

ORDINANCE NO. 2019-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, *BUSINESS REGULATIONS*, BY ADOPTING “THE 2019 CITY TAX CODE AMENDMENTS – CODIFICATION OF ELECTION RESULTS” AS SET FORTH IN THAT PUBLIC RECORD ON FILE WITH THE CITY CLERK RELATING TO CODIFICATION OF THE PUBLIC TRANSIT SALES TAX, TRANSPORTATION SALES TAX, AND LONE TREE OVERPASS SALES TAX; PROVIDING FOR USE OF TAX REVENUES, PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING EFFECTIVE DATES

RECITALS:

WHEREAS, the City Charter, Article VI, Section 2(b) provides that the City Council shall have the power to levy a transaction privilege tax subject to approval by a majority of the qualified electors voting in the regularly scheduled General Election;

WHEREAS, the City of Flagstaff has adopted the Model City Tax Code to provide for uniform treatment of transaction privilege and use taxes (Chapter 3-05, *Privilege and Excise Taxes*, of the City Code, hereafter referred to as the “City Tax Code”);

WHEREAS, on November 8, 2016, a majority of the City qualified electors voting in the general election approved Proposition 411, a continuation of a combined 0.295% local transaction privilege tax rate, and designating the proceeds from such tax for public transportation purposes (“Public Transit Sales Tax”) for a ten (10) year period commencing July 1, 2020;

WHEREAS, on November 6, 2018, a majority of the City qualified electors voting in the general election approved Proposition 419, a continuation of a combined 0.426% local transaction privilege tax rate, and designating the proceeds from such tax for roadway, pedestrian, bicycle, and safety improvements (“Transportation Sales Tax”) for a twenty-one (21) year period commencing July 1, 2020, and authorizing the incurrence of debt to accelerate such purposes;

WHEREAS, on November 6, 2018, a majority of the City qualified electors voting in the general election approved Proposition 420, adopting an additional 0.23% local transaction privilege tax rate, and designating the proceeds from such tax for a Lone Tree Railroad Overpass from Butler Avenue to Route 66, along with related pedestrian, bicycle and street connections (“Lone Tree Overpass Sales Tax”) for a twenty (20) year period commencing July 1, 2019, and authorizing the incurrence of debt to accelerate such purposes;

WHEREAS, the City Council hereby desires to amend the City Tax Code in conformance with the City of Flagstaff voter mandates, notice and public hearing regarding such changes having been duly provided;

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 “2019 City Tax Code Amendments – Codification of Election Results,” declared a public record by Resolution No. 2019-01 and on file with the City Clerk.

The City Revenue Director or her designee is hereby directed to immediately provide an executed copy of Ordinance No. 2019-01 and Resolution No. 2019-01 to the Arizona Department of Revenue (“ADOR”) for administration of local taxes.

SECTION 2. Use of Tax Revenues.

Tax revenues generated from the continuation of a combined 0.295% transaction privilege tax rate approved by a majority of the qualified electors of the City voting in the regularly scheduled General Election on November 8, 2016 (who voted “yes” on Ballot Question/Proposition No. 411), shall be used for the purposes of:

- acquiring, constructing, improving, operating, and maintaining equipment and facilities for a public transit system within the City of Flagstaff.

Tax revenues generated from the continuation of a combined 0.426% transaction privilege tax rate approved by a majority of the qualified electors of the City voting in the regularly scheduled General Election on November 6, 2018 (who voted “yes” on Ballot Question/Proposition No. 419), shall be used for the purposes of:

- design, construction, reconstruction, improvement, and maintenance of roadways;
- construction, reconstruction, and maintenance of walkways, bike paths, pedestrian and bicycle crossings;
- technology and signing;
- acquisition of necessary real estate and related interests;
- all incidental costs including relocation costs;
- debt service on debt incurred for such purposes

and authorizing the incurrence of debt to accelerate such purposes.

Tax revenues generated from the 0.23% transaction privilege tax rate increase approved by a majority of the qualified electors of the City voting in the regularly scheduled General Election on November 6, 2018 (who voted “yes” on Ballot Question/Proposition No. 420), shall be used for the Lone Tree Railroad Overpass from Butler Avenue to Route 66, including the following purposes:

- design, construction, reconstruction, improvement, and maintenance of bridges and overpasses, adjacent to streets, highways, walkways, trails and bike paths;
- lighting, landscaping, technology and signing;
- acquisition of necessary real estate and related interests;
- all incidental costs including relocation costs;
- debt service on debt incurred for such purposes

and authorizing the incurrence of debt to accelerate such purposes.

SECTION 3. Penalties.

Any person convicted of a violation of this ordinance is guilty of a 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 the Coconino County jail for a period not to exceed six (6) months for any one offense. Any violation which is continuing in nature shall constitute a separate offense on each successive date the violation continues, unless otherwise provided.

SECTION 4. Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 5. 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 6. Effective Date.

This ordinance shall be effective thirty (30) days following adoption by the City Council. Effective dates for changes to the City Tax Code shall be July 1, 2019 and July 1, 2020 as set forth in that public record known as the "2019 City Tax Code Amendments – Codification of Election Results."

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of February, 2019.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY