

ORDINANCE NO. 21

AN ORDINANCE TO ESTABLISH AND REGULATE A CITY SALES, USE, AND GROSS RECEIPTS TAX UNDER THE HOME RULE CHARTER OF THE CITY OF PARK RIVER.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PARK RIVER, WALSH COUNTY, NORTH DAKOTA:

SALES, USE, AND GROSS RECEIPTS TAX

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 2.5 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 of the city of Park River, 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 Park River, North Dakota of tangible personal property purchased at retail for storage, use, or consumption in this city, at the rate of 2.5 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 Park River, North Dakota of tangible personal property not originally purchased for storage, use, or consumption in this city at the rate of 2.5 percent 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 2.5 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 2.5 percent.

Exemptions.

This Ordinance does not provide for any additional exemptions from imposition and computation of the city sales and use tax other than those provided by state law and those listed below:

- All sales, storage, use or consumption of tangible property which are exempt from imposition and consumption of the sale or tax of the State of North Dakota are specifically exempt from the provisions of this article.
- The Park River tax ordinance provides exemptions for gross receipts from the sale of farm machinery and farm repair parts.
- Gross receipts from coin operated amusement devices.

Maximum Tax Imposed.

(Repealed by vote of city voters 6-12-2012)

Contract with Tax Commissioner.

The Park River 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.

- 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 percent (20%) 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, and other projects deemed important by the Park River Sales and Use Tax Committee.
- B) Twenty percent (20%) 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 project that will enhance the growth, maintenance, and development of the city of Park River.
- C) Forty percent (40%) for capital improvements and associated debt reduction at First Care Health Center, including but not limited to building improvements, expansions and additions and equipment.
- D) Twenty percent (20%) for park systems improvements, maintenance, and development of Park River Parks and Recreation properties and programs including, but not limited to the current park systems and complexes, youth programs, and future development and/or expansion projects of the Parks and Recreations Department.

Insert the dedication language if applicable.

Dispersal of Funds.

Funds collected from 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 recommendations of the Committee as to the utilization of these funds provided the recommendations are for lawful purposes and the accordance with the terms of the ordinance.

Funds may only be dispensed the year following the year in which they are 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.

Effective Date.

This Ordinance shall take effect after its passage, approval, and publication, but not prior to January 1, 2025.

Dated this 9th day of December, 2024.

CITY OF PARK RIVER, ND

By 
Dan Stenvold, Mayor

ATTESTED TO:

By 
Nancy Thompson, City Coordinator/Auditor

First Reading: 11/12, 2024

Second Reading and Passage: 12/09, 2024

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