

Introduced by

Representative Keiser

1 A BILL for an Act to create and enact section 40-57.3-01.2 of the North Dakota Century Code,
2 relating to the imposition of a city motor vehicle rental tax; and to amend and reenact section
3 40-57.3-02 of the North Dakota Century Code, relating to the city visitors' promotion fund.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** Section 40-57.3-01.2 of the North Dakota Century Code is created and
6 enacted as follows:

7 **40-57.3-01.2. City motor vehicle rental tax - Imposition - Amount - Disposition -**

8 **Definitions.** The governing body of any city may impose, by ordinance, a city tax at a rate not
9 to exceed one percent upon the gross receipts of a retailer on the rental of any motor vehicle
10 for fewer than thirty days if that motor vehicle is either delivered to a renter at an airport or
11 delivered to a renter who was picked up by the retailer at an airport. The tax imposed under
12 this section is in addition to state sales taxes on the rental of motor vehicles for fewer than thirty
13 days. Any city that imposes the tax under this section shall deposit all proceeds in the city
14 visitors' promotion fund. For purposes of this section, "motor vehicle" means a motorized
15 passenger vehicle designed to be operated on highways and "retailer" means a company for
16 which the primary business is the renting of motor vehicles for periods of fewer than thirty days.

17 **SECTION 2. AMENDMENT.** Section 40-57.3-02 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **40-57.3-02. City visitors' promotion fund - City visitors' promotion capital**
20 **construction fund - Visitors' committee - Establishment - Purpose.** The governing body of
21 any city which imposes a city tax pursuant to section 40-57.3-01 ~~or~~, 40-57.3-01.1, or
22 40-57.3-01.2 shall, as appropriate, establish a city visitors' promotion fund, a city visitors'
23 promotion capital construction fund, and a visitors' committee. The visitors' committee shall
24 serve as an advisory committee to the city governing body in administering the proceeds from

1 the taxes available to the city under this chapter. The moneys in the visitors' promotion fund
2 must be used generally to promote, encourage, and attract visitors to come to the city and use
3 the travel and tourism facilities within the city. The moneys in the visitors' promotion capital
4 construction fund must be used generally for tourism or the purchase, equipping, improving,
5 construction, maintenance, repair, and acquisition of buildings or property consistent with visitor
6 attraction or promotion. The committee shall consist of five members appointed by the
7 governing body of the city. These appointees shall serve without compensation, except for
8 reimbursement for necessary expenses. Committee members shall serve for a term of four
9 years, except that two of those initially appointed must be appointed for an initial term of two
10 years. Vacancies must be filled in the same manner as the initial appointment. The committee
11 shall elect a chairperson and vice chairperson from among its members to serve for a term of
12 two years.