Sixty-sixth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2193

Introduced by

Senators Wardner, Bekkedahl, Meyer

Representatives Lefor, Schreiber-Beck, Zubke

A BILL for an Act to amend and reenact sections 40-57.3-01, 40-57.3-01.1, and 40-57.3-02 of the North Dakota Century Code, relating to city lodging and restaurant tax and visitors' committee membership.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 40-57.3-01 of the North Dakota Century Code is amended and reenacted as follows:

40-57.3-01. City lodging tax - Imposition - Amount - Disposition.

The governing body of any city ~~may~~, by ordinance, may impose a city tax, not to exceed two percent, upon the gross receipts of retailers on the leasing or renting of hotel, motel, or ~~tourist court~~other accommodations within the city for periods of ~~less~~fewer than thirty consecutive calendar days or one month. The tax imposed by this section ~~shall~~must be in addition to the state sales tax on rental accommodations provided in chapter 57-39.2 and any city ~~which~~that imposes the tax upon gross receipts described in this section shall deposit all proceeds in the city visitors' promotion fund. Moneys deposited in the city visitors' promotion fund ~~shall~~must be spent only as provided in this chapter. This chapter applies to all cities and does not limit the authority of a home rule city to levy any taxes authorized by other provisions of law.

SECTION 2. AMENDMENT. Section 40-57.3-01.1 of the North Dakota Century Code is amended and reenacted as follows:

40-57.3-01.1. City lodging and restaurant tax - Imposition - Amount - Disposition - Referral.

In addition to the tax under section 40-57.3-01, the governing body of any city ~~may~~, by ordinance, may impose a city tax, at a rate not to exceed one percent, upon the gross receipts of retailers on the leasing or renting of hotel, motel, or ~~tourist court~~other accommodations within the city for periods of ~~less~~fewer than thirty consecutive calendar days or one month and upon

the gross receipts of a restaurant from any sales of prepared food or beverages, not including alcoholic beverages for consumption off the premises where purchased, which are subject to state sales taxes. For purposes of this section, "restaurant" means any place where food is prepared and intended for individual portion service for consumption on or off the premises and "prepared" includes heating prepackaged food. Accommodations, food, and beverages may all, each, or in any combination be ~~subjected~~subject to the tax under this section, if all items in any category which are taxable under state law are taxable, except as otherwise provided in this section. The tax imposed under this section is in addition to state sales taxes on rental accommodations and restaurant sales and any city ~~which~~that imposes the tax under this section shall deposit all proceeds in the city visitors' promotion capital construction fund. Moneys deposited in the city visitors' promotion capital construction fund ~~shall~~must be spent only as provided in this chapter. An ordinance adopted under this section may not become effective sooner than sixty days after it is adopted by the governing body of the city. The provisions of chapter 40-12 with regard to referral of ordinances apply to an ordinance adopted under this section except that a petition to refer an ordinance adopted under this section must be presented to the governing body of the municipality before four p.m. on the sixty-fourth day after the ordinance described in the petition was adopted by the governing body of the municipality. Revenues from a tax imposed under this section may not be pledged under section 40-57.3-03 to payment of bonds or evidences of indebtedness until after the time has passed for filing a referral petition against an ordinance under this section or, if a referral petition is filed, until after the referral petition has been submitted to the vote of the electors of the municipality.

SECTION 3. AMENDMENT. Section 40-57.3-02 of the North Dakota Century Code is amended and reenacted as follows:

40-57.3-02. City visitors' promotion fund - City visitors' promotion capital construction fund - Visitors' committee - Establishment - Purpose.

The governing body of any city ~~which~~that imposes a city tax pursuant to section 40-57.3-01, 40-57.3-01.1, or 40-57.3-01.2 ~~shall~~, as appropriate, shall establish a city visitors' promotion fund, a city visitors' promotion capital construction fund, and a visitors' committee. The visitors' committee shall serve as an advisory committee to the city governing body in administering the proceeds from the taxes available to the city under this chapter. The moneys in the visitors' promotion fund must be used generally to promote, encourage, and attract visitors to come to

the city and use the travel and tourism facilities within the city. The moneys in the visitors' promotion capital construction fund must be used generally for tourism or the purchase, equipping, improving, construction, maintenance, repair, and acquisition of buildings or property consistent with visitor attraction or promotion. The ~~committee shall consist of five members appointed by the~~ governing body of the city shall appoint the committee members. ~~These appointees shall serve without compensation, except for reimbursement for necessary expenses. Committee members shall serve for a term of four years, except that two of those initially appointed must be appointed for an initial term of two years. Vacancies must be filled in the same manner as the initial appointment. The committee shall elect a chairperson and vice chairperson from among its members to serve for a term of two years.~~