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ORDINANCE NO. 19-1111

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AMENDING THE MODEL CITY TAX CODE OF THE CITY OF DOUGLAS TO INCREASE THE SALES/USE TAX RATE FROM TWO AND EIGHT-TENTHS PERCENT (2.8%) TO THREE AND EIGHT-TENTHS (3.8%) COMMENCING ON SEPTEMBER 1, 2019; AMENDING ORDINANCES 573, 821, 08-937 AND 18-1092; ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE THEREOF.

WHEREAS, the Mayor and Council have determined that it is in the best interest of the City to revitalize the City's financial position to effectively carry out core City services to the community and strategically position City resources for anticipated growth; and

WHEREAS, the additional revenue raised by the proposed tax increase will create additional direct and indirect economic benefit to the community; and

WHEREAS, the Mayor and Council propose an excise tax of one cent designed to fund City programs and the City Capital Improvement Plan (CIP).

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

SECTION 1. Effective September 1, 2019, the tax rate referred to in the following sections of the Model City Tax Code of the City of Douglas, Arizona, shall be the sum of 3.8% and all references to a tax rate shall be amended accordingly:

Section 5.04.405(a)	Section 5.04.410(a)	Section 5.04.415(a)
Section 5.04.416(a)	Section 5.04.417(a)	Section 5.04.420(a)
Section 5.04.425(a)	Section 5.04.427(a)	Section 5.04.430(a)
Section 5.04.435(a)	Section 5.04.444	
Section 5.04.450(a)	Section 5.04.455(a)	Section 5.04.460(a)
Section 5.04.462(a)	Section 5.04.470(a)	Section 5.04.475
Section 5.04.480(a)	Section 5.04.610(b)	

SECTION 2. Effective September 1, 2019, the tax rate referred to in Section 5.04.460(d) of the Model City Tax Code of the City of Douglas, Arizona, shall be the sum of three and eight-tenths percent (3.8%) on the portion of a sale of a single item up to \$10,000 and two and eight-tenths percent (2.8%) on the portion of a sale of a single item in excess of \$10,000 and shall read in its entirety as follows:

(d) Notwithstanding the provisions of subsection (a) above, when the gross income from the sale of a single item of tangible personal property exceeds ten thousand dollars (\$10,000.00), the three and eight-tenths percent (3.8%) tax rate shall apply to the first \$10,000.00. Above \$10,000.00, the measure of tax shall be at a rate of two and eight-tenths percent (2.8%).

SECTION 3. Effective September 1, 2019, add section 5.04.610(e) as follows:

(e) Notwithstanding the provisions of subsection (a) above, when the amount subject to the tax

1 for any single item of tangible personal property exceeds ten thousand dollars (\$10,000.00),
2 the three and eight-tenths percent (3.8%) tax rate shall apply to the first \$10,000.00. Above
3 \$10,000.00, the measure of tax shall be at a rate of two and eight-tenths percent (2.8%).
4

5 **SECTION 4.** Effective September 1, 2019, the tax rate referred to in Section 5.04.447 of the
6 Model City Tax Code of the City of Douglas, Arizona, shall be the sum of four percent (4.0%)
7 and shall read in its entirety as follows:
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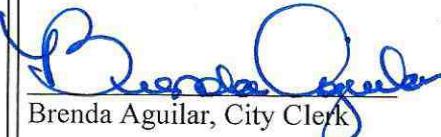
9 In addition to the taxes levied as provided in Section 5.04.444, there is hereby levied and shall be
10 collected an additional tax in an amount equal to four (4.0%) of the gross income from the business
11 activity of any hotel engaging or continuing within the City in the business of charging for lodging
12 and/or lodging space furnished to any transient.
13

14 **SECTION 5.** Section 5 of Ordinance No. 573 and Section 1 of Ordinance No. 821, 08-937, and Section
15 1 of Ordinance 18-1092 are hereby amended and all references to a sales/use tax rate are amended
16 accordingly.
17

18 **SECTION 6.** Effective date: This Ordinance shall be effective from and after September 1, 2019.
19 **SECTION 7.** Severability: If any chapter, section, subsection, sentence, clause or phrase of this
20 Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of
21 competent jurisdiction, such decision shall not affect the validity of the remaining portions of this
22 Ordinance and this Ordinance shall continue in full force and effect after the deletion of the illegal or
23 unconstitutional provision.
24

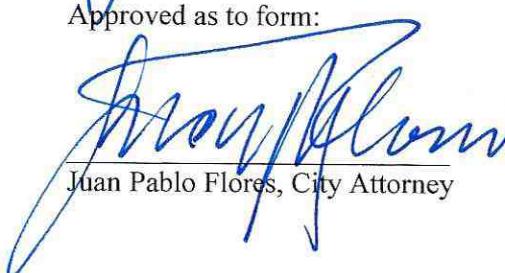
25 **PASSED AND ADOPTED** by the Mayor and Council of the City of Douglas, this 29th day of July,
12 2019.

13 Attest:
14

15 
16 Brenda Aguilar, City Clerk
17

18 Robert Uribe, Mayor
19

20 Approved as to form:
21

22 
23 Juan Pablo Flores, City Attorney
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