

CHAPTER NINETEEN TAXATION

ARTICLE 1 City Sales and Use Tax

- 19.0101 Definitions
- 19.0102 Sales Tax Imposed
- 19.0103 Use Tax Imposed
- 19.0104 Exemptions
- 19.0105 Maximum Tax Imposed
- 19.0106 Tax Returns and Information Reports
- 19.0107 Tax Payments; Collections; Penalties
- 19.0108 Tax Administrator
- 19.0109 Corporate Officer Liability
- 19.0110 Deduction to Reimburse Retailer for Administrative Expenses
- 19.0111 Dedication of Tax Proceeds
- 19.0112 Penalties
- 19.0113 Tax Commencement
- 19.0114 Termination

ARTICLE 2 Lodging and Restaurant Tax

- 19.0201 City Lodging and Restaurant Tax-Imposition, Amount and Disposition
- 19.0202 City Visitors' Promotion Fund
- 19.0203 Budget, Contracts, Bonds and Capitol Construction
- 19.0204 Effective Date
- 19.0205 Maximum Tax

Article 1 City Sales and Use Tax

19.0101 Definitions

All terms defined in chapter 57-39.2 and chapter 57-40.2 of the North Dakota Century Code (NDCC), including all future amendments, are adopted by reference and incorporated herein.

19.0102 Sales Tax Imposed: Amended 7/1/2013

Except as otherwise provided in this chapter, a tax of one and one-half percent (1 1/2 %) is imposed upon the gross receipts of retailers from all sales at retail including the leasing or renting of tangible personal property as provided in this section, within the corporate limits of the City of Hazen, North Dakota, of the following to consumers or users:

1. Tangible personal property, consisting of goods, wares or merchandise, including mobile homes.
2. The furnishing or service of communication services or steam other than steam used for processing agriculture products.
3. Tickets 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 furnishing of bingo cards and playing of any machine for amusement or entertainment in response to the use of a coin. The tax imposed by this section applies only to eight percent (80%) of the gross receipts collected from coin-operated amusement devices.
4. Magazines and other periodicals.
5. The leasing or renting of a hotel or motel or tourist court accommodations.
6. The leasing or renting of tangible personal property, the transfer of title to which has not been subjected to a retail sales or use tax under this chapter.
7. Sales of alcoholic beverages and tobacco products as defined in Section 57-39.2- 03.2 NDCC.
8. Furnishing and installment or attachment to real property in this state by a contractor or a subcontractor who is a retailer of drapes, hardware for hanging drapes, or carpet for floor covering.
9. Sales through vending machines to the extent taxable by the State under Section 57-39.2-03.3 NDCC.

19.0103 Use Tax Imposed: Amended 7/1/2013

Except as otherwise provided in this chapter, an excise tax of one percent (1 ½%) is imposed on the storage, use, or consumption in the City of Hazen on:

1. The purchase price of tangible personal property, including mobile homes, purchased at retail for storage, use, or consumption within the city.
2. The fair market value of tangible personal property, including mobile homes, which 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 which are stored, used or consumed in this city, as provided in Section 57-40.2-03.2 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 the effective date of this chapter.

19.0104 Exemptions

There are specifically exempted from the provisions of this chapter and from the computation of the amount of tax imposed by it the following:

1. All Sales, storage, use, or consumption of tangible personal property which are exempt from imposition and computation of the sales or use tax of the State of North Dakota are specifically exempt from the provisions of this chapter.
2. Farm Machinery
3. Farm Machinery Repair Parts
4. Farm Irrigation Equipment

19.0105 Maximum Tax Imposed

No single transaction by the taxpayer from any one customer involving one or more items is subject to a tax in excess of \$25.00.

19.0106 Tax Returns and Information Reports

The Tax Administrator is authorized to create, publish, and to require the use of, such tax return forms and information reports as are necessary to administer the tax provided for herein. To the extent feasible, these forms shall incorporate or be integrated with the returns and reports required by the State Tax Commissioner under sections 57-39.2 and 57-40.2 NDCC.

19.107 Tax Payments; Collections; Penalties

The tax imposed herein shall be paid and collected as nearly as practical in accordance with the payment, collection and penalty provisions of chapters 57-39.2 and 57-40.2 NDCC.

19.0108 Tax Administrator

The Tax Administrator shall be the City Auditor. However, the City Auditor is authorized to contract with the State Tax Commissioner to enforce this chapter, subject to confirmation of the contract by the City Commission. If the contract is made and confirmed, the tax administrator shall be the State Tax Commissioner as long as the contract remains in force.

19.0109 Corporate Officer Liability

Officers of any corporation required to remit taxes imposed by this chapter are personally liable for the failure of the corporation to file required returns or remit required payments. The dissolution of a corporation shall not discharge an officer's liability for a prior failure of the corporation to make a return or remit the tax due. The tax, penalty, and interest due may be assessed and collected pursuant to the provisions adopted by this chapter.

19.0110 Deduction to Reimburse Retailer for Administrative Expenses

1. A retailer who pays the tax due hereunder within the time limitations prescribed may deduct and retain three percent (3%) of the tax due.
2. The aggregate of deductions allowed by this section may not exceed two hundred fifty and no/100 dollars (\$250.00) per quarterly period for each business location required to remit sales tax hereunder.
3. The deduction allowed retailers by this section is to reimburse retailers for expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying information to the Auditor and Commissioner upon request.

19.0111 Dedication of Tax Proceeds: Amended 2/19/2024

All revenues raised and collected under this article, less administrative expenses, shall be placed in a separate sales and use tax fund which shall be dedicated exclusively as follows:

1. Property tax relief and infrastructure improvements – 33.34%
 - a. Effective 1/2/2024, the City Commission adopted a guideline for use of sales tax funds for improvement projects that are to be funded, in part, by special assessments on real property. The sales tax funding for such projects shall be based on the following:

Project Cost	Sales Tax Funds Pledged
\$0 - \$250,000	20% of total cost of project
\$250,001 - \$500,000	15% of total cost of project
\$500,001 or greater	10% of total cost of project
 - b. This guideline is to be re-evaluated, confirmed or changed at the reorganizational meeting held every even numbered year following the elections of the board of commissioners.
2. Economic Development – 33.33%
3. Hazen Parks & Recreation – 33.33%

This portion of the sales and use tax goes into effect no sooner than sixty (60) days after the final date of adoption or immediately upon approval of the State of North Dakota Tax Department for collection and distribution purposes after the sixty (60) days. The tax will be distributed to the Park District of Hazen under a Joint Powers Agreement. The tax must equal 100%.

19.0112 Penalties

1. If any person fails to file a return or corrected return or to pay any tax within the time required by this chapter or, if upon audit, is found to owe additional tax, such person shall be subject to a penalty as established in section 57-39.2-18(1) of the North Dakota Century Code. Such penalty may be imposed by the Municipal Court of the City of Hazen or any other court of competent jurisdiction.

2.The certificate of the Auditor, or where applicable, the North Dakota State Tax Commissioner to the effect that a tax has not been paid, that a return has not been filed, or that information has not been supplied pursuant to the provisions of this chapter, shall be prima facie evidence thereof.

3. Any person failing to comply with any of the provisions of this chapter or failing to remit within the time herein provided the tax due on any use, sale or purchase of tangible personal property subject to said sales and use tax shall, in addition to penalties imposed hereinabove, be subject to a fine, upon conviction in the Municipal Court, not to exceed five hundred dollars (\$500.00).

19.0113 Tax Commencement

The taxes imposed herein shall apply to sales and uses from and after the 1st day of April, 1995.

19.0114 Termination: Amended 12/15/1994: Amended 7/1/2013

1. One-half percent (1/2%) of the sales and use tax terminates June 13, 2023, or sooner if the repairs and improvements to the Hazen Swimming Pool are completed as set forth in a separate Joint Powers Agreement between the City of Hazen and the Park District of the City of Hazen.

2. This ordinance shall be in full force and effect from and after its final passage, approval and publication.

Article 2 Lodging and Restaurant Tax: Added 10/1/2001

19.0201 City Lodging and Restaurant Tax – Imposition, Amount and Disposition: Amended 02/18/2010

By virtue of section 40-57.3-01 N. D.C.C., there is imposed a tax of two percent 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 thirty consecutive calendar days or one month

In addition, the existing one percent lodging tax and one percent upon the gross receipts of a restaurant, together known as the "hospitality tax", from any sales of prepared food or beverage imposed by virtue of section 40-57.3-01.1, not including alcoholic beverages for consumption off the premises where purchases, which are subject to state sales tax, shall remain in effect.

All other provision of the existing Section 1 not modified as above are reenacted and adopted as previously adopted.

19.0202 City Visitors' Promotion Fund.

There is established a City Visitors' Promotion Capital Construction Fund and a Visitors' Committee. The Visitors' Committee shall serve as an Advisory Committee to the City Commission in administering the proceeds from the taxes available to the city under this article. The moneys in the

Visitors' Promotion Capital Construction Fund must be used generally for tourism or the purchase, equipping, improving, construction, maintenance, repair and acquisition of buildings or property consistent with the visitor attraction or promotion. The committee shall consist of five members appointed by the City Commission.

These appointees shall serve without compensation, except for reimbursement for necessary expenses. Committee members shall serve for a term of four years, except that two of those initially appointed must be appointed for an initial term of two years. Vacancies must be filled in the same manner as the initial appointment. The committee shall elect a chairperson and vice-chairperson from among its members to serve for a term of two years.

19.0203 Budget – Contracts, Bonds, and Capital Construction

The City Commission shall annually set the budget, if any, under which the committee shall operate. The City Commission may contract with any person, firm, association, corporation or limited liability company to carry out the purposes of the City Visitors' Promotion Capital Construction Fund created under section 2. The City Commission may irrevocably dedicate any portion of revenues from the tax authorized herein and may authorize and issue bonds or other evidences of indebtedness in a manner prescribed by section 40-35-08 of the North Dakota Century Code to be paid by those revenues for any purpose that moneys in the City Visitors' Promotion Capital Construction Fund may be used; and 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 Commission or by the electors of the city by any initiated amendment to or referendum of the ordinance establishing section 1, so long as any of such bonds or evidences of indebtedness remain outstanding. The proceeds from the tax imposed under section 1 may be used only in a manner consistent with the purpose of this article.

19.0204 Effective Date

This article becomes effective sixty days from the date of its adoption by the Hazen City Commission.

19.0205 Maximum Tax

The tax imposed under this article may not exceed one percent.