

RESOLUTION NO. 2019-01

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF,
ARIZONA, DECLARING THAT CERTAIN DOCUMENT KNOWN AS “THE 2019
CITY TAX CODE AMENDMENTS – CODIFICATION OF ELECTION RESULTS”
AS A PUBLIC RECORD, AND PROVIDING FOR AN EFFECTIVE DATE**

RECITALS:

WHEREAS, pursuant to A.R.S. § 9-802 a municipality may enact or amend provisions of the City Code by reference to a public record, provided that the adopting ordinance is published in full;

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

That certain document known as “The 2019 City Tax Code Amendments – Codification of Election Results” attached hereto as Exhibit A is hereby declared to be a public record, and three (3) paper copies or one paper copy and one electronic copy maintained in compliance with A.R.S. § 44-7041 or public record shall remain on file with the City Clerk.

SECTION 2. Effective Date.

This resolution shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of February, 2019.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A

**2019 CITY TAX CODE AMENDMENTS –
CODIFICATION OF ELECTION RESULTS**

Section 1: The following City Tax Code changes shall be effective from and after July 1, 2019:

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-05, *Privilege and Excise Taxes*, Division 3-05-004, *Privilege Taxes*, is hereby amended as set forth below (deletions shown as stricken, additions shown as capitalized text, and omitted text which remains unchanged noted as “* * * *”):

3-05-004-0405 ADVERTISING:

(a) The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of "local advertising" by billboards, direct mail, radio, television, or by any other means. However, commission and fees retained by an advertising agency shall not be includable in gross income from "local advertising". All delivery or disseminating of information directly to the public or any portion thereof for a consideration shall be considered "local advertising", except the following: *
* * *

3-05-004-0410 AMUSEMENTS, EXHIBITIONS, AND SIMILAR ACTIVITIES:

(a) The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the following type or nature of businesses: * * * *

3-05-004-0415 CONSTRUCTION CONTRACTING; CONSTRUCTION CONTRACTORS

A. The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business upon every construction contractor engaging or continuing in the business activity of construction contracting within the City. * * * *

3-05-004-0416 CONSTRUCTION CONTRACTING; SPECULATIVE BUILDERS:

A. The tax shall be equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the City. * * * *

3-05-004-0417 CONSTRUCTION CONTRACTING; OWNER-BUILDERS WHO ARE NOT SPECULATIVE BUILDERS

A. At the expiration of twenty-four (24) months after improvement to the property is substantially complete, the tax liability for an owner-builder who is not a speculative builder shall be at an

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amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of: * * * *

3-05-004-0424 FEED AT WHOLESALE:

(a) The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of the sale of feed, salt, vitamins, and other additives to feed, to persons engaged in the raising or feeding of livestock or poultry purchased or raised for slaughter, with no deduction for the income derived from the "resale" of such feed. * * * *

3-05-004-0425 JOB PRINTING:

A. The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of job printing, which includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction. * * * *

3-05-004-0427 MANUFACTURED BUILDINGS:

(a) The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income, including site preparation, moving to the site, and/or set-up, upon every person engaging or continuing in the business activity of selling manufactured buildings within the City. Such business activity is deemed to occur at the business location of the seller where the purchaser first entered into the contract to purchase the manufactured building. * * * *

3-05-004-0430 TIMBERING AND OTHER EXTRACTION:

A. The tax rate shall be an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the following businesses: * * * *

3-05-004-0435 PUBLISHING AND PERIODICALS DISTRIBUTION:

(a) The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business activity of: * * * *

3-05-004-0444 HOTELS:

The tax rate shall be at an amount equal to FOUR AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (4.281%) ~~four and fifty-one thousandths percent (4.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or space furnished to any: * * * *

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3-05-004-0445 RENTAL, LEASING, AND LICENSING FOR USE OF REAL PROPERTY:

A. The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of leasing or renting real property located within the City for a consideration, to the tenant in actual possession, or the licensing for use of real property to the final licensee located within the City for a consideration including any improvements, rights, or interest in such property; provided further that: * * * *

3-05-004-0450 RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY:

A. The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of leasing, licensing for use, or renting tangible personal property for a consideration, including that which is semi-permanently or permanently installed within the City as provided by regulation. * * * *

3-05-004-0455 RESTAURANTS AND BARS:

A. The tax rate shall be at an amount equal to FOUR AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (4.281%) ~~four and fifty-one thousandths percent (4.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of preparing or serving food or beverage in a bar, cocktail lounge, restaurant, or similar establishment where articles of food or drink are prepared or served for consumption on or off the premises, including also the activity of catering. Cover charges and minimum charges must be included in the gross income of this business activity. * * * *

3-05-004-0460 RETAIL SALES; MEASURE OF TAX, BURDEN OF PROOF, EXCLUSIONS:

A. The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail. * * * *

3-05-004-0470 TELECOMMUNICATION SERVICES:

(a) The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of providing telecommunication services to consumers within this City. * * * *

3-05-004-0475 TRANSPORTING FOR HIRE:

The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business

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of providing the following forms of transportation for hire from this City to another point within the State. * * * *

3-05-004-0480 UTILITY SERVICES:

A. The tax rate shall be at an amount equal to TWO AND TWO-HUNDRED EIGHTY-ONE THOUSANDTHS PERCENT (2.281%) ~~two and fifty-one thousandths percent (2.051%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of producing, providing, or furnishing utility services, including electricity, electric lights, current, power, gas (natural or artificial), or water to: * * * *

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-05, *Privilege and Excise Taxes*, Division 3-05-008, *Miscellaneous Provisions*, Section 3-05-008-0080 is hereby amended as set forth below (deletions shown as stricken, additions shown as capitalize, underlined text:

3-05-008-0800 TAX SUNSET DATES, USE OF REVENUES, AUTHORITY TO EXTEND TAXES OR AMEND CHAPTER

- A. Sunset Clause. The provisions of this chapter shall terminate and cease to be operative for the tax rates specified below at 11:59 p.m. on the date specified for each rate, unless extended pursuant to subsection (B) of this section:
1. For the one percent (1.0%) transaction privilege tax rate imposed by Ordinance No. 1491, as extended through November 4, 2024, by approval of a majority of the qualified electors voting in the general election held on May 18, 2010. Such tax revenues are unrestricted.
 2. For the two percent (2.0%) transaction privilege tax rate imposed on lodging, restaurant and lounge businesses ("BBB tax"), by Ordinance No. 1532, as extended through March 31, 2028, by approval of a majority of the qualified electors voting in the general election held on May 18, 2010. Such tax revenues shall be used as provided for in Chapter [3-06](#), Hospitality Industry Tax Revenues.
 3. For the eight-hundredths percent (0.08%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Safe-to-School and Other Pedestrian and Bike Projects" (Proposition 400) as described in the ordinance.
 4. For the sixteen-hundredths percent (0.16%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Fourth Street Railroad Overpass" to Route 66 (Proposition 401A) as described in the ordinance.
 5. For the one hundred seventy-five thousandths percent (0.175%) transaction privilege tax rate imposed by Ordinance No. 2000-14, as extended in Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "Transit Improvements" (Proposition 402) as described in Ordinance No. 2000-14 and "Transit" (Proposition 401) as described in Ordinance No. 2008-05.
 6. For the one hundred eighty-six thousandths percent (0.186%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Traffic Flow and Safety Improvements" (Proposition 403) as described in the ordinance.

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7. For the two hundredths percent (0.02%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "Hybrid Vehicles and Transit System Capital" (Proposition 402) as described in the ordinance.

8. For the two hundredths percent (0.02%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for transit "Service Between Downtown and the Woodlands Village Areas" through and within the Northern Arizona University campus (Proposition 403) as described in the ordinance.

9. For the four hundredths percent (0.04%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used to "Support Mountain Line Bus Service in Areas Underserved or Not Served" (Proposition 404) as described in the ordinance.

10. For the four hundredths percent (0.04%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "More Frequent Service on Some Existing Bus Routes" (Proposition 405) as described in the ordinance.

11. For the thirty-three hundredths percent (0.33%) transaction privilege tax rate imposed by Ordinance No. 2014-34, December 31, 2034. Such tax revenues shall be used for "Road Repair and Street Safety Initiative" (Proposition 406) as described in the ordinance.

12. FOR THE TWENTY-THREE HUNDREDTHS PERCENT (0.23%) TRANSACTION PRIVILEGE TAX RATE APPROVED BY A MAJORITY OF THE QUALIFIED ELECTORS VOTING IN THE NOVEMBER 6, 2018 GENERAL ELECTION, CODIFIED BY ORDINANCE NO. 2019-01, FOR THE 20-YEAR PERIOD OF JULY 1, 2019 THROUGH JUNE 30, 2039. SUCH TAX REVENUES SHALL BE USED TO PAY FOR THE COSTS OF A LONE TREE RAILROAD OVERPASS FROM BUTLER AVENUE TO ROUTE 66, ALONG WITH RELATED PEDESTRIAN BICYCLE, AND STREET CONNECTIONS, PER THE "LONE TREE OVERPASS SALES TAX" (PROPOSITION 420), AS DESCRIBED IN THE ORDINANCE.

B. Automatic Extension upon Electors' Approval. The authority to levy each of the tax rates specified in subsection (A) of this section shall be subject to approval by a majority of the qualified electors voting in a regularly scheduled general election. Such approval shall constitute an automatic extension of this chapter for however long the qualified electors approve such extension at the respective tax rate approved without further action by the City Council.

C. Authority to Amend. The Council may amend this chapter as it may deem necessary with the exception of the rates or the effective term of this chapter.

Section 2: The following City Tax Code changes shall be effective from and after July 1, 2020:

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-05, *Privilege and Excise Taxes*, Division 3-05-008, *Miscellaneous Provisions*, Section 3-05-00-0800 is hereby amended by deleting text (deletions shown as stricken) and by adding new text (additions shown in capitalized underlined text) as follows:

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3-05-008-0800 TAX SUNSET DATES, USE OF REVENUES, AUTHORITY TO EXTEND TAXES OR AMEND CHAPTER

B. Sunset Clause. The provisions of this chapter shall terminate and cease to be operative for the tax rates specified below at 11:59 p.m. on the date specified for each rate, unless extended pursuant to subsection (B) of this section:

1. For the one percent (1.0%) transaction privilege tax rate imposed by Ordinance No. 1491, as extended through November 4, 2024, by approval of a majority of the qualified electors voting in the general election held on May 18, 2010. Such tax revenues are unrestricted.

2. For the two percent (2.0%) transaction privilege tax rate imposed on lodging, restaurant and lounge businesses ("BBB tax"), by Ordinance No. 1532, as extended through March 31, 2028, by approval of a majority of the qualified electors voting in the general election held on May 18, 2010. Such tax revenues shall be used as provided for in Chapter [3-06](#), Hospitality Industry Tax Revenues.

~~3. For the eight hundredths percent (0.08%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Safe-to-School and Other Pedestrian and Bike Projects" (Proposition 400) as described in the ordinance.~~

~~4. For the sixteen hundredths percent (0.16%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Fourth Street Railroad Overpass" to Route 66 (Proposition 401A) as described in the ordinance.~~

~~5. For the one hundred seventy five thousandths percent (0.175%) transaction privilege tax rate imposed by Ordinance No. 2000-14, as extended in Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "Transit Improvements" (Proposition 402) as described in Ordinance No. 2000-14 and "Transit" (Proposition 401) as described in Ordinance No. 2008-05.~~

~~6. For the one hundred eighty six thousandths percent (0.186%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Traffic Flow and Safety Improvements" (Proposition 403) as described in the ordinance.~~

~~7. For the two hundredths percent (0.02%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "Hybrid Vehicles and Transit System Capital" (Proposition 402) as described in the ordinance.~~

~~8. For the two hundredths percent (0.02%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for transit "Service Between Downtown and the Woodlands Village Areas" through and within the Northern Arizona University campus (Proposition 403) as described in the ordinance.~~

~~9. For the four hundredths percent (0.04%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used to "Support Mountain Line Bus Service in Areas Underserved or Not Served" (Proposition 404) as described in the ordinance.~~

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~~10. For the four hundredths percent (0.04%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "More Frequent Service on Some Existing Bus Routes" (Proposition 405) as described in the ordinance.~~

~~11. 3. For the thirty-three hundredths percent (0.33%) transaction privilege tax rate imposed by Ordinance No. 2014-34, December 31, 2034. Such tax revenues shall be used for "Road Repair and Street Safety Initiative" (Proposition 406) as described in the ordinance.~~

~~12. 4. For the twenty-three hundredths percent (0.23%) transaction privilege tax rate approved by a majority of the qualified electors voting in the November 6, 2018 general election, codified by Ordinance No. 2019-01, for the 20-year period of July 1, 2019 through June 30, 2039. Such tax revenues shall be used to pay for the costs of a Lone Tree Railroad Overpass from Butler Avenue to Route 66, along with related pedestrian bicycle, and street connections, per the "Lone Tree Overpass Sales Tax" (Proposition 420) as described in the ordinance.~~

5. FOR THE FORTY-TWO HUNDREDTHS AND SIX THOUSANDTHS PERCENT (0.426%) TRANSACTION PRIVILEGE TAX RATE EXTENDED BY A MAJORITY OF THE QUALIFIED ELECTORS VOTING IN THE NOVEMBER 8, 2016 ELECTION, CODIFIED BY ORDINANCE NO. 2019-01, FOR THE 21-YEAR PERIOD COMMENCING JULY 1, 2020 AND CONTINUING THROUGH JUNE 30, 2041. SUCH TAX REVENUES SHALL BE USED TO PAY FOR ROADWAY, PEDESTRIAN, BICYCLE AND SAFETY IMPROVEMENTS, PER THE "TRANSPORTATION SALES TAX" (PROPOSITION 419), AS DESCRIBED IN THE ORDINANCE.

B. Automatic Extension upon Electors' Approval. The authority to levy each of the tax rates specified in subsection (A) of this section shall be subject to approval by a majority of the qualified electors voting in a regularly scheduled general election. Such approval shall constitute an automatic extension of this chapter for however long the qualified electors approve such extension at the respective tax rate approved without further action by the City Council.

C. Authority to Amend. The Council may amend this chapter as it may deem necessary with the exception of the rates or the effective term of this chapter.