

Ordinance No 142

AN ORDINANCE RELATING TO A SALS AND USE TAX PURSUANT TO THE HOME RULE CHARTER OF THE CITY OF MICHIGAN CITY

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MICHIGAN CITY, NELSON COUNTY, NORTH DAKOTA:

Section 1: Definitions

All terms as defined in chapters 57-39.2 and 57-40.2 NDCC, including any future amendments, are adopted by reference. All references to the North Dakota Century code include amendments adopted by the legislature of the State of North Dakota.

Section 2 Sales Tax Imposed.

Except as otherwise provided in this chapter, a tax of one (1) percent is imposed upon the gross receipts of retailers from all retail sales with in the corporate limits of the city of Michigan City, North Dakota. Such sales tax shall parallel the State of North Dakota sales and use tax law. All of the exemptions applicable for State sales and use tax law apply to the Michigan City sales and use tax including exemptions for tax-exempt entities (schools, counties, state agencies, etc.). Such sales tax shall be applied to the following:

1. Tangible personal property, consisting of goods, wares or merchandise.
2. Communications services.
3. Ticket or admissions to places of amusement or entertainment or athletic events, including amounts charged for participation in an amusement, entertainment, or athletic activity, and including the playing of any machine for amusement, or entertainment in response to the use of a coin.
4. Magazines and other periodicals.
5. The leasing or renting of a hotel or motel or tourist court of accommodations.
6. The leasing or renting of tangible personal property, the transfer of title to which has not been subjected to a retail sales tax under this chapter.
7. Sales of alcoholic beverages and tobacco products as defined in Section 57-39.2-03.2 NDCC

Section 3 Use Tax Imposed

Except as otherwise provided in this chapter, a use tax of one (1) percent is imposed on the storage, use or consumption in the city of Michigan City.

1. The purchase price of tangible personal property, which was not originally purchased for storage, use or consumption with the city.
2. The fair market value of tangible personal property that was not originally purchased for storage, use or consumption in the city, at the time which it is brought into this City.
3. Alcoholic beverages and tobacco products that are stored, used or consumed in this city, as provided in Section 57-39.2-03.3 NDCC.
4. the purchase price of tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in Section 57-40.2-03.3 NDCC. This tax applies only to bids submitted on or after October 1, 2001.

Section 4 Exemptions

All sales, storage, use or consumption of tangible personal property, which are exempt from imposition, and consumption of the sales or use tax of the State of North Dakota are specifically exempt from the provisions of the article.

Section 5 Maximum Tax Imposed

No single transaction involving one or more items is subject to a tax in excess of Twenty-Five Dollars (\$25.00)

Section 6 Contract With State Tax commissioner.

The city auditor for the city of Michigan 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 the commissioner and in the absence of a valid contract with the commissioner or failure of the commissioner to perform the delegated duties, shall perform these duties in place of the commissioner.

Section 7 Collection and Administration.

The Tax commissioner and city Auditor for the city of Michigan city shall have powers enumerated in the provisions of chapter 57-39.2 NDCC and chapter 57-40.2 NDCC relating to the collection and administration of the State Sales and use tax, including all administrative rules adopted by the Tax commissioner. The Tax commissioner is authorized to establish rate tables integrating the tax imposed by this chapter with other state, county, and city taxes.

Section 8 Corporate Officer Liability

If a corporation required to hold a permit issued under this chapter fails for any reason to file the required returns or to pay the tax due, the President, vice President, Secretary, or Treasurer of the corporation, jointly or severally, having control, or supervision of, or charged with the responsibility for making the returns and payments are personally liable for the failure. The dissolution of a corporation shall not discharge an officer's liability for the failure of the corporation to make a return or remit the tax due. The sum due for the liability may be assessed and collected pursuant to the provisions of this chapter for the assessment and collection of other liabilities.

If the corporate officers elect not to be personally liable for the failure to file the required returns or to pay the tax due, the corporation must be required to make a cash deposit or post with the tax commissioner a bond or undertaking executed by a surety company authorized to do business in this state. The cash deposit, bond, estimated annual sales tax liability of the corporation.

Section 9 Dedication of Tax Proceeds

All revenues raised and collected under this Ordinance, less administrative expenses, shall be dedicated only to community development fund, to be known as the Michigan city Community Development fund, separate and apart from all other funds, except as provided by this section.

The revenue contained in such fund shall be used for community and economic development projects, and may be used for projects developing and enhancing the general welfare of the community including, but not limited to, such projects for health, recreation, business and commerce expansion and retention, community promotion and other projects that will enhance the growth, maintenance and development of the Michigan city area.

Current distribution plans from the Michigan city community Development funds are as follows:

Michigan City Job development Authority	60%
Michigan City Revitalization fund	15%
Michigan Volunteer Ambulance Service	10%
Michigan City Park Board	5%
Michigan City Golf Course	5%
Michigan City Service Club	5%

Section 10 Saving Clause

Should any section, paragraph, sentence, clause or phrase of the Ordinance be declared unconstitutional, or invalid for any reason, the remainder of this Ordinance shall not be affected thereby.

Section 11 Effective Date

This ordinance shall take effect and be in force from and after final passage, and due publication according to law. The tax will be implemented on October 1, 2001

Timothy Anderson – Acting Mayor

Attested To

Jay Haugen – City Auditor

First Reading: July 19, 2001

Second Reading: July 30, 2001

Final Passage: July 30, 2001