

**ORDINANCE NO. 2014-16**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, *BUSINESS REGULATIONS*, CHAPTER 3-05, *PRIVILEGE AND EXCISE TAXES*, IS HEREBY AMENDED BY ADOPTING “THE 2014 USE TAX ADOPTION AND RELATED CITY TAX CODE AMENDMENTS” AS SET FORTH IN THAT PUBLIC RECORD ON FILE WITH THE CITY CLERK; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE**

**RECITALS:**

WHEREAS, the City of Flagstaff imposes a local transaction privilege tax on the gross income received from engaging in certain business within the City limits, as set forth in Chapter 3-05 of the City Code (the City Tax Code); and

WHEREAS, the City Council finds that adoption of a use tax will have the indirect effect of encouraging purchase of goods from local businesses versus businesses outside City limits which are not subject to the City transaction privilege tax;

WHEREAS, the City Council further finds that adoption of a use tax will generate tax revenues to help replace tax revenues being lost as a result of changes in state laws (preemption of local tax collection authority and new tax exemptions mandated by the State Legislature);

**ENACTMENTS:**

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:**

SECTION 1. In General.

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-05, *Privilege and Excise Taxes*, is hereby amended by adoption of the amendments set forth in that document known as “The 2014 Use Tax Adoption and Related City Tax Code Amendments,” declared a public record by Resolution No. 2014-24 and on file with the City Clerk.

SECTION 2. Penalties.

Any person convicted of a violation of the City Code as amended by this ordinance is guilty of a class one misdemeanor and shall be fined a sum not to exceed two thousand five hundred dollars (\$2,500.00) and may be sentenced to confinement in jail for a period not to exceed six (6) months for any one offense, all in accordance with Section 3-05-005-0580, *Criminal Penalties*, of the City Code, and may owe interest and penalties pursuant to Section 3-05-005-0540, *Interest and Civil Penalties*, of the City Code. Any violation which is continuing in nature shall constitute a separate offense on each successive date the violation continues, unless otherwise provided.

**SECTION 3. Repeal of Conflicting Ordinances.**

All ordinances and parts of ordinances in conflict with the provisions of this ordinance or any part of the code adopted herein by reference are hereby repealed.

**SECTION 4. Severability.**

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference 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 5. Clerical Corrections.**

The City Clerk is hereby authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary, related to this ordinance as amended herein, and to make formatting changes needed for purposes of clarity and form, or consistency within thirty (30) days following adoption by the City Council.

**SECTION 6. Effective Dates.**

This ordinance and City Code amendments adopted herein shall be effective from and after October 1, 2014.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this 15<sup>th</sup> day of July, 2014.

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MAYOR

ATTEST:

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CITY CLERK

APPROVED AS TO FORM:

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CITY ATTORNEY