

SAHUARITA ORDINANCE NO. 2023-170

AN ORDINANCE OF THE TOWN OF SAHUARITA, ARIZONA, AMENDING THE CITY TAX CODE TO ADOPT A LOCAL USE TAX OF TWO PERCENT AND BY DESELECTING MODEL OPTIONS #13 AND #15 AND ADOPTING LOCAL OPTIONS #Z, #HH, and #PP; AND INCREASING THE TRANSACTION PRIVILEGE TAX RATE OF TAXATION ON UTILITIES FROM TWO PERCENT TO FOUR PERCENT; PROVIDING FOR SEVERABILITY; AND DESIGNATING AN EFFECTIVE DATE.

WHEREAS, the Mayor and Council have determined that the establishment of a use tax as provided by the Model City Tax Code is a part of a change to the transaction privilege tax structure and that an increase in the transaction privilege tax rate as set forth in this Ordinance is necessary for the support and maintenance of the its governmental operations.

WHEREAS, the Town of Sahuarita desires to enact the noticed changes, pursuant to the Model City Tax Code, by (1) withdrawing Local Options #13 and #15, selecting Local Options #Z, #HH, and #PP; and (2) increasing the Transaction Privilege Tax Rate of Taxation on utilities from two percent (2%) to four percent (4%); and

WHEREAS, pursuant to A.R.S. § 9-499.15, the Notice of Intent to amend the Sahuarita Town Tax Code by adopting the schedule of the proposed new charge and the schedule of the proposed increase tax on a business and the written report or data that supports the new tax and to increase the tax on business was posted by the Town via its website on October 5, 2023; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Sahuarita, Arizona, as follows:

Section 1. The recitals set forth above are hereby incorporated as if fully set forth herein.

Section 2. The Town Code is hereby amended by amending Chapter 3.05 Privilege and Excise Taxes, Chapter 3.05.030 Appendix II amendment to Model Cities Tax Code, withdrawing Model Option Nos. 13 and 15 of the Model City Tax Code, as follows(deleted text appears in ~~strikeout~~):

* * *

~~F. Option No. 13, do not allow tax credit against utility tax for franchise fees paid the city, amending Article IV, Section 480(d) and Regulation 350.2(e)(3)(A).~~

G. ~~Option No. 15, do not impose a use tax, amending Article IV, Sections 270(f), 300(a)(2), 415(b)(B), 416(c)(1)(A)(ii), and 417(e)(1)(A)(ii), Article VI, and Regulations 115.1(f), 300.1(a)(4), 350.2(e)(6), and 520.1(a)(6).~~

Section 3. The Town Code is hereby amended by amending Chapter 3.05 Privilege and Excise Taxes, Chapter 3.05.040 Appendix III amendment to Model Cities Tax Code, selecting the following Local Options of the Model City Tax Code (new text in ALL CAPS):

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- D. LOCAL OPTION #Z – EXEMPT SALES/PURCHASES OF COLLEGE TEXTBOOKS, AMENDING ARTICLE IV, SECTION 660(W).
- E. LOCAL OPTION NO. HH – EXEMPT FROM USE TAX CERTAIN CHARITABLE DONATIONS, AMENDING ARTICLE IV, SECTION 660(Y).
- F. LOCAL OPTION NO. PP – EXEMPT SALES OF ELECTRICITY OR NATURAL GAS TO MANUFACTURING OR SMELTING OPERATIONS OR A BUSINESS THAT OPERATES AN INTERNATIONAL OPERATIONS CENTER IN THIS STATE AND THAT IS CERTIFIED BY THE ARIZONA COMMERCE AUTHORITY PURSUANT TO A.R.S. § 41-1520, AMENDING ARTICLE IV, SECTION 480(K).

Section 4. The Town Code is hereby amended by amending the transaction privilege tax and use tax rates in Chapter 3.05 Privilege and Excise Taxes, Chapter 3.05.060 Tax Rate Table, as follows (deleted text appears in ~~strikeout~~; new text in ALL CAPS and in **bold**):

Region/City Code:	SA
County Code:	PMA

Tax Classification	Model City Tax Code Provision	Applicable Model Options	Applicable Local Options	Business Code	Tax Rate
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Retail Sales	IV-465	10	Z, AA	017	2.00
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Utilities	IV-480	13	GG, PP	004	24.00
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Use Tax PURCHASES	IV-600 et al. <u>VI-610</u>	15	<u>Z, AA,</u> <u>HH, PP</u>	N/A <u>029</u>	<u>2.00</u>
USE TAX FROM INVENTORY	<u>VI-610</u>		<u>Z, AA,</u> <u>HH, PP</u>	<u>030</u>	<u>2.00</u>

Section 5. The intent of the Council in adopting this ordinance is to dedicate the incremental funds generated by tax increase on utilities to the Town’s HURF Fund.

Section 6. If any section, subsection, sentence, clause, phrase or portion of this Ordinance, or any part of this amendment to the Tax Code, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 7. The City Clerk is hereby directed to publish this ordinance upon adoption as required by A.R.S. §§ 9-812 and 9-813.

Section 8. The provisions of the Ordinance shall take effect on March 1, ~~2023~~. 2024

PASSED AND ADOPTED by the Mayor and Council of the Town of Sahuarita, Arizona, this 11th day of December 2023.

Tom Murphy

Mayor Tom Murphy

CERTIFICATION OF RECORDING OFFICER

State of Arizona)
County of Pima) ss.

I, the undersigned, Lisa Cole, MMC, being the duly appointed, qualified Town Clerk of the Town of Sahuarita, Pima County, Arizona, certify that the foregoing Ordinance is a true, correct, and accurate copy of Ordinance No. 2023-170, passed and adopted at a Voting Meeting of the Council of the Town of Sahuarita, Pima County, Arizona, held on the 11th day of December 2023, at which a quorum was present and by 7-0 vote, all _____ voted in favor of the said ordinance.

Given under my hand and sealed this 11th day of December 2023.

SEAL:



Lisa Cole

Lisa Cole, MMC
Town Clerk

*12/12/2023 Town Clerk Note:
Scrivener's error - date listed as March 1, 2023 should be March 1, 2024.

Lisa Cole

Lisa Cole, Town Clerk

APPROVED AS TO FORM:

Jon M. Paladini

Jon Paladini, Town Attorney