

PROPOSED WALSH COUNTY ORDINANCE 2025-1

AN ORDINANCE BY WALSH COUNTY, NORTH DAKOTA PROVIDING FOR AN ADDITIONAL SALES AND USE TAX FOR CONSTRUCTION AND FINANCE OF A NEW COUNTY JAIL AND SHERIFF'S OFFICE

PURPOSE

It is the purpose of this Ordinance to facilitate raising the funds for the construction of a new County jail and Sheriff's office.

HISTORY

The existing Walsh County jail and Sheriff's office is in a state of disrepair and is no longer sufficient to provide for the needs of the Walsh County justice system. Due to the age and condition of the building, as well as the physical location, the most cost-effective approach is for the development of a new jail facility and accompanying Sheriff's office in Walsh County. This new facility would include jail-proper spaces like program space, recreation space, intake, and inmate kitchen and laundry services and other spaces necessary for a county justice center to function according to current industry standards. This building will be located on the existing site between the courthouse and the Administrative Building, and will be tied directly to the Courthouse. The facility would also house all office and administrative spaces for the Sheriff's office. Additionally, the aging Courthouse HVAC systems will undergo a complete renovation at the time of construction, tying the HVAC systems for all three buildings into one central system. The total estimated cost for this project is \$42.6 million. Funding for this project would come from multiple sources and is designed to utilize a combination of property tax and sales tax dollars, in addition to dollars that have been set aside for this purpose:

1. \$5 million has been set aside from the County's current funds;
2. The County requests an increase to the General Fund levy maximum – from 60 mills up to 80 mills – to repay loans secured through the Bank of North Dakota through the Infrastructure Loan Fund or other applicable funds available at the time of application. All efforts will be made to utilize the specific low-interest funds available through the Bank of North Dakota prior to selling bonds in the open market. The increase in general fund mill levy receipts would be used for loan repayment, as well as funding the increased operating costs of the new facility.
3. The County requests a sales tax of up to 0.75% to balance any remaining costs associated with the project.

This Ordinance will impose an additional sales and use tax of up to three-quarters of one percent (0.75%) for the new jail project.

AUTHORITY

Walsh County is operating under a Home Rule Charter approved by the voters in 1986. Article 2(b), Home Rule Powers of the County, provides that the County may levy and collect sales taxes. Article 6 provides: "Any ordinance adopted by the Board of Commissioners implementing any new or

additional category or form of taxation, or raising or eliminating mill levy limitations so as to exceed the statutory limit applicable to non-home rule counties, must be referred as a proposed ordinance for approval by the county electorate.”

BE IT ORDAINED BY THE COUNTY COMMISSION OF WALSH COUNTY, NORTH DAKOTA:

Definitions:

All terms defined in Chapters 11-09.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6 and 57-40.2, of the North Dakota Century Code (N.D.C.C.), including any future amendments are adopted by reference. All references to the N.D.C.C. include amendments adopted by the North Dakota Legislative Assembly.

Collection and Administration:

Where not in conflict with the provisions of Walsh County Ordinance 2025-1, the provisions of N.D.C.C. Chapters 11-09.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6 and 57-40.2 and all administrative rules adopted by the Tax Commissioner, pertaining to the collection and administration of the retail sales, use and gross receipts tax, including provisions for liability, refund, penalty, interest or credit, govern the administration by the North Dakota Office of State Tax Commissioner (hereinafter "Tax Commissioner") of the taxes imposed by Walsh County Ordinance 2025-1. The Tax Commissioner is authorized to establish rate tables integrating the tax imposed by this Ordinance, with other state, county and city taxes.

Sales Tax Imposed:

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided by Walsh County Ordinance 2025-1, or the sales and use tax laws of the State of North Dakota, a tax of three-quarters of one percent (0.75%) is imposed upon the gross receipts of retailers from all retail sales, including the leasing or renting of tangible personal property, within the corporate limits of the County of Walsh, North Dakota.

Use Tax Imposed:

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided in Walsh County Ordinance 2025-1, or the sales and use tax laws of the State of North Dakota, an excise tax is imposed upon the storage, use or consumption within the corporate limits of the County of Walsh, North Dakota of tangible personal property purchased at retail for storage, use, or consumption in this County, at the rate of three-quarters of one percent (0.75%) of the purchase price of the property. An excise tax is imposed on the storage, use, or consumption within the corporate limits of the County of Walsh, North Dakota of tangible personal property not originally purchased for the storage, use or consumption in this County at the rate of three-quarters of one percent (0.75%) of the fair market value of the property at the time it was brought into this County.

With respect to the purchase price of tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in N.D.C.C. § 57-40.2-03.3, the tax imposed by this section applies only to bids submitted on or after the effective date of Walsh County Ordinance 2025-1.

Gross Receipts of Alcoholic Beverages:

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided in Walsh County Ordinance 2025-1, a gross receipts tax of three-quarters of one percent (0.75%) is imposed upon all gross receipts from the sale of alcoholic beverages within the County. A person who receives alcoholic beverages for storage, use, or consumption in this County is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of three-quarters of one percent (0.75%).

Gross Receipts of New Farm Machinery and New Farm Irrigation Equipment:

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided in Walsh County Ordinance 2025-1, a gross receipts tax of three-quarters of one percent (0.75%) is imposed upon all gross receipts from the sale of new farm machinery and new farm irrigation equipment within the County. A person who receives new farm machinery or new farm irrigation equipment for storage, use, or consumption in this County is subject to tax on storage, use, or consumption of that machinery and/or equipment at the rate of three-quarters of one percent (0.75%).

Gross Receipts of County Lodging and Restaurants:

Subject to the provisions of N.D.C.C. § 11-09.1-05, and except as otherwise provided in Walsh County Ordinance 2025-1, a gross receipts tax of three-quarters of one percent (0.75%) is imposed upon all gross receipts of retailers on the leasing or renting of hotel, motel, or other accommodations within the county for periods of fewer than thirty consecutive calendar days or one month and upon the gross receipts of a restaurant from any sales of prepared food or beverages, not including alcoholic beverages for consumption off the premises where purchased, which are subject to state sales taxes.

Exemptions:

Walsh County Ordinance 2025-1 does not provide for any additional exemptions from imposition and computation of the County sales and use tax other than those provided by state law.

Maximum Tax Imposed:

Any patron or user paying a tax imposed by Walsh County Ordinance 2025-1 in excess of \$25.00 upon any single transaction of one or more items may obtain a credit or refund of the excess tax at the time of purchase directly from the vendor or request a refund of the excess tax payment by filing a request for refund upon the forms provided by the Tax Commissioner.

Contract with State Tax Commissioner:

The Walsh County Auditor is hereby authorized to contract with the Tax Commissioner for administration and collection of taxes imposed by Walsh County Ordinance 2025-1. The County Auditor has all powers granted to the Tax Commissioner, and in the absence of a valid contract with the Tax Commissioner or failure of the Tax Commissioner to perform the delegated duties, shall perform these duties in place of the Tax Commissioner.

Severability:

In the event any provision of this Ordinance shall be held invalid or unenforceable by any court of

competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

Dedication of Tax Proceeds:

The revenues raised and collected pursuant to Walsh County Ordinance 2025-1, less administrative expenses charged by the State Tax Commissioner, are hereby dedicated and shall be utilized exclusively for the payment of project costs and the retirement of bonds issued for the construction, equipping and furnishing of a new County Jail and Sheriff's office, and related improvements including, but not limited to, site work and street and infrastructure needs.

Term:

The tax imposed by this Ordinance and approved by a majority of the electorate voting at the May 13th, 2025 election, shall become effective on October 1st, 2025 and shall end upon final payment of bonds issued for the proposed project.

APPROVED:

ATTEST:

Chairman
Board of County Commissioners

County Auditor