

**ORDINANCE NO. 2024-2**

**AN ORDINANCE TO ESTABLISH AND REGULATE A COUNTY SALES,  
USE, AND GROSS RECEIPTS TAX UNDER THE HOME RULE CHARTER OF  
SARGENT COUNTY.**

BE IT ORDAINED BY THE COUNTY COMMISSION OF SARGENT COUNTY, NORTH  
DAKOTA:

**SALES, USE, AND GROSS RECEIPTS TAX**

**Purpose:**

It is the purpose of this Ordinance to authorize sales, use, and gross receipts tax collections to aid in financing expansion, renovation, construction, acquisition, and maintenance of infrastructure needs of Sargent County. As well as to aid in financing the construction, reconstruction, repair, and maintenance of roads, bridges, and culverts within Sargent County. It is also the purpose of this Ordinance to provide property tax relief.

**History:**

The voters of Sargent County approved the Sargent County, North Dakota – Home Rule Charter on November 3, 2020. Article 2 provides Sargent County has the power to levy and collect sales, use, and gross receipts taxes, subject to implementation by ordinance or resolution of the Board of County Commissions. Article 8 provides that the Board of County Commissioners will have the authority upon the approval of the majority of voters at a special or county wide election to levy and collect sales and use taxes, a county lodging tax, a county restaurant tax, or any other tax authorized by state law. Article 3 provides each ordinance introduced through Board of County Commissioners will have two readings, with the first reading consisting of announcement of the title of the ordinance at a meeting of the Board of County Commissioners and publication of a summary of the enactment in the official newspaper of the County at least 10 days before the second reading. The proposed enactment will then be given second reading, which will be by title, and submitted to a roll call vote of the Board of County Commissioners. If a majority of the Board of County Commissioners concur, the question shall be submitted to the voters.

**Definitions.**

All terms defined in chapters 11-09.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6, and 57-40.2 of the North Dakota Century Code (N.D.C.C.), are adopted by reference. All references to the N.D.C.C. include amendments adopted by the North Dakota Legislative Assembly.

## **Collection and Administration.**

Where not in conflict with the provisions of this Ordinance, the provisions of N.D.C.C. chapters 11-09.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6, and 57-40.2, and all administrative rules adopted by the Tax Commissioner, pertaining to the collection and administration of the retail sales, use, and gross receipts tax, including provisions for liability, refund, penalty, interest or credit, govern the administration by the North Dakota Office of State Tax Commissioner (hereinafter "Tax Commissioner") of the taxes imposed by this Ordinance.

## **Sales Tax Imposed.**

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided by this Ordinance, or the sales and use tax laws of the State of North Dakota, a tax of one half of one percent (0.5%) is imposed upon the gross receipts of retailers from all sales at retail, including the leasing or renting of tangible personal property, within the corporate limits of the county of Sargent, North Dakota.

## **Use Tax Imposed.**

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided in this Ordinance, or the sales and use tax laws of the State of North Dakota, an excise tax is imposed upon the storage, use, or consumption within the corporate limits of the county of Sargent, North Dakota of tangible personal property purchased at retail for storage, use, or consumption in this county, at the rate of one half of one percent (0.5%) of the purchase price of the property. An excise tax is imposed on the storage, use, or consumption within the corporate limits of the county of 0.5%, North Dakota of tangible personal property not originally purchased for storage, use, or consumption in this county at the rate of one half of one percent (0.5%) of the fair market value of the property at the time it was brought into this county.

With respect to the purchase price of tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in N.D.C.C. § 57-40.2-03.3, the tax imposed by this section applies only to bids submitted on or after the effective date of this Ordinance.

## **Gross Receipts of Alcoholic Beverages.**

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided in this Ordinance, a gross receipts tax of one half of one percent (0.5%) is imposed upon all gross receipts from the sale of alcoholic beverages within the county. A person who receives alcoholic beverages for storage, use, or consumption in this state is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of (0.5%) percent.

## **Gross Receipts of New Farm Machinery and New Farm Irrigation Equipment.**

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided in this Ordinance, a gross receipts tax of one half of one percent (0.5%) is imposed upon all gross receipts from the sale of new farm machinery and new farm irrigation equipment within the county. A person who receives new farm machinery or new farm irrigation equipment for storage, use, or consumption in this state is subject to tax on storage, use, or consumption of that machinery and/or equipment at the rate of one half of one percent (0.5%).

## **Exemptions.**

In addition to the exemptions provided by state law, this Ordinance provides exemptions from imposition and computation of the county sales or use tax for sales of the following:

- A. Sales to contractors that are exempt pursuant to subsection 15 of N.D.C.C. § 57-39.2-04 shall be exempt from any county sales tax, but contractors shall be subject to the county use tax on those items used within the county that would be taxed pursuant to N.D.C.C. § 57-40.2-03.3 on which the county sales tax has not previously been paid.
- B. With respect to the purchase price of tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in NDCC §57-40.2-03.3, the tax imposed by this section applies only to bids submitted on or after the effective date of this Ordinance.

## **Maximum Tax Imposed.**

Any patron or user paying a tax imposed by this Ordinance in excess of \$50.00 upon any single transaction of one or more items may obtain a refund of the excess tax payment by filing a request for refund upon the forms provided by the Tax Commissioner.

## **Contract with Tax Commissioner.**

The Sargent County Auditor is hereby authorized to contract with the Tax Commissioner for administration and collection of taxes imposed by this Ordinance. The County Auditor has all powers granted to the Tax Commissioner and in the absence of a valid contract with the Tax Commissioner or failure of the Tax Commissioner to perform the delegated duties, shall perform these duties in place of the Tax Commissioner.

**Dedication of Tax Proceeds.**

The revenues raised and collected pursuant to this Ordinance, less administrative expenses charged by the State Tax Commissioner, are hereby dedicated and shall be utilized as follows:

- A. 60% shall be dedicated to the financing of expansion, renovation, construction, acquisition, and maintenance of infrastructure needs of Sargent County.
- B. 20% shall be dedicated to property tax relief.
- C. 20% shall be dedicated to the construction, reconstruction, repair, and maintenance of roads, bridges, and culverts within Sargent County.

**Effective Date.**

This Ordinance shall take effect after its passage, approval, and publication, but not prior to April 1, 2025.

ATTEST:

APPROVED:



Tia Bopp  
County Auditor



Scott Johnson  
Chairman, County Commission

(SEAL)