

**ORDINANCE NO. 2013-07**

**AN ORDINANCE OF THE CITY OF SEDONA, ARIZONA, RELATING TO THE TAX ON TRANSIENT LODGING (BED TAX); AMENDING SECTION 8-447 OF THE TAX CODE OF THE CITY OF SEDONA BY INCREASING SAID TAX FROM 3% TO 3.5%; DESIGNATING THE USE OF SAID INCREASED TAX PROCEEDS FOR DESTINATION MARKETING AND THE PROMOTION OF TOURISM; ESTABLISHING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.**

WHEREAS, tourism and the revenue generated thereby are essential financial components for maintaining and enhancing Sedona's economy and for generating necessary funding for public services and amenities; and

WHEREAS, the Sedona Chamber of Commerce and the Sedona Lodging Council have recommended that the City devote more financial resources to the promotion of tourism and destination marketing in order to increase public awareness of the unique qualities of the City of Sedona as a visitor destination; and

WHEREAS, these entities are also in support of increasing the Transient Lodging (Bed) Tax from the current rate of 3% to 3.5% and for using the additional revenues generated from this increase to fund greater efforts to attract visitors and tourists to Sedona; and

WHEREAS, it is proposed that the City of Sedona dedicate a minimum of 55% of the Bed Taxes generated from the new 3.5% tax rate to destination marketing and the promotion of tourism; and

WHEREAS, it is in the best interests of the City of Sedona to devote an increased level of revenues to the promotion of tourism and destination marketing in order to attract greater numbers of visitors and tourists and thereby generate increase sales and bed tax revenues, thus adding to the strength and economic vitality of the City and its citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA AS FOLLOWS:

Section 1: Amendment of Section 8-447 of the City of Sedona Tax Code Increasing the Tax Upon Transient Lodging from 3% to 3.5%.

Section 8-447 of the City of Sedona Tax Code is hereby amended to read as follows:

In addition to the taxes levied as provided in Section 8-444, there is hereby levied and shall be collected an additional tax in an amount equal to (3.5%) of the gross income from the business activity of any hotel engaging or continuing with the City in the business of charging for lodging space furnished by any transient.

Section 2: Application of Increase in Bed Tax Proceeds to Destination Marketing and the Promotion of Tourism.

The City Council of the City of Sedona hereby adopts a policy that a minimum of 55% of all revenue generated from the new 3.5% bed tax rate shall be devoted to the promotion of tourism and allocated to a contracted destination marketing organization. Future changes to this policy may be made by a simple majority vote of the Council without a need for further amendments to this ordinance.

Section 2: Effective Date

The provisions of Section 1 of this ordinance shall be effective from and after January 1, 2014 and per A.R.S. § 9-500.06, the proceeds resulting from the 0.5% increase in the bed tax shall be devoted to the promotion of tourism. After July 2, 2014, the provisions of Section 2 of this ordinance shall be effective and 55% of all revenue generated from the new 3.5% bed tax rate shall be devoted to the promotion of tourism.

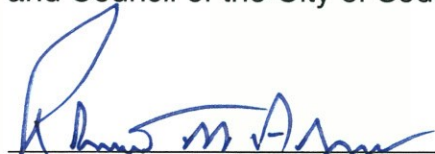
Section 3: Enforcement

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: Repeal

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the tax code adopted herein by reference 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.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this 8<sup>th</sup> day of October, 2013.

  
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Robert M. Adams, Mayor

ATTEST:

  
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Susan L. Irvine, City Clerk

APPROVED AS TO FORM:

  
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Mike Goimarac, City Attorney