

RESOLUTION NO. 131-22

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BUCKEYE, ARIZONA, ADOPTING A NOTICE OF INTENT TO AMEND THE CITY CODE TO ADOPT A USE TAX AND RAISE THE THRESHOLD FOR A REDUCED TAX RATE ON SINGLE ITEMS OF TANGIBLE PERSONAL PROPERTY, AND NOTIFYING THE PUBLIC OF A WRITTEN REPORT OR DATA IN SUPPORT OF THE PROPOSED AMENDMENTS.

WHEREAS, pursuant to the provisions of A.R.S. § 9-499.15, the Mayor and City Council (collectively, the “Council”) of the City of Buckeye (the “City”) may adopt new or increased taxes or fees within the City where (i) a schedule of the proposed new or increased tax or fee has been prepared that includes the amount of the proposed new or increased tax or fee, (ii) a written report or data supporting the new or increased tax or fee has been prepared and made available to the public, (iii) a notice of intent to establish a new or increased tax or fee has been adopted, and (iv) the schedule of the proposed new or increased tax or fee and the written report or data that supports the proposed new or increased tax or fee is posted on the home page of the City’s website at least sixty (60) days before the date the proposed new or increased tax or fee is approved or disapproved by the Council; and

WHEREAS, the City has prepared, or caused to be prepared, a schedule of a proposed new tax (“Use Tax”), and a written report or data supporting the proposed Use Tax and related code amendments to raise the threshold for a reduced tax rate on single items of tangible personal property (the foregoing schedule and written report or data hereinafter collectively referred to as the “Report”); and

WHEREAS, the Council desires to declare its intent to establish a Use Tax, and to raise the threshold for a reduced tax rate on single items of tangible personal property, consistent with the findings of the Report, and ensure appropriate posting and circulation of the documents in support of these amendments in accordance with the provisions of A.R.S. § 9-499.15 and A.R.S. § 42-5062; and

WHEREAS, the Council may move to establish the proposed Use Tax and to raise the threshold for a reduced tax rate on single items of tangible personal property by amending the Buckeye City Code, at its regular meeting to be held on January 17, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF BUCKEYE, ARIZONA, as follows:

Section 1. That a Notice of Intent to establish a Use Tax and raise the threshold for a reduced tax rate applicable to single items of tangible personal property, consistent with the Report is hereby adopted in substantially the form attached to this Resolution as **Exhibit A**.

Section 2. That the proposed Use Tax and change to the threshold for a reduced tax rate applicable to single items of tangible personal property shall be considered, and approved or disapproved, by the Council on January 17, 2023, at 6:00 p.m. in the Council Chambers, 530 East Monroe Avenue, Buckeye, Arizona.

Section 3. That the written report or data supporting the proposed Use Tax and change to the threshold for a reduced tax rate applicable to single items of tangible personal property was made available to the public on November 16, 2022, in the office of the City Clerk, 530 East Monroe Avenue, Buckeye, Arizona, and on the homepage of the City website, and has been circulated by social media or other electronic communication tools.

Section 4. That a Notice of Intent in substantially the form attached to this Resolution as **Exhibit A**, shall be posted no later than January 2, 2023, on the homepage of the City's website and shall be circulated by social media or other electronic communication tools.

Section 5. That the Mayor, the City Manager, the City Clerk, and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Mayor and Council of the City of Buckeye, Arizona, this 6th day of December, 2022.



Eric Orsborn, Mayor

ATTEST:



Lucinda J. Aja, City Clerk

APPROVED AS TO FORM:



K. Scott McCoy, City Attorney

**EXHIBIT A
TO
RESOLUTION NO. 131-22**

[Notice of Intent]

See following page



NOTICE OF INTENT TO ADOPT NEW OR INCREASED TAXES OR FEES

This Notice of Intent is provided by the City of Buckeye pursuant to ARIZ. REV. STAT. ANN. § 9-499.15. The City intends to amend its code to adopt a new Use Tax, and to raise the threshold for a reduced tax rate applicable to single items of tangible personal property. The schedule of these proposed new or increased taxes, along with a written report in support of the proposed new or increased taxes, is available on the City of Buckeye’s website, where it was posted on November 16, 2022, pursuant ARIZ. REV. STAT. ANN. § 9-499.15. The proposed amendments are set forth below:

City of Buckeye				
Schedule of Proposed New or Increased Municipal Taxes and Fees				
Tax/Fee Description	Customers Impacted	Current Rate or Fee	Proposed Rate or Fee	Report or Data Supporting Proposed Increase
Adopt local Use Tax by deselecting Model Option #15	Any local customer that purchases an item from competing sellers located outside the boundaries of the city of Buckeye, that are not subject to the City's sales tax imposed on Buckeye sellers.	N/A	3%	Imposing a Use Tax that is equivalent to the City's Retail sales tax is essential to maintaining competitive equality for Buckeye retailers because it levels the playing field against retailers located outside the City who are not subject to the Buckeye sales tax. It can protect local businesses from the potential lost revenue by removing any motivation for buyers to purchase outside the community.
Adopting Local Option #JJ; a City exemption for City Use Tax	No impact to customers	N/A	0%	Exempts the City from paying its own Use tax when State Use tax is due. This prevents the unnecessary accounting step of sending City Use tax to the Department of Revenue which will return it directly back to the City at some later date.
Revise Local Option #V which creates a two-tiered rate by increasing the dollar threshold for application of the tiered Retail/Use Tax rate of 1.1% on the sale/purchase of a single item from \$1,999.99 or greater, to the amount of \$5,000 or greater	Any customer that purchases a single item \$4,999.99 or less.	1.1% on the sale/purchase of a single item of \$1,999.99 or greater	1.1% on the sale/purchase of a single item of \$5,000 or greater	Removes an oddity that only applies to Buckeye, aligning our threshold with several other cities and towns, while remaining consistent with the intended benefit of a two-tier rate.

Mayor and Council will consider, and approve or disapprove, adoption of the proposed Use Tax and of amendments to raise the threshold for a reduced tax rate on single items of tangible personal property on January 17, 2023 at 6:00 p.m. at the City of Buckeye City Hall, 530 East Monroe Avenue, Buckeye, Arizona 85326.

Dated: December 6, 2022