

**ORDINANCE NO. (O)14-17**

**AN ORDINANCE OF THE TOWN OF ORO VALLEY, ARIZONA, AMENDING THE TAX CODE OF THE TOWN OF ORO VALLEY TO INCREASE THE LOCAL TRANSACTION PRIVILEGE TAX (TPT) RATE FROM 2% TO 2.5% IN VARIOUS CATEGORIES AND REPEALING ALL RESOLUTIONS, AND RULES OF THE TOWN OF ORO VALLEY IN CONFLICT THEREWITH; PRESERVING THE RIGHTS AND DUTIES THAT HAVE ALREADY MATURED AND PROCEEDINGS THAT HAVE ALREADY BEGUN THEREUNDER**

**WHEREAS**, all Arizona cities and towns have the authority to levy taxes under ARS § 9-240(B)(26); and

**WHEREAS**, the Town has adopted the Model City Tax Code (“Code”) pursuant to Arizona law and incorporated the model language into the Tax Code of the Town of Oro Valley; and

**WHEREAS**, amendments to the Code are required to be made in accordance with ARS § 42-6054; and

**WHEREAS**, on December 3, 2014, staff presented to Town Council the opportunity to acquire the El Conquistador Country Club, golf and tennis facilities (“facilities”) from HSL Properties and turn them into a community center and use the property for municipal purposes; and

**WHEREAS**, if the El Conquistador Country Club, golf and tennis facilities are purchased, it is expected that the operation of these facilities will generate revenues to cover a portion of the annual operating expenses; however, an additional revenue source is necessary to subsidize the operating costs and fund the capital needs of the facility over time; and

**WHEREAS**, to fund the needs of the facilities, the Town proposes an additional revenue source in the form of .50% transaction privilege tax (TPT) increase, raising our current TPT from 2.0% to 2.5% to generate approximately \$1.6 - \$2.0 million annually in additional revenues; and

**WHEREAS**, it is in the best interest of the Town that Council amend the tax code to increase the local transaction privilege tax (TPT) rate from 2% to 2.5% in various categories with an effective date of March 1, 2015.

**BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA:**

**SECTION 1.:** Sections 8A-405; 410; 425; 427; 430; 435; 444; 450; 455; 460; and 475 of the Tax Code of the Town of Oro Valley, attached hereto as Exhibit A and incorporated by reference, is amended to increase the local transaction privilege tax (TPT) rate from 2% to 2.5%.

**SECTION 2.** Council hereby directs that the revenue resulting from this amendment to the Tax Code of the Town of Oro Valley shall be used to meet the needs of the operations of the El Conquistador Country Club, golf and tennis facilities as a community center.

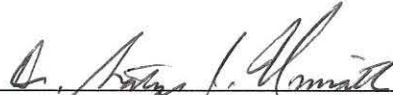
**SECTION 3.** All Oro Valley Ordinances, Resolutions, or Motions and parts of Ordinances, Resolutions, or Motions of the Council in conflict with the provisions of this Ordinance are hereby repealed.

**SECTION 4.** If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the tax 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.** This Ordinance shall not be effective until March 1, 2015, so that the Arizona Department of Revenue will have time to process and implement the terms of this ordinance.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Oro Valley, Arizona, this 17<sup>th</sup> day of December, 2014.

**TOWN OF ORO VALLEY**

  
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Dr. Satish I. Hiremath, Mayor


**ATTEST:**

  
\_\_\_\_\_  
Julie K. Bower, Town Clerk

Date: 12/19/14

PUBLISH: DAILY TERRITORIAL  
DECEMBER 23, 24, 26, 29, 2014

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Tobin Sidles, Legal Services Director

Date: 12/18/14

POSTED: 12/23/14 - 1/22/15

**EXHIBIT "A"**

**AMENDMENTS TO THE  
TAX CODE OF THE TOWN OF ORO VALLEY**

**Section 1. Section 8A-4 of the Tax Code of the Town of Oro Valley is amended to read:**

8A-405 Advertising

a. The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of local advertising by billboards, direct mail, radio, television, or by any other means. However, commission and fees retained by an advertising agency shall not be includable in gross income from local advertising. All delivery or disseminating of information directly to the public or any portion thereof for a consideration shall be considered local advertising, except the following:

...

8A-410 Amusements, Exhibitions, and Similar Activities

a. The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of providing amusement that begins in the Town or takes place entirely within the Town, which includes the following type or nature of businesses:

...

8A-425 Job Printing

a. The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of job printing, which includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

...

8A-427 Manufactured Buildings

a. The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income, including site preparation, moving to the site, and/or set-up, upon every person engaging or continuing in the business activity of selling manufactured buildings within the Town. Such business activity is deemed to occur at the business location of the seller where the purchaser first entered into the

...

8A-430 Timbering and Other Extraction

a. The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the following businesses:

...

8A-435 Publishing and Periodicals Distribution

a. The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business activity of:

...

8A-444 Hotels

The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or lodging space furnished to any:

...

8A-450 Rental, Leasing, and Licensing for Use of Tangible Personal Property

...

a. The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing, licensing for use, or renting tangible personal property for a consideration, including that which is semi-permanently or permanently installed within the Town as provided by regulation in Article 8A-7.

...

8A-455 Restaurants and Bars

a. The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of preparing or serving food or beverage in a bar, cocktail lounge, restaurant, or similar establishment where articles of food or drink are prepared or served for consumption on or off the premises, including also the activity of catering. Cover charges and minimum charges must be included in the gross income of this business activity.

...

8A-460 Retail Sales: Measure of Tax; Burden of Proof; Exclusions

a. The tax rate shall be at an amount equal to two AND A HALF percent (2%) of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail.

...

8A-475 Transporting for Hire

The tax rate shall be at an amount equal to two AND A HALF percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of providing the following forms of transportation for hire from this Town to another point within the State: