

**EAGLE MOUNTAIN CITY
CITY COUNCIL MEETING
NOVEMBER 18, 2014**

TITLE:	<u>ORDINANCE – Consideration of an Ordinance of Eagle Mountain City, Utah, Amending its Municipal Energy Sales and Use Tax.</u>		
FISCAL IMPACT:			
APPLICANT:	City Staff		
GENERAL PLAN DESIGNATION	CURRENT ZONE	ACREAGE	COMMUNITY
N/A	N/A	N/A	N/A

NOTICES:

-Public Meeting Notices

REQUIRED FINDINGS:

Planning Commission Action / Recommendation
Vote: N/A

Prepared By: Paul Jerome Finance Director
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NOTES/COMMENTS:

Recommendation:

City staff recommends that the City Council, by ordinance, amend the Eagle Mountain Municipal Code to reflect the 6% Energy Sales and Use Tax that was adopted by City Council as part of the 2005 Fiscal Year budget on July 1, 2005.

Background:

The Eagle Mountain City Council adopted a 6% Energy Sales and Use Tax in the 2005 Fiscal Year budget. As part of the proposed gas and electric utility sale the City needs to update the Municipal Code to reflect the increase that took effect on July 1, 2005.

The budget document for the 2005 Fiscal Year budget stated on page 4 that, "...the City is increasing its utility taxes on its gas, electric and water utilities from three percent to six percent. Many Wasatch Front cities charge six percent on utilities (in most cases, franchise fees); therefore the increase is in line with market conditions." The Energy Sales and Use Tax is charged only on the Electric and Gas utilities.

This item was presented to the City Council on September 2, 2014; however it was not approved. It was recommended that it be brought back to the City Council for approval if ballot Proposition 8 passed at the November 4, 2014 general election.

ORDINANCE NO. O-_____ -2014

**AN ORDINANCE OF EAGLE MOUNTAIN CITY, UTAH
AMENDING ITS MUNICIPAL ENERGY SALES AND USE TAX**

PREAMBLE

The City Council of Eagle Mountain City (the “Council”) met in regular session on November 18, 2014, to consider, among other things, amending its municipal energy sales and use tax, which had been adopted August 5, 2003, and which became effective on and after January 1, 2004, and which had been subsequently amended in the 2005 Fiscal Year Budget.

In 1996 the Utah Legislature granted taxing authority to municipalities to provide for a stable revenue source for municipalities and to create a more competitive environment for the energy industry. The City Council finds that for the purpose of defraying the necessary and proper expenses of the City and for maintaining the government thereof, the Council determined in August of 2003 to enact a municipal energy sales and use tax in conformance with UTAH CODE ANN. § 10-1-301, and that the rate of tax should be increased to the 6% rate authorized under state law and with technical changes amending the prior ordinance O 14-2003.

BE IT ORDAINED by the City Council of Eagle Mountain City:

Section 3.10.020 of the Eagle Mountain Municipal Code is hereby amended and re-enacted as follows:

3.10.020 MUNICIPAL ENERGY SALES AND USE TAX LEVIED.

There is hereby levied, subject to the provisions of this ordinance, a tax on every sale or use of taxable energy made within the City equaling six percent (6%) of the delivered value of the taxable energy to the consumer effective on and after April 1, 2015. The rate of such tax under the prior ordinance O 14-2003 for previous periods governed by that ordinance, namely, through March 31, 2015, shall be three percent (3%) of such delivered value. This tax shall be known as the Municipal Energy Sales and Use Tax.

A. The tax shall be calculated on the delivered value of the taxable energy to the consumer.

B. The tax shall be in addition to any sales or use tax on taxable energy imposed by the City authorized by Utah Code Title 59, Chapter 12, Sales and Use Tax Act.

ADOPTED by the City Council of Eagle Mountain City, Utah, this 18th day of November, 2014.

EAGLE MOUNTAIN CITY, UTAH

Chris Pengra, Mayor

ATTEST:

Fionnuala B. Kofoed, MMC
City Recorder

CERTIFICATION

The above ordinance was adopted by the City Council of Eagle Mountain City on the 18th day of November, 2014.

Those voting aye:

- Adam Bradley
- Donna Burnham
- Ryan Ireland
- Richard Steinkopf
- Tom Westmoreland

Those voting nay:

- Adam Bradley
- Donna Burnham
- Ryan Ireland
- Richard Steinkopf
- Tom Westmoreland

Fionnuala B. Kofoed, MMC
City Recorder