

## HAILEY ORDINANCE NO. 1212

AN ORDINANCE OF THE CITY OF HAILEY, IDAHO, AMENDING SECTION 5.32.040 OF THE HAILEY MUNICIPAL CODE TO EXTEND THE ADDITIONAL ONE PERCENT (1%) TAX ON RENTAL VEHICLES AND HOTEL-MOTEL OCCUPANCY FOR FIVE (5) YEARS BEGINNING JANUARY 1, 2019; AMENDING SUBSECTION 5.32.050(B) OF THE HAILEY MUNICIPAL CODE TO SPECIFY THE ORDINANCE AUTHORIZING THE ADDITIONAL ONE PERCENT (1%) TAX ON RENTAL VEHICLES AND HOTEL-MOTEL OCCUPANCY; 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 nonproperty taxes pursuant to Idaho Code § 50-1044 and Chapter 5.32 of the Hailey Municipal Code;

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, and the Hailey City Council amended Hailey Municipal Code Sections 5.32.030, 5.32.040 and 5.32.050;

WHEREAS, the voter approved and adopted Hailey Municipal Code Section 5.32.040 established the term of the increased local-option nonproperty tax for a period of five (5) years for the purpose of promoting commercial air service into the Friedman Memorial Airport. That five (5) year period began on January 1, 2014 and will end December 31, 2018; and

WHEREAS, the City of Hailey has determined it in the best interest of the public to amend Hailey Municipal Code Sections 5.32.040 and 5.32.050 to extend the term of the increased local option non-property tax for another five (5) years beyond that approved through Ordinance No. 1133 and Hailey Municipal Code Section 5.32.040, provided the voters approve of the extension of the local-option nonproperty tax for another five (5) years.

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

**Section 1.** Section 5.32.040 of the Hailey Municipal Code is amended by the deletion of the stricken language and by the addition of the underlined language, as follows:

5.32.040 Duration of Taxes. Except as otherwise provided herein, the nonproperty taxes authorized and collected under this chapter are hereby imposed for a duration of twenty (20) years from the effective date hereof. The one percent (1%) local-option tax increase authorized by ~~ordinance 1133~~ Hailey Ordinance No. 1212 for the nonproperty taxes collected for Rental Vehicle and Hotel-Motel Occupancy Taxes is hereby imposed for a duration of five (5) years after ~~January 1, 2013~~ January 1, 2019.

**Section 2.** Subsection 5.32.050(B) of the Hailey Municipal Code is amended by the deletion of the stricken language and by the addition of the underlined language, as follows:

B. The nonproperty tax revenue derived from and collected under this chapter for the one percent (1%) increase for the non-property taxes collected for Rental Vehicle and Hotel-Motel Occupancy Taxes authorized by ~~ordinance 1133~~ Hailey Ordinance No. 1212 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 3.** 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 4.** All ordinances and parts of ordinances in conflict herewith are hereby repealed.

**Section 5.** This Ordinance shall be in full force and effect on January 1, 2019, after voter approval, passage by the City Council and Mayor, and publication according to law.

ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR  
this 5th day of June, 2017.

  
Fritz X. Haemmerle, Mayor  
City of Hailey

ATTEST:

  
Mary Cone, Hailey City Clerk

Publish: Idaho Mountain Express June 7, 2017



**AGENDA ITEM SUMMARY**

DATE: 03/06/2017 DEPARTMENT: Admin/Legislative DEPT. HEAD SIGNATURE: HD

**SUBJECT:**

Local Option Tax for Air. With Ordinance 1212

**AUTHORITY:**  ID Code \_\_\_\_\_  IAR \_\_\_\_\_  City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

At the February 27, 2017 City Council meeting, Resolution 2017-018 was adopted, which calls a May 16, 2017 election, with the notice of election and ballot language that asks voters to extend the LOT for another five years, with a new 5-year term beginning on January 1, 2019.

The attached Ordinance 1212 is what voters will be voting for or against. Council should adopt this ordinance, and read the first reading. The third and final reading should not be read until after the election, as voters also need to adopt the ordinance before it can be published.

**FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:**

Budget Line Item # \_\_\_\_\_ YTD Line Item Balance \$ \_\_\_\_\_  
Estimated Hours Spent to Date: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_  
Staff Contact: \_\_\_\_\_ Phone # \_\_\_\_\_

**Comments:**

The City of Hailey collects the cost of administrating the tax before forwarding the funds of approximately \$85,000 per year to the Air Service Board for distribution to Fly Sun Valley and the SV Marketing Alliance.

**ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:** (IF APPLICABLE)

___ City Attorney	___ Finance	___ Licensing	___ Administrator
___ Library	___ Community Development	___ P&Z Commission	___ Building
___ Police	___ Fire Department	___ Engineer	___ W/WW
___ Streets	___ Parks	___ Public Works	___ Mayor

**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Motion to approve (amend) (deny) Ordinance No. 1212, which if adopted by voters would amend the term of the 1% LOT for air service for an additional five (5) years, beginning January 1, 2019, and to read the first reading of the ordinance by title only.

**ACTION OF THE CITY COUNCIL:**

Date 3/6 - Council ~~adopted~~ adopted Ord. No. 1212. Mayor conducted 1st Reading by title only.

City Clerk 1st Reading on 5/15/17 - (elections May 16, 2017)

**FOLLOW-UP:**

5/15 - 2nd Reading  
\*Ord./Res./Agrmt./Order Originals: Record  
\*Additional/Exceptional Originals to: \_\_\_\_\_  
Copies (all info.): 6/15 - 3rd Reading  
Copies (AIS only)  
Instrument # \_\_\_\_\_