ORDINANCE NUMBER 05-05

AN ORDINANCE OF THE CITY OF MARICOPA, ARIZONA AMENDING SECTIONS 8-415, 8-416 AND 8-417 OF THE "TAX CODE OF THE CITY OF MARICOPA, ARIZONA" BY INCREASING THE TAX RATE ON CONSTRUCTION CONTRACTING FROM TWO PERCENT (2%) TO THREE AND ONE-HALF PERCENT (3.5%); CONFIRMING PENALTY FOR VIOLATIONS OF THIS AMENDMENT; AND ESTABLISHING AN ENACTMENT AND EFFECTIVE DATE THEREOF

WHEREAS, pursuant to Ordinance No. 03-03, the City of Maricopa previously adopted that certain document known and serving as the "Tax Code of the City of Maricopa, Arizona," based on the League of Arizona Cities and Towns Model Tax Code; and

WHEREAS, when adopting that Code, the City established an initial tax rate of two percent (2%) on construction contracting activity; and

WHEREAS, the Mayor and Council believe that increasing the privilege tax rate on construction contracting activities to three and one-half percent (3.5%) would be in the best interests of the City;

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MARICOPA, ARIZONA:

Section 1: That certain document known as the "Tax Code of the City of Maricopa, Arizona," adopted by Ordinance 03-03, is hereby amended by increasing the sales tax rate in <u>each</u> of the following Sections from two percent (2%) to three and one-half percent (3.5%):

Section 8-415	**Construction contracting: construction contractors**
Section 8-416	**Construction contracting: speculative builders**
Section 8-417	**Construction contracting: owner-builders who are not speculative builders**

Section 2: Any person found guilty of violating any provision of these amendments to the Tax Code of the City of Maricopa shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense.

Section 3: If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code amended herein 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 4: The provisions of this Ordinance and the increased tax rate enacted thereby shall be effective thirty days after adoption of this Ordinance.

Section 5: For purposes of applying Model Tax Code Regulation Section 415.3, the increased tax rate imposed by Section 1 of this Ordinance shall not apply to contracts entered into prior to the Effective Date of this Ordinance.

Passed and Adopted by the Mayor and the City Council of the City of Maricopa this 15th day of February, 2005.

APPROVED:

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney