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CHAPTER 1

FINANCE AND BUDGET ADMINISTRATION

§ 7-101 Capital improvement fund.

§ 7-101 CAPITAL IMPROVEMENT FUND.

- A. There is hereby created a city capital improvement fund.
- B. The city council of the city may place in the fund any money available to the city.
- C. The fund shall be placed in an insured interest bearing account.
- D. The fund shall be nonfiscal and shall not be considered in computing any levy when the city makes its estimate to the excise board for needed appropriations.
- E. Money in the capital improvement fund may be expended for any capital improvement.
- F. For the purpose of creating a capital improvement fund and expending money therefrom, capital improvement shall mean all items and articles, either new or replacements not consumed with use but only diminished in value with prolonged use, including but not limited to roads and streets, drainage improvements, water and sewerage improvements, machinery, equipment, furniture and fixtures, all real property, all construction or reconstruction of buildings, appurtenances and improvements to real property, the cost and expenses related thereto of rights-of-way or other real property, engineering, architectural or legal fees, and payments for improvements for which subsequent reimbursement is made to the capital improvement fund.
- G. No funds may be appropriated or expended from the capital improvement account in the absence of a recorded vote by the governing body and until claims duly verified by affidavit are presented and approved by the governing body.

State Law Reference: Similar provisions, 11 O.S. §§ 17-109 to 17-111.

CHAPTER 2

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§ 7-201 CITATION AND CODIFICATION.

This chapter shall be known and may be cited as "City of Geary Sales Tax Ordinance."

State Law Reference: Authority to levy (sales) taxes for municipal purposes, 68 O.S. § 2701; State Sales Tax Code 68 O.S. §§ 1350 et seq.

§ 7-202 DEFINITIONS.

A. The definitions of words, terms and phrases contained in the Oklahoma Sales Tax Code, § 1352 of Title 61 of the Oklahoma Statutes, and in §§ 576 and 593 of Title 37 of the Oklahoma Statutes, are hereby adopted by reference and made a part of this chapter.

B. A sale shall include the sale, preparation or service of ice or nonalcoholic beverages that are sold, prepared or served for the purpose of being mixed with alcoholic beverages for consumption on the premises where such sale, preparation or otherwise occurs.

C. The definition of "gross receipts" in the State Sales Tax Code is hereby augmented to contain the additional following words: "The total retail sale price received for the sale, preparation or service of mixed beverages, ice and non-alcoholic beverages to be mixed with alcoholic beverages for consumption on the premises where such sale, preparation or service occurs shall constitute the gross receipts from such transaction."

§ 7-203 **TAX COLLECTOR DEFINED.**

The term "tax collector" as used in this chapter means the department of the city or the official agency of the state duly designated according to law or contract, and authorized by law to administer the collection of the tax levied in this chapter.

§ 7-204 **CLASSIFICATION OF TAXPAYERS.**

For the purpose of this chapter the classification of taxpayers hereunder shall be as prescribed by state law for purposes of the Oklahoma Sales Tax Code.

§ 7-205 **SUBSISTING STATE PERMITS.**

All valid and subsisting permits to do business issued by the Oklahoma Tax Commission pursuant to the Oklahoma Sales Tax Code are, for the purpose of this chapter, hereby ratified, confirmed and adopted in lieu of any requirement for an additional city permit for the same purpose.

§ 7-206 **EFFECTIVE DATE.**

This chapter became effective as to each cent tax after approval of a majority of the registered voters of the city voting on the ordinance in the manner prescribed by § 16-112 of Title 11 of the Oklahoma Statutes.

§ 7-207 **PURPOSE OF REVENUES.**

It is the purpose of the sales tax to provide revenues for the support of the functions of the municipal government of the city.

Ed. Note: Ord. No. 325, effective April 3, 1973, levied the first one-cent tax. Ord. No. 1979-3, effective November 1, 1979; levied two (2) additional cents.

§ 7-208 TAX RATE - SALES SUBJECT TO TAX.

There is hereby levied an excise tax of three percent (3%) upon the gross proceeds or gross receipts derived from all sales taxable under the Oklahoma Sales Tax Code including but not exclusive of the following:

1. Tangible personal property;
2. Natural or artificial gas, electricity, ice, steam, or any other utility or public service except water and those specifically exempt by this chapter;
3. Transportation for hire of persons by common carriers, including railroads, both steam and electric, motor transportation companies, taxicab companies, Pullman car companies, airlines and all other means of transportation for hire;
4. Service by telephone and telegraph companies to subscribers or users, including transmission of messages, whether local or long distance. This shall include all services and rental charges having any connection with transmission of any messages;
5. Printing or printed matter of all types, kinds, and characters and the service of printing or over-printing, including the copying of information by mimeograph or multigraph or by otherwise duplicating written or printed matter in any manner, or the production of microfiche containing information on magnetic tapes furnished by customers;
6. Service of furnishing rooms by hotel, apartment hotel, public rooming house, motel, public lodging house or tourist camps;
7. Service of furnishing storage or parking privileges by auto hotels and parking lots;
8. Selling, renting or otherwise furnishing computer hardware or software or coding sheets, cards or magnetic tapes on which prewritten programs have been coded, punched or otherwise recorded;
9. Food, confections and all drinks sold or dispensed by hotels, restaurants, or other dispensers, and sold for immediate consumption upon the premises or delivered or carried away from the premises for consumption elsewhere;
10. Advertising of all kinds, types and character, including any and all devices used for advertising purposes and the servicing of any advertising devices, except those specifically exempt by this chapter;
11. Dues or fees to clubs including free or complimentary dues or fees which shall have the value equivalent to the charge that would have otherwise been made, including any fees paid for the use of facilities or services rendered at a health spa or club or any similar facility or business;

12. Sales of tickets, fees or other charges made for admission to or voluntary contributions made to places of amusement, sports entertainment, exhibition, display or other recreational events or activities, including free or complimentary admissions which shall have the value equivalent to the charge that would have otherwise been made;

13. Charges made for the privilege of entering or engaging in any kind of activity, when no admission is charged spectators, such as tennis, racket ball or hand ball courts;

14. Charges made for the privilege of using items for amusement, sports, entertainment or recreational activity such as trampolines or golf carts;

15. The rental of equipment for amusement, sports, entertainment or other recreational activities, such as bowling shoes, skates, golf carts, or other sports and athletic equipment;

16. The gross receipts from sales through any vending machine, without any deduction for rental to locate the vending machine on the premises of a person who is not the owner or any other deductions therefrom;

17. Gross receipts or gross proceeds from the rental or lease of tangible personal property, including rental or lease of personal property when the rental or lease agreement requires the vendor to launder, clean, repair or otherwise service the rented or leased property on a regular basis, without any deduction for the cost of the service rendered. Provided, if the rental or lease charge is based on the retail value of the property at the time of making the rental or lease agreement and the expected life of the property, and the rental or lease charge is separately stated from the service cost in the statement, bill or invoice delivered to the consumer, the cost of services rendered shall be deducted from the gross receipts or gross proceeds;

18. Any licensing agreement, rental, lease or other device or instrument whereby rights to possess or exhibit motion pictures or filmed performances or rights to receive images, pictures or performances for telecast by any method are transferred. Provided, persons regularly engaged in the business of exhibiting motion pictures for which the sale of tickets or admissions is taxed under this chapter shall not be deemed to be consumers or users in respect to the licensing or exhibiting of copyrighted motion picture features, shorts, cartoons and scenes from copyrighted features and the sale or licensing of such films shall not be considered a sale within the purview of this chapter;

19. Flowers, plants, shrubs, trees and other floral items, whether or not same was produced by the vendor, sold by persons engaged in florist or nursery business in this state, including all orders taken by an Oklahoma business for delivery in another state. Provided, all orders taken outside this state for delivery within this state shall not be subject to the tax levied by this chapter;

20. Tangible personal property sold to persons, peddlers, solicitors or other salesmen, for resale where there is likelihood that this state will lose tax revenue due to the difficulty of enforcing this chapter because of:

- a. The operation of the business;
- b. The nature of the business;
- c. The turnover of independent contractors;
- d. The lack of place of business in which to display a permit or keep records;
- e. Lack of adequate records;
- f. The persons are minors or transients;
- g. The persons are engaged in service businesses; or
- h. Any other reasonable reason;

21. Any taxable services and tangible personal property including materials, supplies and equipment sold to contractors for the purpose of developing and improving real estate even though such real estate is intended for resale as real property are hereby declared to be sales to consumers or users and taxable; and

22. Any taxable services and tangible personal property sold to persons who are primarily engaged in selling their services, such as repairmen, are hereby declared to be sales to consumers or users and taxable.

§ 7-209 EXEMPTIONS; SALES SUBJECT TO OTHER TAX.

There is hereby specifically exempted from the tax levied by this chapter the gross receipts or gross proceeds exempted from the Oklahoma Sales Tax Code inclusive, but not exclusive of, and derived from the:

1. Sale of gasoline or motor fuel on which the motor fuel tax, gasoline excise tax or special fuels tax levied by state law has been paid;
2. Sale of motor vehicles or any optional equipment or accessories attached to motor vehicles on which the Oklahoma Motor Vehicle Excise Tax levied by state law has been paid;
3. Sale of crude petroleum or natural or casinghead gas and other products subject to gross production tax under state law. This exemption shall not apply when such products are sold to consumer or user for consumption or use, except when used for injection into the earth for the purpose of promoting or facilitating the production of oil or gas. This paragraph shall not operate to increase or repeal the gross production tax levied by the laws of this state; and

4. Sale of aircraft on which the tax levied pursuant to §§ 6001 through 6004 of Title 68 of the Oklahoma Statutes has been paid. The provisions of this Paragraph 4 shall not become operative until November 1, 1984.

§ 7-210 EXEMPTIONS; GOVERNMENTAL AND NONPROFIT ENTITIES.

There are hereby specifically exempted from the tax levied by this chapter:

1. Sale of tangible personal property or services to the United States Government or to the State of Oklahoma, any political subdivision of this state or any agency of a political subdivision of the state; provided, all sales to contractors in connection with the performance of any contract with the United States Government, State of Oklahoma or any of its political subdivisions shall not be exempted from the tax levied by this chapter, except as hereinafter provided;

2. Sales of property to agents appointed or contracted with by agencies or instrumentalities of the United States Government if ownership and possession of such property transfers immediately to the United States Government;

3. Sales made directly by county, district or state fair authorities of this state, upon the premises of the fair authority, for the sole benefit of the fair authority;

4. Sale of food in cafeterias or lunch rooms of elementary schools, high schools, colleges or universities which are operated primarily for teachers and pupils and are not operated primarily for the public or for profit;

5. Dues paid to fraternal, religious, civic, charitable or educational societies or organizations by regular members thereof, provided, such societies or organizations operate under what is commonly termed the lodge plan or system, and provided such societies or organizations do not operate for a profit which inures to the benefit of any individual member or members thereof to the exclusion of other members;

6. Sale of tangible personal property or services to or by churches, except sales made in the course of business for profit or savings, competing with other persons engaged in the same or similar business;

7. The amount of proceeds received from the sale of admission tickets which is separately stated on the ticket of admission for the repayment of money borrowed by any accredited state-supported college or university for the purpose of constructing or enlarging any facility to be used for the staging of an athletic event, a theatrical production, or any other form of entertainment, edification or cultural cultivation to which entry is gained with a paid admission ticket. Such facilities include, but are not limited to, athletic fields, athletic stadiums, field houses, amphitheaters and theaters. To be eligible for this sales tax exemption, the amount separately stated on the admission ticket shall be a surcharge which is imposed, collected and used for the sole purpose of servicing or aiding in the servicing of debt incurred by the college or university to effect the capital improvements hereinbefore described;

8. Sales of tangible personal property or services to the council organizations or similar state supervisory organizations of the Boy Scouts of America, Girl Scouts of U.S.A. and the Campfire Girls shall be exempt from sales tax;

9. Sale of tangible personal property or services to any county, municipality, public school district, the institutions of the Oklahoma system of higher education and the Grand River Dam Authority, or to any person with whom any of the above named subdivisions or agencies of this state has duly entered into a public contract pursuant to law, necessary for carrying out such public contract or to any subcontractor to such a public contract. Any person making purchases on behalf of such subdivision or agency of this state shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such subdivision or agency of this state and set out the name of such public subdivision or agency. Any person who wrongfully or erroneously certifies that purchases are for any of the above named subdivision or agencies of this state or who otherwise violates this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount equal to double the amount of the sales tax involved or incarcerated for not more than sixty (60) days or both;

10. Sales of tangible personal property or services to private institutions of higher education and private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs or accredited as defined by the Oklahoma State Regents for Higher Education which are exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, including materials, supplies, and equipment used in the construction and improvement of buildings and other structures owned by the institutions and operated for education purposes. Any person, firm, agency or entity making purchases on behalf of any institution, agency or subdivision in this state, shall certify in writing, on the copy of the invoice or sales ticket the nature of the purchases, and violation of this act shall be a misdemeanor as set forth in Paragraph (9) of this section; and

11. Tuition and education fees paid to private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs or accredited as defined by the Oklahoma State Regents for Higher Education which are exempt from taxation pursuant to the provisions of the Section 501(c)(3) of the Internal Revenue Code.

§ 7-211 **EXEMPTIONS; GENERAL.**

There are hereby specifically exempted from the tax levied by this chapter:

1. Transportation of school pupils to and from elementary schools or high schools in motor or other vehicles;

2. Transportation of persons where the fare of each person does not exceed One Dollar (\$1.00), or local transportation of persons within the corporate limits of a municipality except by taxicab;

3. Carrier sales of newspapers and periodicals made directly to consumers. Other sales of newspapers and periodicals where any individual transaction does not exceed seventy-five cents (\$0.75). A carrier is a person who regularly delivers newspapers or periodicals to subscribers on an assigned route;

4. Sales for resale to persons engaged in the business of reselling the articles purchased, whether within or without the state, provided that such sales to residents of this state are made to persons to whom sales tax permits have been issued as provided in this chapter. This exemption shall not apply to the sales of articles made to persons holding permits when such persons purchase items for their use and which they are not regularly engaged in the business of reselling; neither shall this exemption apply to sales of tangible personal property to peddlers, solicitors and other salesmen who do not have an established place of business and a sales tax permit;

5. Sales of advertising space in newspapers and periodicals and billboard advertising service, and any advertising through the electronic media, including radio, television and cable television;

6. Eggs, feed, supplies, machinery and equipment purchased by persons regularly engaged in the business of raising worms, fish, any insect or any other form of terrestrial or aquatic animal life and used for the purpose of raising same for marketing. This exemption shall only be granted and extended to the purchaser when the items are to be used and in fact are used in the raising of animal life as set out above. Each purchaser shall certify, in writing, on the invoice or sales ticket retained by the vendor that he is regularly engaged in the business of raising such animal life and that the items purchased will be used only in such business. The vendor shall certify to the Oklahoma Tax Commission that the price of the items has been reduced to grant the full benefit of the exemption. Violation hereof by the purchaser or vendor shall be a misdemeanor;

7. Sales of medicine or drugs prescribed for the treatment of human beings by a person licensed to prescribe the medicine or drugs. This exemption shall not apply to proprietary or patent medicines as defined by Section 353.1 of Title 59 of the Oklahoma Statutes;

8. Transfers of title or possession of empty, partially filled, or filled returnable oil drums to any person who is not regularly engaged in the business of selling, reselling or otherwise transferring empty, partially filled, or filled returnable oil drums; and

9. Nothing herein shall be construed as limiting or prohibiting the city from levying and collecting taxes on the sale of natural or artificial gas and electricity, whether sold for residential or commercial purposes. Any sales tax levied by the city on natural or artificial gas and electricity shall be in effect regardless of ordinance or contractual provisions referring to previously imposed state sales tax on such items.

§ 7-212 **EXEMPTIONS; AGRICULTURE.**

There are hereby specifically exempted from the tax levied by this chapter:

1. Sales of agricultural products produced in this state by the producer thereof directly to the consumer or user when such articles are sold at or from a farm and not from some other place of business, as follows:

- a. Farm, orchard or garden products;
- b. Dairy products sold by a dairyman or farmer who owns all the cows from which the dairy products offered for sale are produced;
- c. Livestock sold by the producer at a special livestock sale; or
- d. The provisions of this paragraph shall not be construed as exempting sales by florists, nurserymen or chicken hatcheries, or sales of dairy products by any other business except as set out herein;

2. Livestock, including cattle, horses, mules, or other domestic or draft animals, sold by the producer by private treaty or at a special livestock sale;

3. Sale of baby chicks, turkey poults and starter pullets used in the commercial production of chickens; turkeys and eggs, provided that the purchaser certifies, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the pullets will be used primarily for egg production;

4. Sale of salt, grains, tankage, oyster shells, mineral supplements, limestone and other generally recognized animal feeds for the following purposes and subject to the following limitations:

- a. Feed which is fed to poultry and livestock, including breeding stock and wool-bearing stock, for the purpose of producing eggs, poultry, milk or meat for human consumption;
- b. Feed purchased in Oklahoma for the purpose of being fed to and which is fed by the purchaser to horses, mules or other domestic or draft animals used directly in the producing and marketing of agricultural products;
- c. Any stock tonics, water purifying products, stock sprays, disinfectants or other such agricultural supplies;
- d. Poultry shall not be construed to include any fowl other than domestic fowl kept and raised for the market or production of eggs;
- e. Livestock shall not be construed to include any pet animals such as dogs, cats, birds or such other fur-bearing animals; and

- f. This exemption shall only be granted and extended where the purchaser of feed that is to be used and in fact is used for a purpose that would bring about an exemption hereunder executes an invoice or sales ticket in duplicate on a form to be prescribed by the Tax Commission. The purchaser may demand and receive a copy of the invoice or sales ticket and the vendor shall retain a copy;

5. Sales of items to be and in fact used in the production of agricultural products. Sale of the following items shall be subject to the following limitations:

- a. Sales of agricultural fertilizer to any person regularly engaged, for profit, in the business of farming or ranching. Each such purchaser shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor, that he is so engaged in farming or ranching and that the material purchased will be used only in such business;
- b. Sales of agricultural fertilizer to any person engaged in the business of applying such materials on a contract or custom basis to land owned or leased and operated by persons regularly engaged, for profit, in the business of farming or ranching. Each such purchaser shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that he is engaged in the business of applying such materials to lands owned or leased and operated by persons regularly engaged, for profit, in the business of farming or ranching, and shall show in the certificate the name or names of such owner or lessee and operator, the location of the lands on which the materials are to be applied to each such land, and he shall further certify that his contract price has been reduced so as to give the farmer or rancher the full benefit of this exemption;
- c. Sales of agricultural fertilizer, pharmaceuticals and biologicals to persons engaged in the business of applying such materials on a contract or custom basis shall not be considered to be sales to contractors under this chapter, and the sales shall not be considered to be taxable sales within the meaning of the Oklahoma Sales Tax Code. As used in this section, "agricultural fertilizer" "pharmaceuticals" and "biologicals" mean any substance sold and used for soil enrichment or soil corrective purposes or for promoting the growth and productivity of plants or animals;
- d. Sales of agricultural seed or plants to any person regularly engaged, for profit, in the business of farming or ranching. This section shall not be construed as exempting from sales tax, seed which is packaged and sold for use in noncommercial flower and vegetable gardens;
- e. Sales of agricultural chemical pesticides to any person regularly engaged, for profit, in the business of farming or ranching. For the purposes of this act, agricultural chemical pesticides shall include any substance or

mixture of substances intended for preventing, destroying, repelling or mitigating any insect, snail, slug, rodent, bird, nematode, fungus, weed or any other form of terrestrial or aquatic plant or animal life or virus, bacteria or other microorganism, except viruses, bacterial or other microorganisms on or in living man, or any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant; and

- f. This exemption shall only be granted and extended to the purchaser where the items are to be used and in fact are used in the production of agricultural products. Each purchaser shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor, that the material purchased will only be used in his farming occupation. The vendor shall certify to the Oklahoma Tax Commission that the contract price of the items has been reduced to grant the full benefit of the exemption. Violation hereof by the purchaser or vendor shall be a misdemeanor and, upon violation and conviction for a second offense, the Oklahoma Tax Commission shall revoke the vendor's sales tax permit; and

6. Sale of farm machinery, repair parts thereto or fuel, oil, lubricants and other substances used for operation and maintenance of *the* farm machinery to be used directly on a farm or ranch in the production, cultivation, planting, sowing, harvesting, processing, spraying, preservation or irrigation of any livestock, poultry, agricultural or dairy products produced from such lands. Each purchaser of farm machinery, repair parts thereto or fuel must certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor, that he is engaged in farming or ranching and that the farm machinery, repair parts thereto or fuel will be used only in farming or ranching. The exemption provided for herein shall not apply to motor vehicles. Each purchaser shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor, that the material purchased will only be used in his farming occupation. The vendor shall certify to the Oklahoma Tax Commission that the price of the items has been reduced to grant the full benefit of the exemption. Violation hereof by the purchaser or vendor shall be a misdemeanor and, upon violation and conviction for a second offense, the Oklahoma Tax Commission shall revoke the vendor's sales tax permit.

§ 7-213 EXEMPTIONS; MANUFACTURERS.

There are hereby specifically exempted from the tax levied by this chapter:

1. Goods, wares, merchandise and property purchased for the purpose of being used or consumed in the process of manufacturing, compounding, processing, assembling or preparing for sale a finished article and such goods, wares, merchandise or property become integral parts of the manufactured, compounded, processed, assembled or prepared products or are consumed in the process of manufacturing, compounding, processing, assembling or preparing products for resale. The term "manufacturing plants" shall mean those establishments primarily engaged in manufacturing or processing operations, and generally recognized as such;

2. Ethyl alcohol when sold and used for the purpose of blending same with motor fuel on which motor fuel tax is levied by state law;

3. Sale of machinery and equipment purchased and used by persons establishing new manufacturing plants 10 Oklahoma, and machinery and equipment purchased and used by persons in the operation of manufacturing plants already established in Oklahoma. This exemption shall not apply unless such machinery and equipment is incorporated into, and is directly used in, the process of manufacturing property subject to taxation under this chapter. The term "manufacturing plants" means those establishments primarily engaged in manufacturing or processing operations, and generally recognized as such;

4. Sales of containers when sold to a person regularly engaged in the business of reselling empty or filled containers or when purchased for the purpose of packaging raw products of farm, garden or orchard for resale to the consumer or processor. This exemption shall not apply to the sale of any containers used more than once and which are ordinarily known as returnable containers, except returnable soft drink bottles. Each and every transfer of title or possession of such returnable containers in this state to any person who IS not regularly engaged in the business of selling, reselling or otherwise transferring empty or filled containers shall be taxable under this code. This exemption shall not apply to the sale of labels or other materials delivered along with items sold but which are not necessary or absolutely essential to the sale of the sold merchandise; or

5. Sale of tangible personal property manufactured in Oklahoma when sold by the manufacturer to a person who transports it to another state for immediate and exclusive use in some other state.

§ 7-214 EXEMPTIONS; CORPORATIONS AND PARTNERSHIPS.

There are hereby specifically exempted from the tax levied in this chapter:

1. The transfer of tangible personal property, as follows:
 - a. From one corporation to another corporation pursuant to a reorganization. As used in this subparagraph the term "reorganization" means a statutory merger or consolidation or the acquisition by a corporation of substantially all of the properties of another corporation when the consideration is solely all or a part of the voting stock of the acquiring corporation, or of its parent or subsidiary corporation;
 - b. In connection with the winding up, dissolution or liquidation of a corporation only when there is a distribution in kind to the shareholders of the property of such corporation;
 - c. To a corporation for the purpose of organization of such corporation where the former owners of the property transferred are immediately after the transfer in control of the corporation, and the stock or securities

received by each is substantially in proportion to his interest in the property prior to the transfer;

- d. To a partnership in the organization of such partnership if the former owners of the property transferred are immediately after the transfer, members of such partnership and the interest in the partnership, received by each, is substantially in proportion to his interest in the property prior to the transfer; or
- e. From a partnership to the members thereof when made in kind in the dissolution of such partnership;

2. Sale of an interest in tangible personal property to a partner or other person who after such sale owns a joint interest in such tangible personal property where the state sales or use tax has previously been paid on such tangible personal property.

§ 7-215 **TAX DUE WHEN; RETURNS; RECORDS.**

The tax levied hereunder shall be due and payable at the time and in the manner and form prescribed for payment of the state sales tax under the Oklahoma Sales Tax Code.

§ 7-216 **PAYMENT OF TAX; BRACKETS.**

A. The tax herein levied shall be paid to the tax collector at the time and in the form and manner provided for payment of state sales tax.

B. The bracket system for the collection of the city sales tax by the tax collector shall be the same as is hereafter adopted by the agreement of the city and the tax collector, in the collection of both the city sales tax and the state sales tax.

§ 7-217 **TAX CONSTITUTES DEBT.**

The taxes, penalty and interest due under this chapter shall at all times constitute a prior, superior and paramount claim as against the claims of unsecured creditors, and may be collected by suit as any other debt.

§ 7-218 **VENDOR'S DUTY TO COLLECT TAX; PENALTIES.**

A. The tax levied hereunder shall be paid by the consumer or user to the vendor. It is the duty of each and every vendor in this city to collect from the consumer or user the full amount of the tax levied by this chapter, or an amount equal as nearly as possible or practicable to the average equivalent thereof.

B. Vendors shall add the tax imposed hereunder, or the average equivalent thereof, to the sales price or charge, and when added such tax shall constitute a part of such price or

charge, shall be a debt from the consumer or user to vendor until paid, and shall be recoverable at law in the same manner as other debts.

C. A vendor, as defined hereunder, who willfully or intentionally fails, neglects or refuses to collect the full amount of the tax levied by this chapter, or willfully or intentionally falls, neglects or refuses to comply with the provisions or remits or rebates to a consumer or user, either directly or indirectly, and by whatsoever means, all or any part of the tax herein levied, or makes in any form of advertising, verbally or otherwise, any statement which infers that he is absorbing the tax, or paying the tax for the consumer or user by an adjustment of prices or at a price including the tax, or in any manner whatsoever, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished as provided in § 1-108 of this code.

D. Any sum or sums collected or required to be collected in accordance with this chapter shall be deemed to be held in trust for the city. Any person, firm, corporation, joint venture or association that willfully or intentionally fails, neglects or refuses to collect the sums required to be collected or paid shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished as provided in § 1-108 of this code.

§ 7-219 RETURNS AND REMITTANCES; DISCOUNTS.

Returns and remittances of the tax herein levied and collected shall be made to the tax collector at the time and in the manner, form and amount as prescribed for returns and remittances of tax collected hereunder and shall be subject to the same discount as may be allowed by the Oklahoma Sales Tax Code for collection of state sales taxes.

§ 7-220 INTEREST AND PENALTIES; DELINQUENCY.

§ 217 of Title 68 of the Oklahoma Statutes is hereby adopted and made a part of this chapter, and interest and penalties at the rates and in amounts as therein specified are hereby levied and shall be applicable in cases of delinquency in reporting and paying the tax levied by this chapter. The failure or refusal of any taxpayer to make and transmit the reports and remittances of tax in the time and manner required by this chapter shall cause such tax to be delinquent. In addition, if the delinquency continues for a period of five (5) days, the taxpayer shall forfeit his claim to any discount allowed under this chapter.

§ 7-221 WAIVER OF INTEREST AND PENALTIES.

The interest or penalty or any portion thereof accruing by reason of a taxpayer's failure to pay the city tax herein levied may be waived or remitted in the same manner as provided for the waiver or as applied in administration of the state sales tax provided in § 220 of Title 68 of the Oklahoma Statutes. To accomplish the purposes of this section, the applicable provisions of § 220 of Title 68 are hereby adopted by reference and made a part of this chapter.

§ 7-222 ERRONEOUS PAYMENTS; CLAIM FOR REFUND.

Refund of erroneous payment of the city sales tax herein levied may be made to any taxpayer making the erroneous payment in the same manner and procedure, and under the same limitations of time, as provided for administration of the state sales tax as set forth in § 227 of Title 68 of the Oklahoma Statutes. To accomplish the purpose of this section, the applicable provisions of § 227 of Title 68 are hereby adopted by reference and made a part of this chapter.

§ 7-223 FRAUDULENT RETURNS.

In addition to all civil penalties provided by this chapter, the willful failure or refusal of any taxpayer to make reports and remittances herein required, or the making of any false and fraudulent report for the purpose of avoiding or escaping payment of any tax or portion thereof rightfully due under this chapter shall be an offense, and upon conviction thereof the offending taxpayer shall be subject to a fine as provided in § 1-108 of this code.

§ 7-224 RECORDS CONFIDENTIAL.

The confidential and privileged nature of the records and files concerning the administration of the city sales tax is legislatively recognized and declared, and to protect the same the provisions of the State Sales Tax Code, § 205 of Title 68 of the Oklahoma Statutes, and each subsection thereof, are hereby adopted by reference and made fully effective and applicable to administration of the city sales tax as if here set forth in full.

§ 7-225 AMENDMENTS.

The people of the city, by their approval of the sales tax ordinance hereby authorize the city council, by ordinance duly enacted, to make such administrative and technical changes or additions in the method and manner of administering and enforcing this chapter as may be necessary or proper for efficiency and fairness. Neither the rate of the tax herein provided nor the use to which the revenue is put shall be changed without approval of the qualified electors of the city as provided by law.

§ 7-226 PROVISIONS CUMULATIVE.

The provisions of this chapter shall be cumulative and in addition to any or all other taxing provisions of city ordinances.

CHAPTER 3

TELEPHONE EXCHANGE FEE

§ 7-301 Fee levied on telephone exchanges.

§ 7-302 Fee to be in lieu of other fees, taxes.

§ 7-301 **FEE LEVIED ON TELEPHONE EXCHANGES.**

There is hereby levied effective with the adoption of this code an annual inspection fee and service charge upon each and every person, firm, or corporation operating a telephone exchange in the city in an amount equal to two percent (2%) of the gross revenues for each current year for exchange telephone transmission service rendered wholly within the limits of the city to compensate the city for the expenses incurred and services rendered incident to the exercise of its police power; supervision, police regulations, and police control of the construction of lines and equipment of the telephone company in the city. The inspection fee and charge shall be due and payable to the city monthly by the 15th of the month for the preceding month and shall be paid into and appropriated and expended from the general revenue fund of the city.

State Law Reference: City powers to levy utility tax on gross receipts, 68 O.S. §§ 2601 et seq.

§ 7-302 **FEE TO BE IN LIEU OF OTHER FEES, TAXES.**

During continued substantial compliance with the terms of this chapter by the owner of any telephone exchange, the charge levied hereby shall be and continue to be in lieu of all concessions, charges, excise, franchise, license, privilege, and permit fees or taxes or assessments, except ad valorem taxes. However, it is not intended hereby to extinguish or abrogate any existing arrangement whereby the city is permitted to use underground conduit, duct space, or pole contacts of the company for the fire alarm or police calls systems of the city.

CHAPTER 4

EXCISE TAX ON TANGIBLE PERSONAL PROPERTY

- § 7-401 Excise tax on storage, use or other consumption of tangible personal property levied.
- § 7-402 Exemption.
- § 7-403 Time when due; returns; payment.
- § 7-404 Tax constitutes debt.
- § 7-405 Collection of tax by retailer or vendor.
- § 7-406 Collection of tax by retailer or vendor not maintaining a place of business within state or both within and without state; permits.
- § 7-407 Revoking permits.
- § 7-408 Returns and remittances.
- § 7-409 Interest and penalties; delinquency.
- § 7-410 Waiver of interest and penalties.
- § 7-411 Erroneous payment; claim for refund.
- § 7-412 Fraudulent returns.
- § 7-413 Records confidential.
- § 7-414 Provisions cumulative.
- § 7415 Provisions severable.
- § 7-416 Definitions.
- § 7-417 Tax collector defined.
- § 7-418 Classification of taxpayers.
- § 7-419 Subsisting state permits.
- § 7-420 Purposes of revenues.
- § 7-421 Citation and codification.
- § 7-422 Effective date.

§ 7-401 EXCISE TAX ON STORAGE, USE OR OTHER CONSUMPTION OF TANGIBLE PERSONAL PROPERTY LEVIED.

There is hereby levied and there shall be paid by every person storing, using or otherwise consuming, within this municipality, tangible personal property purchased or brought into this municipality, an excise tax on the storage, use or their consumption within this municipality of such property at the rate established in § 7-208 of the Geary Municipal Code as a percentage of the purchase price of such property. The additional tax levied hereunder shall be paid at the time of importation or storage of the property within the municipality and shall be assessed only to property purchased outside Oklahoma; provided that the tax levied herein shall not be levied against tangible personal property intended solely for use outside the municipality, but which is stored in the municipality pending shipment outside the municipality or which is temporarily retained in the municipality for the purpose of fabrication, repair, testing, alteration, maintenance or other service. Any person liable for payment of the tax authorized herein may deduct from such tax any local or municipal sales tax previously paid on such goods or services; provided that the amount deducted shall not exceed the amount that would have been due if the taxes

imposed by the municipality had been levied on the sale of such goods or services. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-402 **EXEMPTION.**

The provisions of this chapter shall not apply:

A. In respect to the use of an article of tangible personal property brought into the municipality by a nonresident individual visiting in this municipality for his or her personal use or enjoyment while within the municipality.

B. In respect to the use of tangible personal property purchased for resale before being used.

C. In respect to the use of any article of tangible personal property on which a tax, equal to or in excess of that levied by both the Oklahoma Use Tax Code and the City of Geary Use Tax Ordinance, has been paid by the person using such tangible personal property in the municipality, whether such tax was levied under the laws of Oklahoma or some other state or municipality of the United States. If any article of tangible personal property has already been subjected to a tax by Oklahoma or any other state or municipality, in respect to its sale or use, in an amount less than the tax imposed by both the Oklahoma Use Tax Code and the City of Geary Use Tax Ordinance, and the rate by which the previous tax upon the sale or use was computed. Provided that no credit shall be given for taxes paid in another state or municipality, if that state or municipality does not grant like credit for taxes paid in Oklahoma and the municipality.

D. In respect to the use of machinery and equipment purchased and used by persons establishing new manufacturing or processing plants in the municipality, and machinery and equipment purchased and used by persons to the operation of manufacturing plants already established in the municipality, provided, this exemption shall not apply unless such machinery and equipment is incorporated into, and is directly used in, the process of manufacturing property subject to taxation under the Sales Tax Code of the municipality. The term "manufacturing plants" shall mean those establishments primarily engaged in manufacturing or processing operations, and generally recognized as such.

E. In respect to the use of tangible personal property now specifically exempted from taxation under the Sales Tax Code of the municipality.

F. In respect to the use of any article of tangible personal property brought into the municipality by an individual with intent to become a resident to this municipality where such personal property is for such individual's personal use or enjoyment.

G. In respect to the use of any article of tangible person property used or to be used by commercial airlines or railroads.

H. In respect of livestock purchased outside Oklahoma and brought into this municipality for feeding or breeding purposes, and which is later resold. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-403 **TIME WHEN DUE; RETURNS; PAYMENT.**

The tax levied by this chapter is due and payable at the time and in the manner of form prescribed for payment of the state use tax under the Use Tax Code of the State of Oklahoma. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-404 **TAX CONSTITUTES DEBT.**

Such taxes, penalty and interest due hereunder shall at all time constitute a prior, superior and paramount claim as against the claims of unsecured creditors, and may be collected by suit as any other debt. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-405 **COLLECTION OF TAX BY RETAILER OR VENDOR.**

Every retailer or vendor maintaining places of business both within and without the State of Oklahoma and making sales of tangible personal property from a plan of business outside this state for use in municipality shall at the time of making such sales collect the use tax levied by this chapter from the purchaser and give to the purchaser a receipt therefore in the manner and form prescribed by the Tax Commission, if the Tax Commission shall, by regulation, require such receipt. Each retailer or vendor shall list with the Tax Commission the name and address of all his agents operating in this municipality and location of any and all distribution or sales houses or offices or other places of business in this city. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-406 **COLLECTION OF TAX BY RETAILER OR VENDOR NOT MAINTAINING A PLACE OF BUSINESS WITHIN STATE OR BOTH WITHIN AND WITHOUT STATE: PERMITS.**

The Tax Commission may, in its discretion, upon application, authorize the collection of the tax herein levied by any retailer or vendor not maintaining a place of business within this state but who makes sales of tangible personal property for use in this municipality and by the out-of-state place of business of any retailer or vendor maintaining places of business both within and without Oklahoma and making sales of tangible personal property at such out-of-state place of business for use in this municipality. Such retailer or vendor may be issued, without charge, a permit to collect such taxes by the Tax Commission, in such manner and subject to such regulations and agreements as it shall prescribe. When so authorized, it shall be the duty of such retailer or vendor to collect the tax upon all tangible personal property sold to his knowledge for use within this municipality. Such authority and permit may be cancelled when at any time the Tax Commission considers that such tax can more effectively be collected from the person using such property in this municipality, provided, however, that in all instances where such sales are made or completed by delivery to the purchaser within this municipality by the retailer or vendor in such retailer's or vendor's vehicle, whether owned or leased (not by common

carrier), such sales or transactions shall continue to be subject to applicable municipality sales tax at the point of delivery and tax shall be collected and reported under taxpayer's sales tax permit number accordingly. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-407 **REVOKING PERMITS.**

Whenever any retailer or vendor not maintaining a place of business in this state, or both within and without this state, and authorized to collect the tax herein levied fails to comply with any of the provisions of this chapter or the Oklahoma Use Tax Code or any order, rules or regulations of the Tax Commission, the Tax Commission may, upon notice and hearing as provided for in 68 O.S. § 1408, by order revoke the use tax permit, if any, issued to such retailer or vendor, and if any such retailer or vendor is a corporation authorized to do business in this state may, after notice and hearing above provided, cancel said corporation's license to do business in this state and shall issue a new license only when such corporation has complied with the obligations under this chapter, the Oklahoma Tax Code or any other, rules or regulations of the Tax Commission. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-408 **RETURNS AND REMITTANCES.**

Returns and remittances of the tax herein levied and collected shall be made to the Tax Commission at the time and in the manner, form and amount as prescribed for returns and remittances required by the Oklahoma Use Tax Code; and remittances of tax collected hereunder shall be subject to the same discount as may be allowed by said code for the collection of State Use Taxes. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-409 **INTEREST AND PENALTIES; DELINQUENCY.**

Title 68 O.S. § 217 is hereby adopted and made a part of this chapter, and interest and penalties at the rates and in the amounts as therein specified are hereby levied and shall be applicable in cases of delinquency in reporting and paying the tax levied by this chapter. Provided, that the failure or refusal of any retailer or vendor to make and transmit the reports and remittances of tax in the time and manner required by this chapter shall cause such tax to be delinquent. In addition, if such delinquency continues for a period of five (5) days, the retailer or vendor shall forfeit his claim to any discount allowed under this chapter. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-410 **WAIVER OF INTEREST AND PENALTIES.**

The interest or penalty or any portion thereof accruing by reason of retailer's or vendor's failure to file a report or return or failure to file a report or return in the correct form as required by this chapter or the Oklahoma Use Tax Code or to pay the municipality tax herein levied within the statutory period allowed for its payment may be waived or remitted in the same manner as provided for said waiver or remittance as applied in administration of the State Use Tax provided in 68 O.S. § 220, and to accomplish the purposes of this section, the provisions of said § 220 are hereby adopted by reference and made a part of this chapter. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-411 ERRONEOUS PAYMENT; CLAIM FOR REFUND.

Refund of erroneous payment of the municipality use tax herein levied may be made to any taxpayer making such erroneous payment in the same manner and procedure, and under the same limitations of time, as provided for administration of the state use tax as set forth in 68 O.S. § 227, and to accomplish the purpose of this section. The provisions of said § 227 are hereby adopted by reference and made a part of this chapter. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-112 FRAUDULENT RETURNS.

In addition to all civil penalties provided by this chapter, the willful failure or refusal of any taxpayer to make report and remittances herein required, or the making of any false and fraudulent report for the purpose of avoiding or escaping payment of any tax or portion thereof rightfully due under this chapter shall be an offense, and upon conviction thereof the offending taxpayer shall be punished by a fine of not more than one hundred dollars (\$100.00) and cost. Each day of noncompliance with this chapter shall constitute a separate offense. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-413 RECORDS CONFIDENTIAL.

The confidential and privileged nature of the records and files concerning the administration of the municipality use tax is legislatively recognized and declared, and to protect the same the provisions of 68 O.S. § 205 are hereby adopted by reference and made fully effective and applicable to administration of the municipality use tax as is herein set forth in full. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-414 PROVISIONS CUMULATIVE.

The provisions hereof shall be cumulative and in addition to any and all other axing provisions of the municipality ordinances. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-415 PROVISIONS SEVERABLE.

The provisions hereof are hereby declared to be severable, and if any section, paragraph, sentence or clause of this chapter is for any reason held invalid or inoperative by any court of competent jurisdiction, such decision shall not affect any other section, paragraph, sentence or clause hereof. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-416 DEFINITIONS.

The definitions of words, terms and phrases contained in the Oklahoma Use Tax Code, 68 O.S. § 1401 are hereby adopted by reference and made a part of this chapter. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-417 TAX COLLECTOR DEFINED.

The term "tax collector" as used herein means the department of the municipality government or the official agency of the state, duly designated according to law or contract authorized by law, to administer the collection of the tax herein levied. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-418 CLASSIFICATION OF TAXPAYERS.

For the purpose of this chapter, the classification of taxpayers hereunder shall be as prescribed by state law for purposes of the Oklahoma Use Tax Code. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-419 SUBSISTING STATE PERMITS.

All valid and subsisting permits to do business issued by the Tax Commission pursuant to the Oklahoma Use Tax Code are for the purpose of this chapter hereby ratified, confirmed and adopted in lieu of any requirement for an additional municipality permit for the same purpose. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-420 PURPOSES OF REVENUES.

It is hereby declared to be the purpose of this chapter to provide revenues for the support of the functions of the municipal government of the municipality, and any and all revenues derived hereunder may be expended by the governing body of the municipality for any purposes for which funds may be lawfully expended as authorized. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-421 CITATION AND CODIFICATION.

This chapter shall be known and may be cited as "City of Geary Use Tax Ordinance" and shall be codified as Chapter 4 of Part 7 of the Ordinances of the City. (Adopted 1-18-2004 by Ord. No. 2004-1)

§ 7-422 EFFECTIVE DATE.

This chapter shall become effective on and after January 8, 2004. (Adopted 1-18-2004 by Ord. No. 2004-1)

CHAPTER 5

PROCESSING METHODS AND INTERNAL CONTROLS

- § 7-501 Payroll disbursements.
- § 7-502 Competitive bidding.
- § 7-503 Purchases and goods, services and capital.
- § 7-504 Debt service.
- § 7-505 Interfund transfers.
- § 7-506 Petty cash.
- § 7-507 Incurring indebtedness.
- § 7-508 Financial reporting.
- § 7-509 Applicability to public trusts.

§ 7-501 PAYROLL DISBURSEMENTS.

A. For all employees and officers of the city, a documented record shall be maintained in a personnel file of the authorized rate of pay or salary and authorized deductions for each employee or officer.

B. For each pay period, a documented record of time worked and leave taken shall be prepared, in the form of time sheets, cards or logs, for each employee and officer to be paid. For employees exempt from the overtime provisions of the Fair Labor Standards Act, the record may exclude time worked. Such record of time worked and leave taken shall be verified as to its accuracy in writing by the employee or officer, supervisor or department head if applicable, and the city council.

C. Upon verification of the work record, a payroll statement or register, including the amount of gross pay, authorized deductions, and net pay, shall be prepared and submitted to the city council for review and written approval.

D. Upon approval of the payroll statement or register, the net payroll checks shall be prepared along with checks or wire transfers for payment of related payroll taxes and other payroll benefits, required by law or contract. Direct deposits may be used as an alternative to checks and wire transfers.

E. The checks or direct deposit report shall be presented to the city treasurer along with the approved payroll statement or register. The treasurer shall compare the checks or direct deposit to the payroll statement or register and verify their accuracy. Upon verification, the treasurer and the city council shall sign any checks and prepare them for distribution. In addition, the treasurer shall prepare or caused to be prepared a check or payment register.

F. No payroll related encumbrances are required to be recorded in the budgetary accounting records as long as the payroll costs are recorded as expenditures at the time they become due to payable. However, no payroll costs may be incurred or paid if they exceed the available appropriation for the purposes as established by the city council.

G. The city treasurer shall record or cause to be recorded in the appropriate journals and ledgers the payroll costs incurred and/or paid for the pay period.

H. A copy of the payroll statement, register or payroll check register may be provided to the city council for informational purposes; however, the city council approval is not required prior to the payment of payroll related costs if incurred and paid in accordance with the provisions above. (Ord. No. 2011-03, 2/10/2011)

§ 7-502 **COMPETITIVE BIDDING.**

A. The city shall adhere to the provisions of Oklahoma Statutes (2001), Title 61, Sections 101 et seq. when determining when competitive bidding is required and the manner in which competitive bids will be obtained.

B. In addition to the requirements of (A) above, public trusts created pursuant to O.S. Title 60, Section 176, of which the city is beneficiary, shall also allow the competitive bidding provisions of Section 176(g) of Title 60. (Ord. No. 2011-03, 2/10/2011)

§ 7-503 **PURCHASES AND GOODS, SERVICES AND CAPITAL.**

A. The city council shall designate certain individuals as purchasing officers empowered to purchase or contract against budget appropriations. Only these designated individuals will be empowered to obligate the city.

B. For all purchases of goods, services or capital (all purchases or disbursements other than payroll and debt service) for which the obligation and final invoice for the payment of the obligation does not occur within the same month, purchase orders or contracts shall be prepared and approved, in writing, by a designated purchasing officer prior to the time the purchase commitment is made. The approved purchase order or contract shall be forwarded to an officer or employee charged with keeping the appropriation and expenditure records (encumbering clerk) who shall determine that there exists available unencumbered appropriation for that purpose. Upon such determination, the encumbering clerk shall attest to that fact in writing. If appropriation is not available for the proposed purchase or commitment, the purchase or commitment shall not proceed until budget amendments are authorized to provide sufficient appropriation.

1. Upon approval of the purchasing officer and encumbering clerk, an encumbrance shall be recorded in the appropriation and expenditure records in the amount or estimated amount of the commitment.

2. These encumbering requirements shall not apply to the following type of purchases or commitments:

a. Payroll and payroll related expenses;

- b. Utility and telephone services by entities governed by State Corporation Commission;
- c. Insurance contracts; and
- d. Purchases where the obligation and final invoice are processed in the same month.

C. For all purchases or contracts for goods, services or capital over \$25,000, city council approval shall be obtained prior to the time the commitment is made, and such approval shall be recorded in the minutes of the council.

D. After satisfactory delivery of the merchandise or completion of contract provisions, an invoice or claim form shall be obtained adequately documenting request for payment. The officer or employee receiving satisfactory delivery of merchandise or contract service shall acknowledge such fact by signing the invoice, claim form, delivery ticket or receiving advice.

1. The invoice or claims form, along with the written acknowledge or receipt, shall be forwarded to the officer or employee responsible for processing accounts payable who shall receive the invoice for accuracy and propriety, including comparison to the authorized purchase order or contract, if applicable.

2. Upon completion of the accounts payable officer review, the invoices or claim forms along with the related supporting documentation shall be submitted to the city council for consideration and approval of payment, along with an accompanying invoice or claims listing, which shall be approved in writing by city council. An invoice approval report or claims listing will be presented to the city council for payment authorization.

E. Upon approval of the invoices or claims for payment by the city council, checks or other payment documents as authorized by state law (11 O.S. Section 17-102) shall be prepared and submitted to the city treasurer, along with a copy of the approved invoice or claims listing.

1. The treasurer shall compare the checks or other payment documents to the invoice or claims listing and verify their accuracy. Upon verification, the treasurer and the city council shall sign the checks or other documents and prepare them for distribution. In addition, the treasurer shall prepare or caused to be prepared a check or disbursement register.

F. The city treasurer shall record or cause to be recorded in the appropriate journals and ledgers the purchases and cash disbursements incurred and paid. (Ord. No. 2011-03, 2/10/2011)

§ 7-504 **DEBT SERVICE.**

A. All long-term indebtedness, in the form of bonds, notes or lease purchase obligations, shall only be incurred in the manner provided by law.

B. Once lawfully incurred, payments of principal and interest on the bonds or notes and payments on the lease purchase obligations shall be paid in accordance with the terms as specified in the bond indenture, note agreement or lease purchase contract by the city treasurer without further approval of the governing body.

C. The manner of payment shall be consistent with the manner used for the payment of purchase of goods, services or capital as described in Section 7-503(e) above.

D. The city treasurer shall record or cause to be recorded in the appropriate journals and ledgers the debt service payments and maintain current records of the remaining amount of indebtedness. (Ord. No. 2011-03, 2/10/2011)

§ 7-505 **INTERFUND TRANSFERS.**

A. All transfers of resources between funds shall only be made in accordance with the appropriations provided by the city council for such transfers. Such appropriations shall be contained in the original or amended budget of the city.

B. Once lawfully appropriated, interfund transfer payments may be made by the city treasurer without further city council approval. Such transfers, however, may not exceed the amount lawfully appropriated.

C. The manner of payment of these interfund transfer shall be consistent with the manner used for the payment of purchases of goods, services and capital as described in Section 7-503(f) above.

D. The city treasurer shall record or cause to be recorded these interfund transfers in the appropriate journals and ledgers. (Ord. No. 2011-03, 2/10/2011)

§ 7-506 **PETTY CASH.**

A. As provided for in 11 O.S. Section 17-102(D) of the Oklahoma state statutes, the city may have petty cash accounts for use in making certain small payments for costs incurred in operating the municipality.

B. Each petty cash account established shall require city council approval, including the amount of the petty cash imprest balance. However, in no case, should the imprest balance exceed five hundred (\$500.00) dollars.

C. The petty cash accounts shall be reimbursed by utilizing properly itemized invoices or petty cash voucher slips and by then processing the reimbursement in the manner used for payment of purchases of goods, services and capital. (Ord. No. 2011-03, 2/10/2011)

§ 7-507 **INCURRING INDEBTEDNESS.**

A. As provided for in Article 10, Section 26 of the Oklahoma Constitution, the city is prohibited from becoming indebted in any manner for any purpose in an amount exceeding the amount appropriated by the city council for such purpose, without voter approval. (Ord. No. 2011-03, 2/10/2011)

§ 7-508 **FINANCIAL REPORTING.**

A. The city treasurer, or their designee, shall prepare a monthly budget status report in accordance with a comparison of actual results to date and the budget by purpose. The report shall be placed on the agenda for city council acknowledgment at a meeting of the city council in the month following the close of the monthly period. (Ord. No. 2011-03, 2/10/2011)

§ 7-509 **APPLICABILITY TO PUBLIC TRUSTS.**

A. For all public trusts created pursuant to 60 O.S. Sections 176-180, for which the city is beneficiary and for which the trust's governing body (trustees) are comprised entirely of members of the city council, the above noted requirements of Section 7-501 through Section 7-509 above, excluding Section 7-507 on incurring indebtedness, shall apply.

B. For the purposes of the public trusts, as used above, the terms governing body shall mean board of trustees of the trust, chief executive officer shall mean trust council as appointed by the trustees, city treasurer shall mean trust treasurer as appointed by the trustees or required by the trust indenture. (Ord. No. 2011-03, 2/10/2011)