

ORDINANCE No. 2023-2917



AN ORDINANCE TO ACCELERATE THE SUNSET OF THE CONSTRUCTION EXCISE TAX (CET) AND PROVIDE GROUNDS FOR REFUND TO ANY TAXPAYER WHO WAS ASSESSED AND PAID CET ON OR AFTER APRIL 1, 2023

Recitals:

1. **WHEREAS**, in November of 2020, City Council adopted Ordinance No. 2020-2860 which created a new chapter 3.60 of the Newberg Municipal Code that imposed a construction excise tax on each person who applied for a building permit for real property, subject to certain exceptions under NMC 3.60.040.
2. **WHEREAS**, Ordinance No. 2020-2860 provided that the construction excise tax would be in effect until December 16, 2026, which is six years following its effective date of that ordinance.
3. **WHEREAS**, City Council desires to shorten the duration of the construction excise tax and provide refund opportunities to taxpayers who were recently assessed, and paid, construction excise taxes.
4. **WHEREAS**, City Council desires to expend remaining construction excise tax revenues in accordance with applicable law.


The City of Newberg Ordains as Follows:

1. **Ordinance Amendment.** Title 3, Chapter 3.60 of the Newberg Municipal Code is amended as shown in Exhibit "A" (the "Ordinance Amendment").
2. **Implementation.** The City Manager is authorized to take appropriate actions to implement the requirements of the Ordinance Amendment, which includes the reservation of sufficient funds to provide taxpayer refunds for those who qualify under the Ordinance Amendment.

Effective Date of this ordinance is 30 days after the adoption date, which is: May 31, 2023.

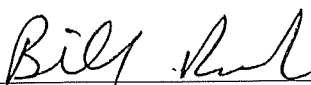
Adopted by the City Council of Newberg, Oregon, this 1st day of May, 2023, by the following votes:

AYE: 4 **NAY:** 2 **ABSTAIN:** 0 **ABSENT:** 1 (Carmon)



Zaira Robles Muniz, Administrative Specialist

Attest by the Mayor this 1 day of May, 2023.



Bill Rosacker, Mayor

Ordinance 2023-2917 Exhibit A

Note: Existing text is shown in regular font.
Added text is shown in double underline
Deleted text is shown in ~~strikethrough~~.

The Newberg Municipal Code shall be amended as follows:

Newberg Municipal Code, 3.60.080, shall be amended to read:

- A. The city shall issue a refund to the owner listed on the permit for which a tax was assessed and paid, in the amount of the tax actually paid, under the following circumstances:
 1. If the taxpayer establishes that the tax was paid for improvements that were otherwise eligible for an exemption under NMC 3.60.040.
 2. If the taxpayer establishes that construction of the improvements was not commenced and the associated building permit has been cancelled by the community development department.
 3. If the taxpayer establishes that the tax was assessed, and the taxpayer paid the tax, on or after April 1, 2023.
- B. Requests for refunds must be made in writing and submitted by the taxpayer to the city manager. The city manager shall either refund all amounts due under this section within 30 days of the date a written request for refund is filed with the city manager or give written notice of the reasons why the refund request has been denied. Such decision is subject to the appeals provisions in NMC 3.60.110.
- C. Any request for refund must be initiated within one year from the date of payment. The city shall deny any refund request that is made more than one year after the date of payment of the tax, or that otherwise does not comply with the requirements of this provision.

Newberg Municipal Code, 3.60.130, shall be amended to read:

- A. This chapter shall remain in effect until July 1, 2023, ~~for six years following the effective date and is repealed unless, following five years after the effective date and preparation of a report analyzing the impacts of the construction excise tax, an extension or reauthorization of this chapter is approved by the city council at a public hearing called for that purpose.~~
- B. All construction excise taxes collected as of July 1, 2023, shall be transferred to the city's general fund.
- C. All construction excise tax revenue unexpended as of July 1, 2023, shall continue to be used solely for the purposes permitted under NMC 3.60.090.