

SUMMARY OF ORDINANCE NO. 389
CITY OF SUN VALLEY, BLAINE COUNTY, IDAHO

1. The City of Sun Valley, Blaine County, Idaho, has adopted Ordinance No. 389 on May 23, 2007 as a result of voter approval supporting said ordinance;
2. The Ordinance was approved by the citizens of the City of Sun Valley at the Special Election of May 22, 2007;
3. The Ordinance is commonly known as a non-property sales tax ordinance otherwise referred to as a resort local option tax ordinance;
4. The effective date of the Ordinance is October 1, 2007;
5. The Ordinance has a ten (10) year term and shall expire September 30, 2017, unless otherwise amended or replaced;
6. The Taxing, Penalties and Penalty Charge sections of Ordinance No. 389 are contained in Sections 3, 19, and 20, and are attached to this summary as Exhibit "A" in their entirety;
7. Ordinance No. 389 states that the City of Sun Valley maintains significant economic dependence on tourists and travelers, is a resort city with a population not in excess of 10,000 according to the most recent census, and derives a major portion of its economic well being from businesses catering to recreational needs and meeting the needs of people traveling to that City for an extended period of time;
8. Ordinance No. 389 sets forth definitions of hotel-motel, liquor-by-the-drink, sale of liquor- by-the-drink, room occupancy charges, persons, purchase, retail sale-sale at retail, retailer, sale, sales price, seller, tangible personal property, taxpayer, and tax;
9. Ordinance No. 389 provides for the imposition of certain non-property taxes on certain Sales defined in Section 3 of the Ordinance, including ski lift tickets, liquor- by-the-drink, hotel-motel room occupancy, tangible personal property, various other defined sales transactions, and establishes the purposes for which revenues derived from the non property taxes shall be used. The Sales tax rates vary from three percent (3%) to one percent (1%) as described in Section 3 of Exhibit A attached hereto. Ordinance No. 389 creates a property tax relief fund, authorizes the City Clerk to administer, regulate and collect said non-property taxes, provides for permits and issuance thereof, provides methods for the payment of taxes, audits, deficiency determinations, redetermination of deficiencies, appeals, interest on deficiencies, collections, enforcement and refunds. Ordinance No. 389 provides for: limitations on interest, responsibility for payment of taxes, a period of limitations on assessments and collection, successor liability, for general administration by the City Clerk, provides for penalties and penalty charges, severability of sections, a repealer clause, the codification of the Ordinance and an effective date of the Ordinance.
10. The full text of Ordinance No. 389 is available at the Sun Valley City Hall. It may be obtained from the City Clerk of the City of Sun Valley.

EXHIBIT A

SECTION 3.

**IMPOSITION AND RATE OF CERTAIN LOCAL-OPTION
NONPROPERTY SALES TAXES.**

Except as to building and construction materials, the City of Sun Valley hereby imposes and shall collect certain local-option nonproperty taxes to wit:

a. A municipal sales tax on the sales price of all sales subject to taxation under this Ordinance and Idaho Code 63-3601, *et. seq.*, Idaho Sales Tax Act, including subsequent amendments thereto as follows:

(1) **a three percent (3%) tax** on the sales price of all sales transactions described as furnishing, preparing, or serving food, meals, or drinks and nondepreciable goods and services directly consumed by customers included in the charge thereof

described as: (2) **a three percent (3%) tax** on the sales price of all sales transactions

(a) Admission to a place or for an event in the City of Sun Valley.

(b) The use of or the privilege of using tangible personal property or facilities for recreation, including golf membership and fees, but not ski lift facilities.

(c) Providing hotel, motel, campground, or trailer court accommodations, nondepreciable goods directly consumed by customers and included services, except where residence is maintained continuously under the terms of a lease or similar agreement for a period in excess of thirty (30) days.

(d) The lease or rental of tangible personal property.

(e) The intrastate transportation for hire by air of freight or passengers, except (1) as part of a regularly scheduled flight by a certified air carrier, under authority of the United States, or (2) when providing air ambulance services.

(f) Any Sale, regardless where generated, for admission to a place or for an event taking place within the City of Sun Valley.

(g) Any Sale, regardless where generated, for the use of or the privilege of using tangible personal property or facilities for recreation within the City of Sun Valley;

(3) **a two percent (2%) tax** on the sales price of all tangible personal property including:

(a) Producing, fabricating, processing, printing, or imprinting of tangible personal property for consumers who furnish, either directly or indirectly the tangible personal property used in producing, fabricating, processing, printing, or imprinting.

(b) A transfer of possession of property where the seller retains the title as security of the payment of the sales prices.

(c) A transfer of the title or possession of tangible personal property which has been produced, fabricated, or printed to the special order of the customer, or of any publication.

(4) **a one percent (1%) tax** on the sales price of sales of ski lift tickets and season lift tickets.

(5) **a three percent (3%) room occupancy charge** on receipts from all short-term rental (30 days or less) charges for hotel-motel rooms, condominium units, tourist homes, or other sleeping accommodations;

(6) **a three percent (3%) liquor by-the-drink sales tax** on all sales at retail of liquor by-the-drink including liquor, beer, wine, and all other alcoholic beverages, for consumption on the premises, or at any event or activity in the City of Sun Valley.

SECTION 19. PENALTIES.

a. Any person who violates any provision of this Ordinance shall be guilty of a misdemeanor, punishable by up to one (1) year in the county jail, and/or a Three Hundred Dollars (\$300.00) fine, or both. Furthermore, each month in which a person fails to report, or intentionally fails to accurately compute, or intentionally fails to accurately disclose, or intentionally fails to pay over the total amount of sales or rentals or the amount of tax to be paid, as imposed under this Ordinance, shall be considered a separate offense.

b. Any person who violates any provision of this Ordinance shall have his Permit and tax number revoked. The City Clerk shall send written notice of revocation of said Permit and tax number to the Permit holder by mailing the same certified mail to the address stated in the Permit application. The Permit holder shall have ten (10) days from the date said notice is mailed to file a written request of appeal with the City Council challenging said revocation. If no appeal is timely made, said revocation shall be deemed final. Whenever a person subject to this Ordinance has had a Permit and tax number revoked, the City Clerk shall not reissue said Permit, nor issue a new Permit to said person, until said person places with the City Clerk a bond or other sufficient security in the amount equal to three (3) times the actual, determined, or estimated average monthly amount of tax payable by such person pursuant to this Ordinance.

c. The City Clerk, whenever it is deemed necessary to insure compliance with this Ordinance, may require any person subject to this Ordinance to place with it such security as it, may determine. The amount of said security shall not be greater than three (3) times the estimated average monthly amount payable by such persons pursuant to this Ordinance. The amount of the security may be increased or decreased by the City Clerk at any time, subject to the limitations as set forth above.

d. Any person who violates any provision of this Ordinance shall have all municipal beer license(s), and wine license(s), and retail liquor-by-the-drink license(s) revoked.

e. Any amount of tax due under this Ordinance for which a person fails to report or accurately compute or remit, as well as all penalties and interest due, shall become a lien upon the property of said taxpayer on the date that the same becomes due, and the City may seek to enforce said lien and collect all taxes and interest due together with the reasonable costs of collection, including attorney's fees, in a court of competent jurisdiction.

f. For the purposes of proper administration of this Ordinance, and to prevent evasion of said municipal sales taxes, the burden of proving that a Sale is not a Sale under this Ordinance is upon the

person who makes the sale in question.

SECTION 20. PENALTY CHARGE.

Any person who is required to collect, truthfully account for, and pay over any tax imposed by this Ordinance and who willfully fails to collect such a tax, truthfully account for or pay over such a tax, or willfully attempts in any manner to evade or defeat such a tax or payment thereof, shall, in addition to other penalties provided by law, be liable to a penalty equal to the amount of the tax evaded, or not collected, or not accounted for and paid over. The City Clerk shall determine and assess such penalties, together with any and all costs required to be paid by the City to determine such tax, payment, and penalties, and the same shall become due and payable upon notice and demand from the City Clerk. The City Clerk shall send written notice of such penalty charge to the permit holder by mailing same certified mail to the address given on the permit application. The permit holder shall have ten (10) days from the date said notice is mailed to file a written request of appeal with the City Council challenging said penalty charge determination. If no appeal is timely made, said penalty charge determination shall be deemed final.

**STATEMENT OF CITY ATTORNEY REGARDING
SUMMARY OF ORDINANCE NO. 389**

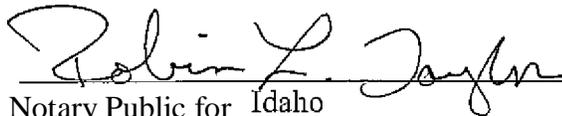
I, Rand L. Peebles, state that I am the city attorney for the City of Sun Valley. I have prepared a Summary Of Ordinance No. 389 and which said summary is true and complete and provides adequate notice to the public of the contents of Ordinance No. 389.

Dated this 5th day of June, 2007.



Rand L. Peebles, City Attorney
for the City of Sun Valley

SUBSCRIBED AND SWORN before me this 5 day of June, 2007.



Notary Public for Idaho
Residing at Hailey
My commission expire \$ 3/11/2010

