

ORDINANCE NO. O-2024-0001

AN ORDINANCE OF THE OREM CITY COUNCIL REAUTHORIZING A CULTURAL ARTS AND RECREATION ENRICHMENT TAX, SETTING AN EFFECTIVE DATE FOR THE TAX, AND AUTHORIZING THE MAYOR AND/OR CITY MANAGER TO PROVIDE ANY NOTICES AND TO SIGN ANY DOCUMENTS REQUIRED TO IMPOSE THE TAX

WHEREAS, Utah Code (Section 59-12-1401, *et. seq.*) authorizes a city to submit an opinion question to its voters as to whether or not the city should enact a local sales and use tax of 1/10 of 1% to fund recreational facilities and cultural organizations in the city (referred to as “Cultural Arts and Recreation Enrichment or CARE Tax”); and

WHEREAS, a city may not enact a Cultural Arts and Recreation Tax if the county in which the city is located has either enacted a county-wide Cultural Arts and Recreation Tax or has declared its intent to submit an opinion question to county voters as to whether the county should enact a county-wide Cultural Arts and Recreation Tax; and

WHEREAS, Utah County has not enacted a county-wide Cultural Arts and Recreation tax; and

WHEREAS the Orem City Council, in a Resolution dated May 9, 2023 (City of Orem Resolution R-2023-15), submitted to Utah County a notice of its intent to submit the Cultural Arts and Recreation Enrichment Tax opinion question to Orem voters; and

WHEREAS, the Utah County Board of County Commissioners, in a Resolution dated May 24, 2023 (Utah County Resolution No. 2023-539), indicated that it did not intend to enact a county-wide Cultural Arts and Recreation Tax; and

WHEREAS the Orem City Council, in a Resolution dated August 1, 2023 (City of Orem Resolution R-2023-0025) placed the Cultural Arts and Recreation Enrichment Tax opinion question on the ballot for the November 21, 2023 Municipal General Election; and

WHEREAS a majority of Orem voters voting on the reauthorization of the Cultural Arts and Recreation Enrichment Tax at the November 21, 2023 election voted in favor or reauthorizing the tax; and

WHEREAS the Orem City Council desires to reauthorize the Cultural Arts and Recreation Enrichment Tax, to set an effective date for the tax, and to authorize the Mayor and/or City Manager to provide any notices and to sign any documents required to reauthorize and impose the tax; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH as follows:

1. The City Council hereby reauthorizes the Cultural Arts and Recreation Enrichment (CARE) tax for ten additional years. The effective date of the reauthorization of the CARE tax is April 1, 2024, and the tax will be levied for a ten-year period. The effective date of the initial CARE tax was April 1, 2006, and the initial CARE tax was levied for an eight-year period. The CARE tax was subsequently renewed effective April 1, 2014 for an additional ten-year period). The reauthorized CARE tax enactment is intended to begin immediately upon the expiration of the previously renewed CARE tax enactment, with no lapse in time between the expiration of the first reauthorized CARE tax enactment and the beginning of the current (second) CARE tax reauthorization.
2. The City Council hereby amends Article 18-5 of the Orem City Code (the Cultural Arts and Recreation Enrichment Tax) to read and be numbered as set forth in Exhibit "A", which is attached hereto and incorporated herein by reference.
3. The Mayor and/or the City Manager are hereby authorized to take all steps and to sign any documents (including a tax collection agreement with the Utah State Tax Commission) necessary to proceed with the implementation of the Cultural Arts and Recreation Enrichment Tax.
4. All acts, orders, resolutions and ordinances, and parts thereof, in conflict with this ordinance are hereby rescinded.
5. If any portion of this ordinance is for any reason held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.
6. This ordinance shall become effective immediately after a summary of this ordinance has been published or posted as required by law.

PASSED and APPROVED this 29th day of December, 2023.

  
Debby Lauret, Mayor Pro Tem

ATTEST:

  
~~Teresa McKittrick, City Recorder~~  
Tess Jones, Deputy City Recorder

COUNCILMEMBER	AYE	NAY	ABSTAIN
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Mayor David A. Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Lambson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Debby Lauret	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Macdonald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LaNae Millett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Terry Peterson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Spencer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## Exhibit "A"

### **Article 18-5 Cultural Arts and Recreation Enrichment Tax**

#### **18-5-1. Purpose.**

The purpose of this Article is to establish, enact, impose, levy and reauthorize a Cultural Arts and Recreation Enrichment Tax in accordance with U.C.A. Section 59-12-1401, *et.seq.* (City or Town Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities).

#### **18-5-2. Cultural Arts and Recreation Enrichment Tax.**

The City of Orem hereby establishes, enacts, imposes, levies and reauthorizes a local sales and use tax of 1/10 of 1% (the "Cultural Arts and Recreation Enrichment Tax", or "CARE Tax") on transactions described in U.C.A. Section 59-12-103(1), as amended, that are located within the City of Orem, except as such transactions are exempt from sales and use taxes pursuant to U.C.A. Sections 59-12-104 and 59-12-1402, as amended. CARE Tax revenues shall be used to fund City-owned recreational and cultural facilities, the ongoing operating expenses of City-owned recreational facilities, and the ongoing operating expenses of private non-profit cultural organizations, as such terms are defined in State law. The CARE Tax supplements, but does not replace, the sales and use tax established in Article 18-1 of the Orem City Code.

#### **18-5-3. Effective Date.**

The effective date of the initial Cultural Arts and Recreation Enrichment Tax was April 1, 2006. The Cultural Arts and Recreation Enrichment Tax was subsequently renewed and reauthorized effective April 1, 2014. The effective date of the second reauthorized Cultural Arts and Recreation Enrichment Tax is April 1, 2024, with the intent that no time will lapse between the expiration of the first reauthorized enactment and the beginning of the second reauthorized enactment. Effective dates for billing periods and catalogue sales shall be computed as set forth in State law. The initial Cultural Arts and Recreation Enrichment Tax was levied for a period of eight (8) years (through March 31, 2014). The first reauthorized Cultural Arts and Recreation Enrichment Tax was levied for an additional period of ten (10) years (from April 1, 2014 through March 31, 2024). The second reauthorized Cultural Arts and Recreation Enrichment Tax shall be levied for a period of ten (10) years (from April 1, 2024 through March 31, 2034).