

HAILEY ORDINANCE NO. 1133

AN ORDINANCE OF THE CITY OF HAILEY, IDAHO, AMENDING ORDINANCE NO. 950, WHICH PROVIDES FOR THE IMPOSITION OF LOCAL OPTION TAXES; AMENDING SECTIONS 5.32.030, 5.32.040 AND 5.32.050 OF THE HAILEY MUNICIPAL CODE TO PROVIDE FOR AN ADDITIONAL ONE PERCENT (1%) TAX ON RENTAL VEHICLES AND HOTEL-MOTEL OCCUPANCY FOR FIVE (5) YEARS; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City of Hailey is authorized to collect local option taxes pursuant to Hailey Ordinance Nos. 950 and 1035;

WHEREAS, the City of Hailey has determined it is in the best interest of the public to amend Ordinance No. 950 to provide for an increase to the local option non-property tax for the purpose of maintaining and increasing commercial air service; and

WHEREAS, on November 5, 2013, the voters of the City of Hailey approved of the adoption of Hailey Ordinance No. 1133 with an affirmative vote by 66.1% of the voters.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF HAILEY, IDAHO:

Section 1. Section 5.32.030 of the Hailey Municipal Code is amended by the addition of the underlined language and by the deletion of the stricken language, as follows:

5.32.030 Imposition of Certain Non-Property Taxes. The City hereby imposes and shall collect certain non-property taxes as follows:

(A) Rental Vehicle Tax: A tax is hereby imposed at the rate of ~~three~~ four percent (34%) on the Rental Vehicle Charge for each Rental Vehicle rented or leased within the City. The Rental Vehicle tax shall apply to and be computed on the rental of all Rental Vehicles including all credit, installment, conditional or similar rental or lease fees at the time the Rental Vehicle Charge is charged. The Rental Vehicle tax shall be collected by the owner or his authorized agent from the renter or lessee.

(B) Hotel-Motel Occupancy Tax: A tax is hereby imposed at the rate of ~~three~~ four percent (34%) on the Room Occupancy Charge for each Hotel-Motel room or living unit rented or leased within the City. The Hotel-Motel occupancy tax shall apply to and be computed on the rental of all Hotel-Motel rooms including all credit, installment, conditional or similar rental or lease fees at the time the Room Occupancy Charge is charged. The Hotel-Motel occupancy tax shall be collected by the owner of the Hotel-Motel or his authorized agent from the renter or lessee.

(C) Liquor By-The-Drink Tax: A tax is hereby imposed at rate of two percent (2%) of the Sales Price upon each Retail Sale of Liquor By-The-Drink within the City. The tax shall apply to and be computed on all Retail Sales of Liquor By-The-Drink including credit, or similar sales at the time of the sale. The Liquor By-The-Drink tax shall be collected by the retailer from the consumer.

(D) Restaurant Food Tax: A tax is hereby imposed at rate of one percent (1%) of the Sales Price upon each Retail Sale of Restaurant Food within the City. The tax shall apply to and be computed on all Retail Sales of Restaurant Food including credit, or similar sales at the time of the sale. The Restaurant Food tax shall be collected by the retailer from the consumer.

(E) Fractional Portion: When the Sales Price involves a fraction of a dollar, the non-property tax shall be collected on that fractional portion of the price adding thereto the tax based upon the following bracket system:

Rental Vehicle and Hotel-Motel Occupancy Taxes (~~3~~4%)

<u>\$0.01</u>	to	<u>\$0.19</u>	<u>\$0.00</u>
<u>.20</u>	to	<u>.39</u>	<u>0.01</u>
<u>.40</u>	to	<u>.59</u>	<u>0.02</u>
<u>.60</u>	to	<u>.79</u>	<u>0.03</u>
<u>.80</u>	to	<u>.99</u>	<u>0.04</u>
\$0.01	to	\$0.24	\$0.00
.25	to	.49	0.01
.50	to	.74	0.02
.75	to	.99	0.03

(Each whole dollar \$0.~~03~~04)

Liquor By-The-Drink Tax (2%)

\$0.01	to	\$0.33	\$0.00
.34	to	.66	0.01
.67	to	.99	0.02

(Each whole dollar \$0.02)

Restaurant Food Tax (1%)

\$0.01	to	\$0.49	\$0.00
.50	to	.99	0.01

(Each whole dollar \$0.01)

The retailer shall calculate the tax upon the entire amount of purchases of the consumer made at a particular time subject to this ordinance, and not separately upon each item purchased. The retailer may retain any amount collected under the bracket system which is in excess of the amount of tax for which he is liable to the City during the period as compensation for the work of collecting the tax.

(F) Monies Collected Held in Trust: All monies collected and/or retained under the provisions of this ordinance shall be held in trust for the City and for payment thereof to the City Clerk in the manner and at the times in this ordinance provided.

Section 2. Section 5.32.040 of the Hailey Municipal Code is amended by the addition of the underlined language and by the deletion of the stricken language, as follows:

5.32.040 Duration of Taxes. ~~Except as otherwise provided herein, the non-property taxes authorized and collected under this ordinance are hereby imposed for a duration of twenty (20) years from the effective date of this ordinance. The one percent (1%) increase authorized by Ordinance 1133 for the non-property taxes collected for Rental Vehicle and Hotel-Motel Occupancy Taxes is hereby imposed for a duration of five (5) years after January 1, 2013.~~

Section 3. Section 5.32.050 of the Hailey Municipal Code is amended by the addition of the underlined language, as follows:

5.32.050 Purposes of Taxes. The non-property tax revenue derived from and collected under this ordinance shall be used for the following purposes:

- (A) Emergency services (rapid response, life saving, traffic enforcement, training, staffing, equipment, vehicles, etc.).
- (B) Maintenance, improvement and acquisition of parks.
- (C) Road repair, transportation enhancements and snow removal.
- (D) City promotion, visitor information, special events and economic development.
- (E) Town improvements (library modernization, sidewalks, town square, etc.).
- (F) Public transit and related improvements.
- (G) Direct cost to administer and enforce this ordinance.

The non-property tax revenue derived from and collected under this ordinance for the one percent (1%) increase for the non-property taxes collected for Rental Vehicle and Hotel-Motel Occupancy Taxes authorized by Ordinance No. 1133 shall be used for the following purposes:

- (A) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees or other inducements to providers;
- (B) promoting and marketing the existing service and any future service to increase passengers;

(C) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to flight diversion(s); and

(D) direct costs to collect and enforce the tax, including administrative and legal fees.

Section 4. If any section, paragraph, sentence or provision hereof or the application thereof to any particular circumstances shall ever be held invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect and applicable to all circumstances to which it may validly apply.

Section 5. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 6. This Ordinance shall be in full force and effect on January 1, 2014, after its passage, approval and publication according to law.

ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR
this _____ day of December, 2013.

Fritz X. Haemmerle, Mayor
City of Hailey

ATTEST:

Mary Cone
Hailey City Clerk

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