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# TOWN OF JEROME

POST OFFICE BOX 335, JEROME, ARIZONA 86331  
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## ORDINANCE NO. 417

**AN ORDINANCE OF THE TOWN OF JEROME, ARIZONA, RELATING TO THE PRIVILEGE LICENSE TAX; AMENDING THE TOWN TAX CODE BY ADDING A TAX UPON TRANSIENT LODGING AND INCREASING THE RATE OF TAXATION ON RESTAURANTS AND BARS; PROVIDING PENALTIES FOR THE VIOLATION THEREOF; PROVIDING FOR SEVERABILITY; DESIGNATING AN EFFECTIVE DATE AND MAKING PROVISION FOR EXISTING CONTRACTS.**

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF JEROME, ARIZONA:

**Section 1.** Section 8A-447 (currently "Reserved") of the Town tax code is amended to read:

**Sec. 8A-447. Rental, leasing, and licensing for use of real property: additional tax upon transient lodging.**

In addition to the taxes levied as provided in Section 8A-444, there is hereby levied and shall be collected an additional tax in an amount equal to two percent (2%) of the gross income from the business activity of any hotel engaging or continuing within the City in the business of charging for lodging and/or lodging space furnished to any transient.

**Section 2.** Section 8A-455 of the Town tax code is amended as follows (deletions in ~~strikethrough text~~; additions in **bold underline**):

**Sec. 8A-455. Restaurants and Bars.**

- (a) The tax rate shall be at an amount equal to ~~three~~ **four** and one-half percent (~~3.5%~~ **4.5%**) of the gross income from the business activity upon every person engaging or continuing in the business of preparing or serving food or beverage in a bar, cocktail lounge, restaurant, or similar establishment where articles of food or drink are prepared or served for consumption on or off the premises, including also the activity of catering. Cover charges and minimum charges must be included in the gross income of this business activity.
- (b) Caterers and other taxpayers subject to the tax who deliver food and/or serve such food off premises shall also be allowed to exclude separately charged delivery, set-up, and clean-up charges, provided that the charges are also maintained separately in the books and records. When a taxpayer delivers food and/or serves such food off premises, his regular business location shall still be deemed the location of the transaction for the purposes of the tax imposed by this Section.

- (c) The tax imposed by this Section shall not apply to sales to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (d) The tax imposed by this Section shall not apply to sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)49, that serves the food and beverages to its passengers, without additional charge, for consumption in flight.
- (e) The tax imposed by this Section shall not apply to sales of prepared food, beverages, condiments or accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours.
- (f) For the purposes of this Section, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

**Section 3.** Any person found guilty of violating any provision of these amendments to the tax code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as herein above described.

**Section 4.** If any section, subsection, sentence, clause, phrase or portion of this ordinance 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.

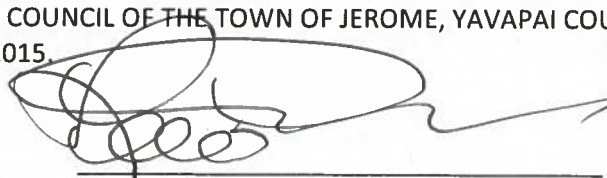
**Section 5.** All ordinances or parts of ordinances that are in conflict with the provisions of this Ordinance are hereby repealed to the extent of their inconsistency herewith.

**Section 6.** The tax imposed pursuant to Sections 1 and 2 of this ordinance shall not apply to contracts entered into prior to the effective date of this ordinance.

**Section 7.** The provisions of this ordinance shall become effective on November 1, 2015. It is the intent of the Town Council to repeal the terms of this ordinance in accordance with A.R.S. Section 42-6053.E. effective no later than November 1, 2016.

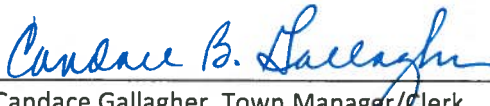
**Section 8.** Following its adoption, this Ordinance shall be published by the Town Clerk in accordance with the requirements of A.R.S. § 39-203 *et seq.*

PASSED AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF JEROME, YAVAPAI COUNTY, ARIZONA, THIS 29 DAY OF September 2015.



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Lew Currier, Mayor

ATTEST:

  
Candace Gallagher, Town Manager/Clerk

APPROVED AS TO FORM:

  
William J. Sims, Esq.  
Town Attorney

Date of First Reading: 9/22/15	Date of Adoption: 9/29/15			
	<i>Ayes</i>	<i>Nays</i>	<i>Absent</i>	<i>Abstain</i>
	4	1	0	0
Date Published: <del>10/7/15</del> , 10/11/15; 10/18/15				
Date Posted: <del>10/11/15</del> 10/7/15				