

## **ORDINANCE NO. 417**

**AN ORDINANCE AMENDING ORDINANCE NO. 383 REGARDING A CITY LODGING, RESTAURANT, AND MOTOR VEHICLE RENTAL TAX WITHIN THE CITY OF BEULAH, MERCER COUNTY, NORTH DAKOTA.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEULAH, MERCER COUNTY, NORTH DAKOTA, AS FOLLOWS:**

- I. Beulah City Ordinance No. 383 and any and all City of Beulah Resolutions regarding a city lodging, restaurant, and motor vehicle rental tax within the City of Beulah, Mercer County, North Dakota, are hereby rescinded, repealed, and re-enacted as follows:
  1. The City Lodging Tax Imposed. There is hereby imposed a tax of 2% upon the gross receipts of retailers on the leasing or renting of hotel, motel, or tourist court accommodations within the City for periods of less than 30 consecutive calendar days or one month. The tax imposed by this section shall be in addition to the state sales tax on rental accommodations as provided in N.D.C.C. Chapter 57-39.2. All proceeds must be deposited in the City Visitors' Promotion Fund and spent only as provided in Chapter 40-57.3 of the North Dakota Century Code.
  2. City Lodging and Restaurant Tax Imposed. There is hereby imposed an additional tax of 1% upon the gross receipts of retailers on the leasing or renting of hotel, motel, or tourist court accommodations within the City for periods of less than 30 consecutive calendar days or one month and 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 tax. For purposes of this section "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. Accommodations, food and beverages may all, each, or in any combination be subjected to the tax

under this section, if all items in any category which are taxable under state tax law are taxable, except as otherwise provided by Chapter 40-57.3 of the North Dakota Century Code. The tax imposed under this section is in addition to state sales taxes on rental accommodations and restaurant sales. All proceeds must be deposited in the City Visitors' Promotion Capital Construction Fund and spent only as provided in Chapter 40-57.3 of the North Dakota Century Code.

3. City Motor Vehicle Rental Tax Imposed. There is hereby imposed a tax of 1% upon the gross receipts of a retailer on the rental of any motor vehicle for fewer than thirty days if that motor vehicle is either delivered to a renter at an airport or delivered to a renter who was picked up by the retailer at an airport. For the purposes of this section, "motor vehicle" means a motorized passenger vehicle designed to be operated on highways and "retailer" means a company for which the primary business is the renting of motor vehicles for periods of fewer than 30 days. The tax imposed under this section is in addition to state sales taxes on rental motor vehicles for fewer than 30 days. All proceeds must be deposited in the City Visitors' Promotion Fund and spent only as provided in Chapter 40-57.3 of the North Dakota Century Code.
4. Visitors Committee Established. There is hereby established a visitors committee. The visitors committee shall serve as an advisory committee to the City Council of the City of Beulah in administering the proceeds from the taxes established herein. The City Council shall annually set the budget, if any, under which the visitors committee shall operate.
  - a. Visitors Committee Members. The visitors committee shall consist of five members appointed by the City Council of the City of Beulah. The visitors committee shall consist of the following:

- i. One representative of the Beulah City Council. This may be the Mayor, a City Council Member, or a City Official;
  - ii. One board member from the Beulah Convention & Visitor Bureau;
  - iii. One board member from the Beulah Chamber of Commerce;
  - iv. The remaining two positions shall be filled with two of the following: Board member of the Beulah Park Board; Board member of the Beulah Job Development Authority; Board member of the Mercer County Fair Board; or an at large City of Beulah resident. Only one visitors committee member may be appointed from any one entity or at large.
- b. Compensation of Visitors Committee Members. The appointed visitors committee members shall serve without compensation, except for reimbursement for necessary expenses.
- c. Term. Committee members shall service for a term of four years, except that two of those initially appointed must be appointed for an initial term of two years.
- d. Vacancies. Vacancies on the visitors committee must be filled in the same manner as the initial appointment.
- e. Officers. The visitors committee shall elect a chairperson and vice chairperson from among its members to serve for a term of two years.
5. Proceeds from Tax. The City Council of the City of Beulah may contract with any person, firm, association, corporation, or limited liability company to carry out the purposes of the City Visitors Promotion Fund or the City Visitors Promotion Capital Construction Fund. The City Council may irrevocably dedicate any portion of revenues from the tax authorized by Section 2 herein and may authorize and

issue bonds or other evidences of indebtedness in the manner prescribed by N.D.C.C. § 40-35-08 to be paid by those revenues for any purpose that moneys in the City Visitors Promotion Capital Construction Fund may be used. Such tax upon being pledged to payment of bonds or evidences of indebtedness issued pursuant to this section may not be reduced or repealed by the City Council or by the electors of the City by any initiated amendment to or referendum of the ordinance referred to in Section 2 and N.D.C.C. § 40-57.3-01.1, so long as any of such bonds or evidences of indebtedness remain outstanding. The proceeds from the tax imposed under Section 1 may not be used for any type of capital construction or purchase of real property. The proceeds from the tax imposed in Section 2 may be used only for payment of bonds issued, and the costs of issuance related thereto, under this section or for tourism or capital construction, maintenance, and repair or acquisition of property consistent with the purposes of this ordinance.

6. Severability. All ordinances or parts of ordinances in conflict herewith are hereby rescinded and repealed.
6. Effective Date. This Ordinance shall be in full force and effect upon its final passage.
7. Savings Clause. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

DATED this 21st day of March, 2016.

  
DARRELL BJERKE  
Mayor

ATTEST:

  
HEATHER FEREBEE  
City Auditor

Introduction and First Reading: March 7, 2016

Second Reading: March 21, 2016

Final Passage: March 21, 2016