Code (Use tax: imposition of tax; presumption) is hereby amended to add paragraph (e) as follows:

**Sec. 8-610. Use tax: imposition of tax; presumption.**

[paragraphs (a) through (d) remain unchanged]

(e) Notwithstanding the provisions of subsection (a) above, when the amount subject to the tax for any single item of tangible personal property exceeds five thousand dollars (\$5,000.00), the two percent (2%) tax rate shall apply to the first \$5,000.00. Above \$5,000.00, the measure of tax shall be at a rate of two percent (2%).

SECTION 3. The Town shall establish a separate fund for the design and construction, and fixtures, furniture and equipment, for a new multi-generational Community Center and Aquatic Center and the proceeds from the tax increase adopted by this ordinance shall be placed in this separate fund.

SECTION 4. When the Town Engineer and the Finance Director determine that the Town has collected funds sufficient to substantially complete the design, construction, and financing of the multi-generational Community Center and Aquatic Center, including equipping it with appropriate fixtures, furniture and equipment, pursuant to the sales tax increase set forth in Section 1 of this ordinance, the Finance Director shall notify the Arizona Department of Revenue to cease collection of the increase at the earliest opportunity, in accordance with legal and administrative requirements then in effect.

SECTION 5. If the Town collects more money pursuant to the tax increase adopted by this ordinance than is necessary for the design, construction, financing, and fixtures, furniture and equipment, for the new multi-generational Community Center and Aquatic Center, the Town shall use the excess proceeds for other costs related to the new centers, including but not limited to, operating costs and landscaping.

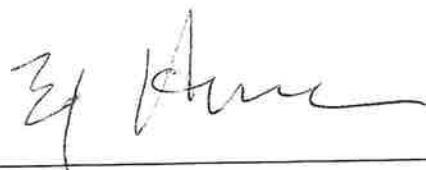
SECTION 6. The various town officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this ordinance.

SECTION 7. All ordinances, resolutions, or motions and parts of ordinances, resolutions, or motions of the Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

SECTION 8. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, the decision shall not affect the validity of the remaining portions of this ordinance.


SECTION 9. This ordinance shall become effective on January 1, 2022.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 19th day of October, 2021.




\_\_\_\_\_  
Mayor Ed Honea

ATTEST:

  
\_\_\_\_\_  
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jane Farrall, Town Attorney