

ORDINANCE NO. 964

AN ORDINANCE OF THE TOWN OF PAYSON, ARIZONA, AMENDING THE TOWN TAX CODE TO INCREASE THE TRANSACTION PRIVILEGE TAX RATE OF TAXATION FROM TWO AND EIGHTY-EIGHT ONE HUNDREDTHS PERCENT (2.88%) TO THREE AND EIGHTY-EIGHT ONE-HUNDREDTHS PERCENT (3.88%); PROVIDING FOR SEVERABILITY; PROVIDING FOR PENALTIES AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council have determined that an increase in the transaction privilege tax rate as set forth in this Ordinance is necessary for the support and maintenance of the its governmental operations.

WHEREAS, the Town of Payson may use the Sales Tax Revenues to pay General Obligation Bonds and other authorized expenditures as may be identified and authorized by Mayor and Council at Town Council meetings, Town Hall meetings and through the Town budgetary process.

WHEREAS, the Town of Payson desires to increase the Transaction Privilege Tax Rate of Taxation ("TPT") on businesses from two and eighty-eight one hundredths percent (2.88%) to three and eighty-eight one-hundredths percent (3.88%); and

WHEREAS, pursuant to A.R.S. § 9-499.15, the Notice of Intent to amend the Payson Town Tax Code by adopting the schedule of the proposed increase tax on a business and the written report or data that supports the new tax and to increase the tax on business was posted by the Town via its website on November 29, 2023 and augmented that posting with additional information on December 4, 2023; and

WHEREAS, it is in the best interest of the Town to preserve the health, safety and general welfare by adopting this Ordinance by emergency clause to effectuate the immediate implementation of the TPT increase.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Payson, Arizona, as follows:

Section 1. The recitals set forth above are hereby incorporated as if fully set forth herein.

Section 2. The Town Code is hereby amended by amending Title III Administration, Chapter 37 Tax Code, Section 37.01 Tax Code Adopted by Reference, is amended to read as follows (new text in ALL CAPS):

§ 37.01 TAX CODE ADOPTED BY REFERENCE.

The document entitled "The Town Tax Code of the Town of Payson, Arizona," three copies OR ONE PAPER COPY AND ONE ELECTRONIC COPY of which

are on file in the office of the Town Clerk, is hereby adopted and made a part of this code of ordinances as if fully set out herein AND IS HEREBY DECLARED A PUBLIC RECORD AND SAID COPIES ARE HEREBY ORDERED TO REMAIN ON FILE WITH THE TOWN CLERK. Any person violating any provision of the Tax Code shall be punished as stated in § 10.99 of this code.

Section 3. The Town's Tax Code is hereby amended by amending Title III Administration, Chapter 37 Tax Code, Article IV – Privilege Taxes, Sections 37-400 through 37-585 increasing the tax on businesses from two and eighty-eight one hundredths percent (2.88%) to three and eighty-eight one-hundredths percent (3.88%) as follows: deleted text appears in ~~strikeout~~; new text in ALL CAPS and in bold):

City:		Payson	
City Code:		PS	
Payson Tax Code Sections	Tax Classification	Business Code	Tax Rate
37-405	Advertising	018	2.88% 3.88%
37-410	Amusements	012	2.88% 3.88%
37-415	Contracting – Prime	015	2.88% 3.88%
37-416	Contracting – Speculative Builders	016	2.88% 3.88%
37-417	Construction Contracting – Owner Builder	037	2.88% 3.88%
37-425	Job Printing	010	2.88% 3.88%
37-427	Manufactured Buildings	027	2.88% 3.88%
37-430	Timbering and Other Extraction	020	2.88% 3.88%
37-432	Severance – Metal Mining	019	<u>0.10%</u>
37-435	Publication	009	2.88% 3.88%
37-444	Hotels	044	2.88% 3.88%
37-447	Hotel/Motel (Additional Tax)	144	<u>5.00%</u>
37-445	Commercial Rental, Leasing & Licensing for Use	213	2.88% 3.88%
37-440	Rental Occupancy	040	<u>2.00%</u>
37-450	Rental, Leasing & Licensing for Use	214	2.88% 3.88%
37-455	Restaurants and Bars	011	2.88% 3.88%

37-460; 37-465	Retail Sales	017	2.88% 3.88%
37-462	Retail Sales Food for Home Consumption	062	2.88% 3.88%
	MRRA Amount	315	2.88% 3.88%
37-470	Communications	005	2.88% 3.88%
37-475	Transporting	006	2.88% 3.88%
37-480	Utilities	004	2.88% 3.88%

Section 4. The Council's intent in adopting this ordinance is to dedicate the incremental funds generated by the tax increase to pay General Obligation Bonds and other authorized expenditures as may be identified and authorized by Mayor and Council at Town Council meetings, Town Hall meetings and through the Town budgetary process.

Section 5. If any section, subsection, sentence, clause, phrase or portion of this Ordinance, or any part of this amendment to the Tax Code, 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. The City Clerk is hereby directed to publish this ordinance upon adoption as required by A.R.S. §§ 9-812 and 9-813.

Section 7. Unless otherwise specified, any person found guilty of violating any provision of this Ordinance shall be guilty of a class one misdemeanor pursuant to Section 37.580 of the Town Tax Code, as follows:

Sec. 37-580. Criminal penalties.

- (a) It is unlawful for any person to knowingly or willfully:
- (1) fail or refuse to make any return required by this Chapter.
 - (2) fail to remit as and when due the full amount of any tax or additional tax or penalty and interest thereon.
 - (3) make or cause to be made a false or fraudulent return.
 - (4) make or cause to be made a false or fraudulent statement in a return, in written support of a return, or to demonstrate or support entitlement to a deduction, exclusion, or credit or to entitle the person to an allocation or apportionment or receipts subject to tax.
 - (5) fail or refuse to permit any lawful examination of any book, account, record, or other memorandum by the Tax Collector.
 - (6) fail or refuse to remit any tax collected by such person from his customer to the Tax Collector before the delinquency date next following such collection.
 - (7) advertise or hold out to the public in any manner, directly or indirectly, that any tax imposed by this Chapter, as provided in this Chapter, is not considered as an element in the price to the consumer.


- (8) fail or refuse to obtain a Privilege License or to aid or abet another in any attempt to intentionally refuse to obtain such a license or evade the license fee.
- (9) reproduce, forge, falsify, fraudulently obtain or secure, or aid or abet another in any attempt to reproduce, forge, falsify, or fraudulently obtain or secure, an exemption from taxes imposed by this Chapter.
- (b) The violation of any provision of subsection (a) above shall constitute a Class One Misdemeanor.
- (c) In addition to the foregoing penalties, any person who shall knowingly swear to or verify any false or fraudulent statement, with the intent aforesaid, shall be guilty of the offense of perjury and on conviction thereof shall be punished in the manner provided by law.

Section 8. The rate change will be effective on the 1st day of the month immediately following the 60th day after the effective date of this ordinance.

Section 9. The immediate operation of the provisions of this Ordinance is necessary for the preservation of the public peace, health, and safety of the Town of Payson, and an emergency is hereby declared to exist. This Ordinance shall be in full force and effect from and after its passage, adoption, and approval by the Common Council of the Town of Payson.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA this 6th day of February, 2024, by the following vote:

AYES 6 NOES 1 ABSTENTIONS 0 ABSENT 0



 Christopher Higgins, Mayor

ATTEST:

APPROVED AS TO FORM:



 Tracie Bailey, Town Clerk



 Pierce Coleman, PLLC, Town Attorney