NOTICE OF REGULAR COUNCIL MEETING

In accordance with §38-431.01 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of City Council and to the general public that the Mayor and Council of the City of San Luis, Arizona will hold a Regular City Council meeting at 7:00 p.m., Wednesday, November 8, 2017. The meeting will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349. Everyone from the public is invited to attend the open meeting.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recordings. Parents in order to exercise their rights may either file written consent with the City Clerk to such recordings, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

THIS NOTICE IS GIVEN BY:

/s/ Sonia Cornelio, City Clerk

AVISO DE JUNTA REGULAR

De acuerdo con los Estatutos del Estado de Arizona A.R.S. §38-431.01, se le informa a los miembros del Cabildo y al público en general que el Alcalde y el Cabildo, tendrán una Junta Regular a las 7:00 p.m., el día Miercoles, 8 de Noviembre del 2017. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349. El público está cordialmente invitado a la junta.

De acuerdo con el Acta de Americanos con Discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis, Arizona no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para más información referente a derechos y provisiones del Acta de Americanos con Discapacidades o Sección 504, o para solicitar adaptaciones qua sean razonables para la participación en programas, actividades o servicios de la Ciudad, contactar al: Coordinador del Acta de Americanos con Discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, Arizona, ubicado en el 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Por medio de este aviso y de acuerdo con los Estatutos del Estado de Arizona A.R.S §1-602.A.9, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar el consentimiento ante el Estado o cualquiera de sus subdivisiones políticas para hacer una grabación de audio o video de su hijo menor de edad. Las juntas del Cabildo se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden dar el consentimiento por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad está presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con los Estatutos del Estado de Arizona A.R.S. §1-602.A.9.

ESTE AVISO ES DADO POR:

/f/ Sonia Cornelio, Actuaria de la Ciudad

AGENDA
Regular Meeting
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
San Luis, AZ 85349
November 8, 2017
7:00 p.m.

PLEASE TAKE NOTICE THAT MEMBERS OF THE CITY COUNCIL WILL ATTEND EITHER IN PERSON, TELEPHONE, OR VIDEO CONFERENCE COMMUNICATION. THE MAYOR OR ACTING MAYOR FOR THIS MEETING MAY CHANGE THE ORDER OF THE ITEMS; IF AUTHORIZED BY LAW AND BY A MAJORITY VOTE OF A QUORUM OF CITY COUNCIL MEMBERS PRESENT, AN EXECUTIVE SESSION WILL BE HELD IMMEDIATELY FOLLOWING THE VOTE IN ACCORDANCE WITH A.R.S. §38-431.03(A) AND THE MEETING WILL BE TEMPORARILY RECESSED WHILE THE CITY COUNCIL RETIRES TO EXECUTIVE SESSION WHICH WILL NOT BE OPEN TO THE PUBLIC.

1. **CALL TO ORDER/ROLL CALL**

2. **PLEDGE OF ALLEGIANCE**

3. **INVOCATION**

4. **PRESENTATIONS**

4. A. Introduction of the 2017 City of San Luis new hires for the third quarter from July through September 2017. **(Olivia Jenkins, Director of Human Resources)**

4. B. Presentation of retirement plaque to Ms. Ketie St. Louis for her 10 years of service to the City of San Luis. **(Olivia Jenkins, Director of Human Resources and Tadeo A. De La Hoya, City Manager)**

5. **CONSENT AGENDA**
All matters are considered to be routine by the City Council and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

5. A. **MINUTES OF**
-Work Session held July 19, 2017
-Special Council meeting held July 25, 2017

5. B. **DISBURSEMENTS FROM OCTOBER 16, 2017 THROUGH OCTOBER 29, 2017**
Total Disbursements $750,610.42
(Seven Hundred Fifty Thousand, Six Hundred Ten Dollars and Forty-Two Cents)

5. C. Discussion and possible action on any and all matters regarding the contract for the Court Interpreter for the San Luis Municipal Court. **(Kristin McManus, Municipal Court Judge)**

5. D. Discussion and possible action on any and all matters regarding approval of a contract for the ComicCon event in San Luis, Arizona for Fiscal Year 2017-2018. **(Tadeo A. De La Hoya, City Manager)**

5. E. Discussion and possible action on any and all matters regarding payment of the judgment in the tax case of APS versus the City of San Luis and authorization to use City Council Contingency Budget. **(Kay Marion Macuil, City Attorney)**

5. F. Discussion and possible action on any and all matters regarding the purchase agreement for portable radios for the City of San Luis Fire and Police Departments. **(Hank Green, Fire Chief and Richard Jessup, Acting Chief of Police)**

5. G. Discussion and possible action on any and all matters regarding the NEOGOV Software, License Subscription, Maintenance, and GovernmentJobs.com contract renewal. **(Olivia Jenkins, Director of Human Resources)**

5. H. Discussion and possible action on any and all matters regarding formal approval and ratification of the City of San Luis Salary Schedule for certain positions starting pay rate and skills pay for Fiscal Year 2014-2015 and 2016-2017. **(Olivia Jenkins, Director of Human Resources)**

5. I. Discussion and possible action on any and all matters regarding Resolution No. 2012. A resolution of the Mayor and City Council of the City of San Luis, Arizona amending the Personnel Policies Sections HR-4-01 and HR-4-05 on sick leave benefits. **(Olivia Jenkins, Director of Human Resources)**

5. J. Discussion and possible action on any and all matters regarding Resolution No. 2014. A resolution of the Mayor and City Council of the City of San Luis, Arizona, declaring as a public record that certain document filed with the City Clerk and titled "2017 S-3 Supplement to the Code of Ordinances of the City of San Luis, Arizona." **(Sonia Cornelio, City Clerk)**

5. K. Discussion and possible action on any and all matters regarding Resolution No. 2015. A resolution of the Mayor and City Council of the City of San Luis, Arizona, declaring as a public record that certain document filed with the City Clerk and titled "2012-2014 Amendments and the 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code." **(Kay Marion Macuil, City Attorney)**

6. DISCUSSION AND POSSIBLE ACTION ITEMS:

6. A. Discussion and possible action on any and all matters regarding the proposed agreement with Portable Practical Education Preparation, Inc. (PPEP) for Fiscal Year 2017-2018. **(Tadeo A. De La Hoya, City Manager)**

6. B. Public hearing followed by discussion and possible action on any and all matters regarding recommendation on the Agent Change, Acquisition of Control and/or Restructure application submitted to the Arizona Department of Liquor Licenses and Control by Michael Joseph Basha on behalf of Food City #127, located at 579 S. Main Street, San Luis, Arizona. (**Sonia Cornelio, City Clerk)**

A. Open public hearing
   1. Presentation by Staff and/or Applicant
   2. Call to the Public on this Item

B. Close public hearing
C. Action on the recommendation of the Agent Change, Acquisition of Control, and/or Restructure application to the Arizona Department of Liquor Licenses and Control.

6. C. Discussion and possible action on any and all matters regarding First Reading of Ordinance No. 370. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, enacting and adopting the Third Supplement to the Code of Ordinances for the City of San Luis, Arizona; providing for penalties; repealing any conflicting provisions, providing for severability. **(Sonia Cornelio, City Clerk)**

A. Approval of First Reading of Ordinance No. 370 by title only
(City Clerk to read Ordinance by title only)

6. D. Discussion and possible action on any and all matters regarding First Reading of Ordinance No. 371. An ordinance of the Mayor and City Council of the City of San Luis, Arizona relating to adopting the "2012-2014 Amendments and 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code " by reference; establishing effective dates; providing for severability; and providing penalties for violations. **(Kay Marion Macuil, City Attorney)**

A. Action on First Reading of Ordinance No. 371 by title only
(City Clerk reads Ordinance by title only)

6. E. Discussion and possible action on any and all matters regarding Resolution No. 2016. A resolution of the Mayor and City Council of the City of San Luis, Arizona, adopting the City of San Luis Roadway Naming and Addressing Policy. **(Jose A. Guzman, Acting Director of Planning & Zoning)**

6. F. Public hearing followed by discussion and possible action on any all matters regarding Text Amendment Case No. 2017-0664 and First Reading of Ordinance No. 372. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending the San Luis City Code, Chapter 152 Zoning Regulations Section 152.078(E) - Table No. 3 Development Standards to amend the provisions for side yard setback for R1-6 zoning district; Amending Subsections 152.091(A) and (B)(1) to clarify applicability of design and development standards for single detached residence dwelling lots created prior to March 1, 2016; repealing any conflicting provisions; and providing for severability. **(Jose A. Guzman, Acting Director of Planning and Zoning)**

A. Open public hearing
1. Presentation by staff and/or applicant
2. Call to the public on this item
B. Close public hearing
C. Action on First Reading of Ordinance No. 372 by title only
(City Clerk to read Ordinance by title only)

7. SUMMARY OF CURRENT EVENTS
Events by Mayor, Council Members and/or City Manager pursuant to A.R.S. §38-431.02 (K).

8. CALL TO THE PUBLIC
This is the time for the public to comment. Members of the City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.

9. ADJOURNMENT

PRESENTATION

Regular City Council Meeting **4.A.**

Meeting Date: 11/08/2017

Presentation Topic/Summary:

Introduction of the 2017 City of San Luis new hires for the third quarter from July through September 2017. **(Olivia Jenkins, Director of Human Resources)**

Attachments

New Hires 2017 Third Quarter

Employee New Hire Report

Hire Date Range 07/01/17 - 09/30/17

Employee		Status	Date of Hire	Primary Department	Position
933	RUIZ, CINDY D	A	07/03/2017	Municipal Court	COURT CLERK I
938	MADRIGAL DIAZ, ROBERTO	A	07/27/2017	Recreation	RECREATION SPECIALIST
937	RODRIGUEZ, YUDIT	A	07/27/2017	Municipal Court	COURT CLERK I
870	VALENCIA-TORRES, ADALBERTO	A	07/27/2017	Recreation	RECREATION SPECIALIST
859	ZARAGOZA JR, JOSE	A	07/27/2017	Police Department	POLICE OFFICER
939	AVILA ARAUJO, FERNANDO	A	08/07/2017	Police Department	POLICE OFFICER
944	ROBLES, MARIO M	A	08/16/2017	Facilities Department	CUSTODIAN
943	MORENO, MIGUEL	A	08/21/2017	Facilities Department	CUSTODIAN
940	VASQUEZ, ROBINSON R	A	08/21/2017	Public Works/Waste Water	WASTEWATER PLANT OPERATOR
942	DIAZ GURROLA, ESTELA	A	08/28/2017	Facilities Department	CUSTODIAN
932	MUNGARAY, JORGE A	A	08/28/2017	Information Tech. Department	IT TECHNICIAN
941	VERA, JOSE A	A	08/28/2017	Public Works/Waste Water	WASTEWATER PLANT OPERATOR
442	PARTIDA-JUNEZ, ENRIQUE	A	08/31/2017	Recreation	RECREATION COORDINATOR
946	JACOBO-NEBLINA, CINTHIA	A	09/14/2017	Recreation	RECREATION INTERN
902	MUNOZ, LAURA	A	09/16/2017	BUILDING SAFETY	BUILDING PERMIT TECHNICIAN

Grand Totals Employees 19

PRESENTATION

Regular City Council Meeting **4.B.**

Meeting Date: 11/08/2017

Presentation Topic/Summary:

Presentation of retirement plaque to Ms. Ketie St. Louis for her 10 years of service to the City of San Luis. **(Olivia Jenkins, Director of Human Resources and Tadeo A. De La Hoya, City Manager)**

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.A.**

Meeting Date: 11/08/2017

Summary

MINUTES OF

-Work Session held July 19, 2017

-Special Council meeting held July 25, 2017

Attachments

7/19/2016 WS

7/25/2017 SCM

M I N U T E S
Work Session
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
July 19, 2017
6:30 p.m.

1. CALL TO ORDER/ROLL CALL: Mayor Gerardo Sanchez called the Regular City Council meeting to order at approximately 6:33 p.m.

PRESENT: Mayor Gerardo Sanchez
Council Member Africa Luna Carrasco
Council Member Matias Rosales
Council Member Gloria Torres

ABSENT: Vice Mayor Maria Cecilia Ramos
Council Member Mario Buchanan Jr.
Council Member Ruben Walshe

OTHERS PRESENT: Tadeo De La Hoya, City Manager
Sonia Cornelio, City Clerk
Derek Duenas, I.T. Manager
Enrique Lopez, Fire Department
Eulogio Vera, Public Works Director
Fabian Felix, Fire Department
Hank Green, Fire Chief
Jenny Torres, Economic Development Director
Jesus Meza, Assistant Parks and Recreation Director
Jonathan Dumadag, I.T. Technician
Jorge Perez, Billing and Collections Manager
Jose Guzman, Acting Planning and Zoning Director
Kay Macuil, City Attorney
Ketie St. Louis, Finance Director
Laura Herrera, PIO/Assistant to Council
Manuel Rojas, Assistant Public Works Director
Olivia Jenkins, Human Resources Director
Pam Green, Visitor

2. AGENDA ITEM(S):

2. A. Discussion and possible direction to staff on any and all matters regarding the approval of six (6) months renewal agreement between the City of San Luis and Broder Gym Fitness, L.L.C. (Noel Chavez, Fire Fighter and Wellness Committee Member)

Mr. Noel Chavez, Fire Fighter and Wellness Committee Member, is requesting the contract with Border Gym Fitness to be renewed for six (6) months. He added that the renewal includes reduction in membership cost and a reduction in administrative fees.

Mayor Gerardo Sanchez asked why the contract was going to be renewed for six (6) months only.

Mr. Chavez replied that they are only renewing the contract for six (6) months because the Wellness Committee is seeking improvements to the gym.

Ms. Olivia Jenkins, Human Resources Director, stated that the gym fees are now $22.00 a month. She further added that the contact was only going to be renewed for six (6) months because there is another gym in the City that offers the same services except classes.

Mayor Gerardo Sanchez thanked Border Gym Fitness for providing the services and asked them to consider the Committee's improvements.

2. B. Discussion and possible direction to staff on any and all matters regarding Subdivision case No. 2017-0433F. A request by Nieves Riedel on behalf of R&G Associates, LLC, for the final plat approval for Santa Cecilia Subdivision. The property is located at the east side of Avenue F between Aracely Street and County 24th Street in San Luis, Arizona. (Jose Guzman, Acting Planning and Zoning Director)

Mr. Jose Guzman, Acting Planning and Zoning Director, stated that Planning and Zoning Commission recommended approval on the subdivision with conditions to address minor engineer comments. Mr. Guzman added that it is under review and will be presented to Mayor and Council at the next Regular Council Meeting.

Council Member Matias Rosales suggested staff look into future improvements in the area so that it would accommodate the incoming residents. Council Member Matias Rosales further asked if the subdivision would be following the regulations.

Mr. Guzman stated that the regulations were being followed.

2. C. Discussion and possible action on any and all matters regarding Text Amendment Case No. 2017-0339. A request by the City of San Luis for a text amendment to the San Luis City Code, Chapter 152 Zoning Regulations §152.262, Administration of Sign Regulations, §152.262(F) Variances to allow the use of a Conditional Use Permit in addition to the Variances to allow relief from design standards. (Jose A. Guzman, Acting Planning and Zoning Director)

Mr. Jose Guzman, Acting Planning and Zoning Director, stated that this item was first presented to Mayor and City Council back in April. He added that the Text Amendment was to allow signs to be above the roof line of a building that may be too restrictive and may impede economic development.

Mayor Gerardo Sanchez commented that staff needs to look at the overall ordinance relating to signs. Mayor Gerardo Sanchez further commented that this is a good start.

3. DISCUSSION ITEM(S):

3. A. Discussion and possible direction to staff on any and all matters regarding procedures for Model Homes. (Jose A. Guzman, Acting Planning and Zoning Director)

Mr. Jose Guzman, Acting Planning and Zoning Director, stated that the City of San Luis currently allows model homes with no specific requirements.

Mayor Gerardo Sanchez asked if they are looking into Yuma and Somerton.

Mr. Guzman stated that the City of Yuma requires there to be enough room for emergency vehicles to drive. Mr. Guzman also stated that he talked to the director in Somerton but nothing was established but recommendations were made based off of roads and demolition.

Council Member Matias Rosales stated that the reason the City of Yuma does not run into problems with model home is because they are established before the subdivision is finalized and the roads are placed.

Mr. Tadeo De La Hoya, City Manager, asked how many model homes were going to be allowed by subdivision.

Mr. Guzman replied that if the subdivision is one (1) to ten (10) lots only one (1) would be allowed. If it is between eleven (11) and twenty (20) only two (2) would be allowed. If it is more than twenty (20) lots than the maximum model homes allowed would be four (4). He added that there could also be a limit set by the City on the amount of model homes.

Council Member Matias Rosales stated that his main concern is what would allow them to convert a model home into a certificate of occupancy.

Mayor Gerardo Sanchez commented that there should be restrictions and the model homes should be the last one to be sold.

Mr. Guzman stated that the temporary use permit for the model homes states that a maximum of two (2) years is until the last lot in the subdivision is sold.

Mr. De La Hoya added that the Certificate of Occupancy would not be issued until the final subdivision is accepted and approved by the City.

Mayor Gerardo Sanchez asked for this item to be presented again in a Work Session within two (2) months.

4. ADJOURNMENT

MOTION: Council Member Africa Luna-Carrasco/Council Member Gloria Torres to adjourn the Work Session at approximately 7:04 p.m. Motion passed unanimously.

M I N U T E S
Special Meeting
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
July 25, 2017
6:30 p.m.

1. CALL TO ORDER/ROLL CALL: Mayor Gerardo Sanchez called the Regular City Council meeting to order at approximately 6:31 p.m.

PRESENT: Mayor Gerardo Sanchez
Vice-Mayor Maria Cecilia Ramos (via phone)
Council Member Ruben Walshe
Council Member Gloria Torres
Council Member Matias Rosales
Council Member Africa Luna-Carrasco
Council Member Mario Buchanan Jr.

OTHERS PRESENT: Tadeo A. De La Hoya, City Manager
Angel Ramirez, Assistant Director of Fire Department
Aracely De La Hoya, Senior Services Manager
Axel Chaira, I.T. Technician
Chris Hagen, Management Analyst
Derek Dueñas, I.T. Manager
Eulogio Vera, Director of Public Works
Glenn Gimbut, City Attorney
Hank Green, Fire Chief
Jenny Torres, Director of Community Development
Jesus Meza, Assistant Director of Parks & Recreation
Johnny Morris, Fire Department
Jorge Perez, Billing & Collections Manager
Jose Guzman, Acting Director of Planning & Zoning
Ketie St. Louis, Director of Finance
Laura Herrera, PIO/Assistant to City Council
Lizandro Galaviz, Director of Parks & Recreation
Luis Marquez, Police Department
Olivia Jenkins, Director of Human Resources
Richard Jessup, Acting Chief of Police
Victor Figueroa, Police Department
Cesar Neyoy, Reporter

Lucy Lopez, Reporter
Riedel Nieves, Resident
Jose Manuel Castro, Resident
Guillermina Fuentes, Resident

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Africa Luna-Carrasco.

3. INVOCATION

The invocation was made by Mr. Hank Green, Fire Chief.

4. PRESENTATION

4. A. Presentation of awards by the San Luis Police Department to Golden Sponsors for the 10 Mile Poker Ride Held December 2016 and for the 5K – 1 Mile Run held on April 22, 2017 for the Arizona Special Olympics. (Luis Marquez, Police Officer)

Mr. Luis Marquez, Police officer, thanked all the sponsors for this event and presented an award of appreciation to them.

Mayor Gerardo Sanchez thanked all the participants and sponsors for their support.

5. CONSENT AGENDA.

5. A. MINUTES OF

Work Session held May 3, 2017
Work Session held May 10, 2017

5. B. DISBURSEMENTS FROM JULY 1, 2017 THROUGH JULY 14, 2017

Total Disbursements $888,169.75
(Eight Hundred Eighty-Eight Thousand, One Hundred Sixty-Nine Dollars and Seventy-Five Cents)

MOTION: Council Member Gloria Torres/Council Member Mario Buchanan Jr. to approve the Consent Agenda as presented. Motion passed unanimously.

6. DISCUSSION AND POSSIBLE ACTION ITEMS:

6. A. Discussion and possible action on any and all matters regarding Subdivision Case No. 2017-0433F. A request by Nieves Riedel on Behalf of R&G Associates, LLC, for the final plat approval for San Cecilia Subdivision. The property is located at the north east corner of County 24th Street and Avenue "F", Assessor's Parcel No. 227-10-010, San Luis, Arizona. (Jose A. Guzman, Acting Planning and Zoning Director)

Mr. Jose Guzman, Director of Planning & Zoning, explained that this project was presented to the City Council during the rezoning process. This residential subdivision consists of 163 lots to be located on the east side of Avenue F and Aracely Street with lot sizes ranging from 6,000 to 10,700 square feet. Staff recommends approval with the condition that the applicant addresses the letter from staff dated July 20, 2017.

MOTION: Council Member Matias Rosales/Council member Mario Buchanan Jr. to approve the final plat subdivision Case No. 2017-0433F with the condition that the applicant address staff's July 20, 2017 letter sent to the applicant as presented. Motion passed unanimously.

Ms. Nieves Riedel thanked the Mayor, City Council and Mr. Jose Guzman.

7. SUMMARY OF CURRENT EVENTS

There were no summary from the Mayor, Council Members and/or City Manager

8. CALL TO THE PUBLIC

There were no comments from the public

9. EXECUTIVE SESSION
Vote to hold an Executive Session pursuant to A.R.S. §38-431.03 (A) (3) and (4)

Discussion and possible action to hold an Executive Session pursuant to A.R.S. §38-431.03 (A) (3) and (4) for discussion or consultation, for legal advice with the City Attorney or City's attorneys, and/or with the City Attorney of City's attorneys regarding code enforcement in order to consider its position and instruct its attorneys regarding City Council's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussion conducted in order to avoid or resolve litigation. **(Glenn Gimbut, Assistant City Attorney)**

MOTION: Council Member Mario Buchanan Jr./Council Member Ruben Walshe to go into Executive Session at approximately 7:04 p.m. Motion passed unanimously.

10. MOTION TO GO BACK INTO REGULAR SESSION

MOTION: Council Member Mario Buchanan Jr./Council Member Ruben Walshe to go back into Regular Session at approximately 8:08 p.m.

11. DISCUSSION AND POSSIBLE ACTION ITEM:

11. A. Discussion and possible action on any and all matters regarding a program for settlement of claims arising from shade structure enforcement including a program of settlement with appropriate instructions to staff. (Glenn Gimbut, Assistant City Attorney)

Mr. Glenn Gimbut, Assistant City Attorney, stated that the City is considering a resolution dealing with the shade structures within the community. In 1980, City Ordinance No. 13 adopted the city's first zoning code which established a 7-foot side yard set-back, 20-foot front yard set-back and a 10-foot back yard set-back, therefore unless one's home was built prior to 1980, one is not grandfathered. The other aspect is even if one was grandfathered, one cannot be grandfathered from a health or safety hazard or regulation. The city is proposing settlement agreements as a way to resolve the problem with the shade structures. There are two (2) settlement agreement versions; one is for existing shade structures who were part of a listing done by Development Services as of April 2017 which totals 195 shade structures with property, address listing which will be part of the record with the City Clerk. The settlement agreement will have several provisions, will include a legal description and will be recorded. The second settlement agreement is for 12 people who voluntarily complied with the city's ordinance, to pay a certain sum of money with proof of what was invested on the shade structure to a max cap of $6,000.00. Both proposed settlement agreements would have to be approved by the City Council.

MOTION: Mayor Gerardo Sanchez/Council Member Africa Luna-Carrasco to approve and authorize a program of settlement of claims arising from shade structure enforcement as contained in the memorandum dated July 25, 2017 as presented to Council including the forms of settlement agreement as attached thereto, this program for settlement should be available only for the 195 properties listed in the inventory of shade structures effective as of April 27, 2017 and for no other properties. This program should be available only until December 1, 2017 and shall not be extended beyond that date. Any property not included in the inventory that does not accept terms of settlement offer comply with the terms of the settlement agreement or that otherwise does not comply with the ordinance and codes of the city, the city shall be subject to enforcement. Staff is directed to implement the program as outlined in the memorandum of July 25, 2017 and this motion. Motion passed with six (6) aye votes and one (1) nay vote from Vice Mayor Maria Cecilia Ramos.

Mayor Gerardo Sanchez thanked the residents for being present and added that the City Council just approved the settlement agreements and the 195 property owners will be informed accordingly. With the settlement agreement the problem will be resolved.

Council Member Gloria Torres thanked Mayor Gerardo Sanchez for listening to the community and added that everyone present elected them to represent them.

Mr. Jorge Villicaña, resident, stated that as a representative of the people who have been supporting this cause he would like to thanked the Mayor, City Council and Administration for listening to the community on this matter.

12. ADJORNMENT

MOTION: Council Member Mario Buchanan Jr./Council Member Ruben Walshe to adjourn the Regular Council Meeting at approximately 8:21 p.m. Motion passed unanimously.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.B.**

Meeting Date: 11/08/2017

Summary

DISBURSEMENTS FROM OCTOBER 16, 2017 THROUGH OCTOBER 29, 2017

Total Disbursements $750,610.42

(Seven Hundred Fifty Thousand, Six Hundred Ten Dollars and Forty-Two Cents)

Attachments

Disbursements 11/8/2017

City of San Luis
Finance Department

COUNCIL MEETING NOVEMBER 8, 2017
Disbursement Reports from 10/16/2017 to 10/29/2017

Bank Accounts	Check Date	Amount	Schedule
Payroll Check Account	10/17/2017	$ 4,709.59	Schedule A
Accounts Payable Check Account	10/17/2017	$ 44,666.54	Schedule B
Accounts Payable Check Account	10/19/2017	$ 159.24	Schedule C
Accounts Payable Check Account	10/19/2017	$ 27,415.95	Schedule D
Accounts Payable Check Account	10/19/2017	$ 12,041.19	Schedule E
Accounts Payable Check Account	10/19/2017	$ 43,950.41	Schedule F
Accounts Payable Check Account	10/19/2017	$ 7,739.84	Schedule G
Accounts Payable Check Account	10/19/2017	$ 4,761.93	Schedule H
Accounts Payable Check Account	10/19/2017	$ 4,093.75	Schedule I
Accounts Payable Check Account	10/19/2017	$ 204.07	Schedule J
Accounts Payable Check Account	10/19/2017	$ 507.00	Schedule K
Accounts Payable Check Account	10/19/2017	$ 3,711.51	Schedule L
Accounts Payable Check Account	10/23/2017	$ 68,620.00	Schedule M
Accounts Payable Check Account	10/23/2017	$ 116.00	Schedule N
Accounts Payable Check Account	10/25/2017	$ 5,374.70	Schedule O
Accounts Payable Check Account	10/25/2017	$ 487.50	Schedule P
Accounts Payable Check Account	10/26/2017	$ 503,131.94	Schedule Q
Accounts Payable Check Account	10/26/2017	$ 10,019.26	Schedule R
Accounts Payable Check Account	10/26/2017	$ 8,900.00	Schedule S

Total Disbursements: $ 750,610.42

Please contact Mr. Carlos Cortes prior to the meeting if additional information is needed.

Prepared by Angelica V. Castro: Angelica V Castro

Verified by Director of Finance: C Cortes

For Council approval on: _____

Mayor: _____

Council: _____

_____

_____

_____

_____

_____

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CITY OF SAN LUIS
OFFICE OF THE CITY CLERK

Schedule A

Pay Day Register

Pay Date Range 10/01/17 - 10/31/17

Pay Batch 201710M

Pay Batch 201710M Total

Employees in Pay Batch 7

Female Employees in Pay Batch 3

Hours Description	Hours	Gross
102 - SALARY	.0000	7,550.00
806 - TELEPHONE STIPEND	.0000	150.00
Total	0.0000	$7,700.00

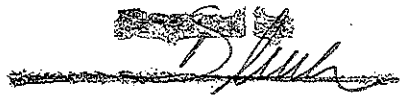
Withholdings and Deductions		Gross Base
Gross	7,700.00	
Imputed Income		
FEDERAL TAX WITHHOLDING	68.70	5,522.93
SOCIAL SECURITY TAX	477.40	7,700.00
MEDICARE	111.66	7,700.00
STATE WITHHOLDING	154.14	5,522.93
ASRS Council	102.06	900.00
ASRS LTD Council	1.44	900.00
Council Retirement EORP	588.50	.00
Dental Council	147.98	.00
EODCRS - COUNCIL	72.00	.00
EODCRS - DISABILITY	1.13	.00
Medical Council	1,216.20	.00
Vision Council	49.20	.00
Net	$4,709.59 ✓	

Benefits		Gross Base
ASRS Council	102.06	.00
ASRS LTD Council	1.44	.00
ASRS/EORP - LEGACY RATE	109.35	.00
Dental Council	253.26	.00
EODCRS - COUNCIL	54.00	.00
EODCRS - DISABILITY	1.13	.00
EODCRS/EORP LEGACY RATE	157.50	.00
EORP COUNCIL RETIREMENT	423.00	.00
Health Council	6,317.20	.00
HEALTHIEST YOU COUNCIL	56.00	.00
Retirement Council EORP	928.25	.00
Vision Council	74.90	.00
Total	$8,478.09	

Workers' Comp	Gross Base
Total	

Direct Deposits	Amount
1st Bank Yuma	714.95
Chase Bank	743.14
Federal Credit Union	892.12
REALTORS FED CRED UNION	272.36
Sunbank	1,005.82
Wells Fargo	359.93
Total	$3,988.32

Check $721.27



Schedule B

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/17/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/17/2017	82145	Accounts Payable	ARIZONA DEPARTMENT OF REVENUE / TPT		44,608.29

Invoice	Date	Description	Amount
2018-00000402	10/17/2017	SALES TAX - SEPTEMBER 2017	44,608.29

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/17/2017	82146	Accounts Payable	TORRES , JOSE		58.25

Invoice	Date	Description	Amount
REIMB JTO	10/16/2017	REIMBURSEMENT ZIONS BANK	58.25

1BYPAYABLE 1st BY Accounts Payable Totals:		Transactions: 2	$44,666.54
Checks:	2	$44,666.54	

Prepared By:
Maggie Dominguez
Date: Maggie D 10/17/17

Schedule C

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82147	Accounts Payable	RODRIGUEZ , MAURO		159 24

Invoice	Date	Description	Amount
REIM MED091917	10/19/2017	REIM MED 091917	149 80
191017REIMB	10/19/2017	1910017 REIMB	9 44

1BYPAYABLE 1st BY Accounts Payable Totals: Transactions: 1 $159 24

Checks: 1 $159.24

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Schedule D

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	2018-00000423		10/19/2017	SERVICES RENDERED OF UMPIRE FOR YOUTH BASEBALL LEAGUE 2017	160 00	
Check	10/19/2017	82159	Accounts Payable	SEGOVIA , ALMA		80 00
	Invoice		Date	Description	Amount	
	2018-00000424		10/19/2017	SERVICES RENDERED OF SCOREKEEPER FOR 2017 MEN'S SOFTBALL LEAGUE	80 00	
Check	10/19/2017	~~82160~~ VOID	Accounts Payable	VELEZ CONSULTING SERVICES		~~7,739.84~~ VOID
	Invoice		Date	Description	Amount	
	2018-00000433		10/19/2017	CONSULTING SERVICES FOR WEEK OF OCTOBER 2, 2017	3,250 00	
	2018-00000434		10/19/2017	CONSULTING SERVICES FOR WEEK OF OCTOBER 9, 2017	1,170 00	
	2018-00000435		10/19/2017	CONSULTING SERVICES FOR WEEK OF OCTOBER 16, 2017	1,820 00	
	2018-00000436		10/19/2017	CONSULTING SERVICES FOR AUGUST TO OCTOBER 2017	1,499 84	
Check	10/19/2017	82161	Accounts Payable	VILLEGAS , LITZY		80 00
	Invoice		Date	Description	Amount	
	2018-00000425		10/19/2017	SERVICES RENDERED OF SCOREKEEPER FOR THE YOUTH BASEBALL LEAGUE	80 00	
1BYPAYABLE 1st BY Accounts Payable Totals				Transactions 14		~~$35,155.79~~ $27,415.95
	Checks	14				

~~$35,155.79~~ $27,415.95

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City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82148	Accounts Payable	ALSCO, INC		100 95
	Invoice		Date	Description		Amount
	LYUM1208392		10/10/2017	UNIFORM SERVICE FOR PARKS DEPT FOR THE MONTH OF OCTOBER 2017		100 95
Check	10/19/2017	82149	Accounts Payable	CELAYA , PAOLA		80 00
	Invoice		Date	Description		Amount
	2018-00000415		10/19/2017	SERVICES RENDERED OF SCOREKEEPER FOR 2017 MENS SOFTBALL LEAGUE		80 00
Check	10/19/2017	82150	Accounts Payable	FRANCO LUNA , ROSSMART FELIPE		80 00
	Invoice		Date	Description		Amount
	2018-00000416		10/19/2017	SERVICES RENDERED OF SCOREKEEPER FOR YOUTH BASEBALL LEAGUE 2017		80 00
Check	10/19/2017	82151	Accounts Payable	GUERRA , RUTH		500 00
	Invoice		Date	Description		Amount
	#67		10/19/2017	INTERPRETATION SERVICES FOR COURT FROM 10/09/2017 TO 10/13/2017		500 00
Check	10/19/2017	82152	Accounts Payable	L & B MOBILE MEDICAL		5,200 00
	Invoice		Date	Description		Amount
	22607		08/16/2017	INSTALLATION OF GOURNEYS		5,200 00
Check	10/19/2017	82153	Accounts Payable	LEAGUE OF AZ CITIES & TOWNS		20,235 00
	Invoice		Date	Description		Amount
	2018-00000417		10/19/2017	2017-18 LEAGUE DUES		20,235 00
Check	10/19/2017	82154	Accounts Payable	LOPEZ RIOS , JOSE A		320 00
	Invoice		Date	Description		Amount
	2018-00000418		10/19/2017	SERVICES RENDERED OF REFEREE FOR 2017 YOUTH DODGEBALL LEAGUE		320 00
Check	10/19/2017	82155	Accounts Payable	MARTINEZ, JOSE ALFREDO		320 00
	Invoice		Date	Description		Amount
	2018-00000437		10/19/2017	SERVICES RENDERED OF UMPIRE FOR 2017 YOUTH BASEBALL LEAGUE		160 00
	2018-00000438		10/19/2017	SERVICES RENDERED OF UMPIRE FOR 2017 MEN'S SOFTBALL LEAGUE		160 00
Check	10/19/2017	82156	Accounts Payable	MEDINA, JOSE		160 00
	Invoice		Date	Description		Amount
	2018-00000420		10/19/2017	SERVICES RENDERED OF UMPIRE FOR MEN'S SOFTBALL LEAGUE 2017		160 00
Check	10/19/2017	82157	Accounts Payable	OZUNA NORIS , JUAN LUIS		100 00
	Invoice		Date	Description		Amount
	2018-00000421		10/19/2017	SERVICES RENDERED OF SCOREKEEPER FOR 2017 YOUTH BASEBALL LEAGUE		60 00
	2018-00000422		10/19/2017	SERVICES RENDERED OF UMPIRE FOR 2017 MENS BASEBALL LEAGUE		40 00
Check	10/19/2017	82158	Accounts Payable	RODRIGUEZ , MARIO		160 00
	Invoice		Date	Description		Amount

Schedule E

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	2018-00000426		09/30/2017	CONTRACT #: 0455969, 0373070, 0398771	1,153.10	
Check	10/19/2017	82173	Accounts Payable	US BANK EQUIPMENT FINANCE		3,141.08
	Invoice		Date	Description	Amount	
	2018-00000427		09/30/2017	CONTRACT: 500-0380583, 500-0408239, 500-0413948, 500-0448410	3,141.08	
Check	10/19/2017	82174	Accounts Payable	YUMA OFFICE EQUIPMENT		3,014.47
	Invoice		Date	Description	Amount	
	2018-00000428		10/19/2017	CONTRACTS:1209,1103,1105,1104,1162,1046,1188,1347,1524,1371,1566	3,014.47	
1BYPAYABLE 1st BY Accounts Payable Totals:				Transactions: 13		$12,041.19

Checks: 13 $12,041.19

acusla
10/19/17

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82162	Accounts Payable	ARIZONA PUBLIC SERVICE		3,566 19
	Invoice		Date	Description		Amount
	5389OCT17		10/06/2017	ELECTRICITY CHARGES- 600 N 2 AVE		212 40
	8620OCT17		10/09/2017	ELECTRICITY CHARGES- 821 N GARCIA LN PEDESTAL		40 71
	1000OCT17		10/03/2017	ELECTRICITY CHARGES- 1393 E JSANCHEZ BLVD SLIFT		3,292.37
	3134OCT17		10/09/2017	ELECTRICITY CHARGES- 1604 E AMERICA ST PEDESTAL		40 71
Check	10/19/2017	82163	Accounts Payable	GONZALEZ , JAVIER		80 00
	Invoice		Date	Description		Amount
	2018-00000432		10/19/2017	REIMBURSEMENT: PHYSICAL REQUIRED FOR CDL		80 00
Check	10/19/2017	82164	Accounts Payable	GUZMAN , JOSE A		96 00
	Invoice		Date	Description		Amount
	GUZMAN 102417		10/19/2017	TRAVEL: 2017 APA ARIZONA COFERENCE		96 00
Check	10/19/2017	82165	Accounts Payable	HUMPHREY, JEREMY		209 00
	Invoice		Date	Description		Amount
	HUMPHREY 102417		10/19/2017	TRAVEL: AFCA REGIONAL BATTILION CHIEF ACADEMY		209 00
Check	10/19/2017	82166	Accounts Payable	LOPEZ, ENRIQUE		209 00
	Invoice		Date	Description		Amount
	LOPEZ 102417		10/19/2017	TRAVEL: AFCA REGIONAL BATTILION CHIEF ACADEMY		209.00
Check	10/19/2017	82167	Accounts Payable	LUNA, JESUS ENRIQUE		75 00
	Invoice		Date	Description		Amount
	2018-00000429		10/19/2017	REIMBURSEMENT: ADOT PHYSICAL EXAM FOR CDL		75 00
Check	10/19/2017	82168	Accounts Payable	PACHECO, ROMAN		96 00
	Invoice		Date	Description		Amount
	PACHECO 102417		10/19/2017	TRAVEL: 2017 APA ARIZONA CONFERENCE		96 00
Check	10/19/2017	82169	Accounts Payable	PITNEY BOWES CREDIT CORP		98 35
	Invoice		Date	Description		Amount
	3101648532		10/01/2017	MAILING SYSTEM FOR COURT- SEPTEMBER		98 35
Check	10/19/2017	82170	Accounts Payable	SOLIS, ROBERT		209 00
	Invoice		Date	Description		Amount
	SOLIS 102417		10/19/2017	TRAVEL: AFCA REGIONAL BATTILION CHIEF ACADEMY		209 00
Check	10/19/2017	82171	Accounts Payable	TAYLOR , JANET		74 00
	Invoice		Date	Description		Amount
	TAYLOR 102517		10/19/2017	TRAVEL: ELECTRONIC RECORDS MANAGEMENT TRAINING		74 00
Check	10/19/2017	82172	Accounts Payable	TOSHIBA FINANCIAL SERVICES		1,153 10
	Invoice		Date	Description		Amount

Schedule F

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description		Amount
	511061 00		09/20/2017	MATERIAL TO REPLACE LIGHTING@WEST WWTP		199 86
Check	10/19/2017	82218	Accounts Payable	YUMA WINNELSON CO		814 28
	Invoice		Date	Description		Amount
	289636 00		09/27/2017	MATERIAL USED DURING INSTALL OF CLEAN OUTS F/ SOP PROGRAM		814 28
1BYPAYABLE 1st BY Accounts Payable Totals				Transactions 44		$43,950 41

Checks	44	$43,950.41

10/19/17

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82175	Accounts Payable	ALSCO, INC		46.16
	Invoice		Date	Description		Amount
	LYUM1204351		09/26/2017	CONTRACTUAL SERVICES - FLEET SERVICES		46.16
Check	10/19/2017	82176	Accounts Payable	AMERICAN LEGAL PUBLISHING		495.00
	Invoice		Date	Description		Amount
	0118167		09/14/2017	INTERNET RENEWAL PERIOD 10/29/17 - 10/28/18		495.00
Check	10/19/2017	82177	Accounts Payable	ARIZONA MUNICIPAL RISK RETENTION POOL - WC		1,691.82
	Invoice		Date	Description		Amount
	2018-00000403		10/02/2017	LEGAL SERVICES-ROBERT & CAROL UPTON v CITY OF SAN LUIS		1,691.82
Check	10/19/2017	82178	Accounts Payable	ARIZONA REFUSE SALES, LLC		891.72
	Invoice		Date	Description		Amount
	8464		09/29/2017	SOLID WASTE 3796 EE180		891.72
Check	10/19/2017	82179	Accounts Payable	AZ STATE PRISON COMPLEX - YUMA		371.00
	Invoice		Date	Description		Amount
	Y08-108 20170928		10/02/2017	PAYMENT FOR INMATE LABOR PROJECT		371.00
Check	10/19/2017	82180	Accounts Payable	AZ STATE PRISON COMPLEX - YUMA		89.00
	Invoice		Date	Description		Amount
	Y08-10820170928		10/02/2017	PAYMENT FOR INMATE TRANSPORTATION PROJECT		89.00
Check	10/19/2017	82181	Accounts Payable	BINGHAM EQUIPMENT CO		3,840.93
	Invoice		Date	Description		Amount
	P22618		10/03/2017	PARTS TO REPAIR BOBCAT T-190 F/ WW DIVISION		3,840.93
Check	10/19/2017	82182	Accounts Payable	CDWG		813.19
	Invoice		Date	Description		Amount
	KHB3672		09/25/2017	TONER FOR BUILDING SAFETY		423.92
	KHS4045		09/28/2017	TONER FOR LEGAL DEPARTMENT		188.07
	KHR9882		09/27/2017	TONER FOR LEGAL DEPARTMENT		65.72
	KHH2141		09/26/2017	DISPATCH DRUM AND TONER		135.48
Check	10/19/2017	82183	Accounts Payable	CENTERLINE SUPPLY WEST		4,905.82
	Invoice		Date	Description		Amount
	00080391		09/21/2017	MATERIAL USED DURING STRIPING WORK CITYWIDE		4,905.82
Check	10/19/2017	82184	Accounts Payable	CITY OF YUMA		499.08
	Invoice		Date	Description		Amount
	2018-00000036		09/29/2017	2ND QUARTER RADIO CHARGES		192.07
	2018-00000035		09/29/2017	2ND QUARTER RADIO CHARGES		307.01

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/19/2017	82185	Accounts Payable	COPPER STATE BOLTS & NUT CO.		1,913 87
	Invoice		Date	Description		Amount
	I02194143		09/29/2017	NEW COMPRESSOR FOR EAST WWTP		1,913 87
Check	10/19/2017	82186	Accounts Payable	DESERT WATER		62 27
	Invoice		Date	Description		Amount
	68275		09/26/2017	100 BULK GALS OF WATER		16 61
	68278		10/19/2017	PURCHASE OF WATER FOR PARKS DEPT		29 06
	68428		10/10/2017	PURCHASE OF WATER FOR PARKS DEPT		16 60
Check	10/19/2017	82187	Accounts Payable	DPE MATERIALS, INC		2,496 77
	Invoice		Date	Description		Amount
	131735		08/29/2017	HOT MIX ASPHALT TO REPAIR STREETS@VARIOUS SITES CITYWIDE		920 97
	131808		09/08/2017	HOT MIX ASPHALT TO REPAIR STREETS@VARIOUS SITES CITYWIDE		816 99
	131855		09/15/2017	HOT MIX ASPHALT TO REPAIR STREETS@VARIOUS SITES CITYWIDE		758 81
Check	10/19/2017	82188	Accounts Payable	G&T ALARM CO LLC		78 00
	Invoice		Date	Description		Amount
	11644M		10/01/2017	ALARM MONITORING		78 00
Check	10/19/2017	82189	Accounts Payable	G&T LOCKSMITH AND SAFE CO.		189 82
	Invoice		Date	Description		Amount
	25151		09/21/2017	PURCHASE OF LOCKS NEEDED TO SECURE GATES, STORAGES & OTHER AREAS		189 82
Check	10/19/2017	82190	Accounts Payable	GERARDO FELIX /SAN LUIS FIRE EXTINGUISHER		243 54
	Invoice		Date	Description		Amount
	0178		07/18/2017	PURCHASE OF FIRST AID KIT SUPPLIES FOR THE AQUATIC CENTER		243 54
Check	10/19/2017	82191	Accounts Payable	GUST ROSENFELD P L.C.		75 00
	Invoice		Date	Description		Amount
	328269		10/04/2017	LEGAL SERVICES-SPEARPOINT SOLAR		75 00
Check	10/19/2017	82192	Accounts Payable	INTERNATIONAL INSTITUTE OF		225 00
	Invoice		Date	Description		Amount
	20966		09/22/2017	2017 ANNUAL MEMBERSHIP FOR SONIA CORNELIO		225 00
Check	10/19/2017	82193	Accounts Payable	IPS GROUP INC		491 19
	Invoice		Date	Description		Amount
	28146		09/30/2017	MONTHLY MAINTENANCE FOR PARKING METERS		491 19
Check	10/19/2017	82194	Accounts Payable	JAMES DAVEY AND ASSOCIATES		1,975 00
	Invoice		Date	Description		Amount
	0000002017167		10/03/2017	ENGINEERING SERVICES		1,975 00
Check	10/19/2017	82195	Accounts Payable	LAWSON PRODUCTS INC		582 04
	Invoice		Date	Description		Amount

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	9305258561		09/25/2017	PURCHASE DRILL BIT SET FOR FLEET SHOP	339 16	
	9305258562		09/25/2017	PURCHASE CRIMP WIRE WHEEL FOR SHOP	242 88	
Check	10/19/2017	82196	Accounts Payable	MCDONALD , JULIE M		2,800 00
	Invoice		Date	Description	Amount	
	02733		10/03/2017	ATTORNEY FEES	400 00	
	02681		09/19/2017	ATTORNEY FEES	400 00	
	02683		09/26/2017	ATTORNEY FEES	400 00	
	02684		09/26/2017	ATTORNEY FEES	400 00	
	02685		09/26/2017	ATTORNEY FEES	400 00	
	02686		09/26/2017	ATTORNEY FEES	400 00	
	02726		09/28/2017	ATTORNEY FEES	400 00	
Check	10/19/2017	82197	Accounts Payable	PACIFIC MEDICAL WASTE		55 00
	Invoice		Date	Description	Amount	
	W7574		09/30/2017	SEPTEMBER MEDICINE DISPOSAL	55 00	
Check	10/19/2017	82198	Accounts Payable	PRECISION ELECTRIC CO INC.		225 00
	Invoice		Date	Description	Amount	
	3-064272		09/26/2017	REPAIR ELECTRICAL CORD/RECONNECT PUMP	225 00	
Check	10/19/2017	82199	Accounts Payable	PROFESSIONAL PEST CONTROL LLC		660 00
	Invoice		Date	Description	Amount	
	3001		09/19/2017	PEST CONTROL FOR CANINES	45.00	
	3000		09/19/2017	PEST CONTROL FOR CANINES	45 00	
	2997		09/20/2017	PEST CONTROL @BUSINESS INCUBATOR	45 00	
	2998		09/20/2017	PIGEON CONTROL SERVICE @BUSINESS INCUBATOR	40 00	
	2996		09/20/2017	TREAT MOLD AT ACT BUILDING	350 00	
	2995		09/20/2017	PIGEON CONTROL SERVICE IN VARIOUS DEPARTMENTS	45 00	
	2994		09/20/2017	PIGEON CONTROL SERVICE IN VARIOUS DEPARTMENTS	45 00	
	2999		09/19/2017	PIGEON CONTROL SERVICE IN VARIOUS DEPARTMENTS	45 00	
Check	10/19/2017	82200	Accounts Payable	PURCELL TIRE CO.		3,732 21
	Invoice		Date	Description	Amount	
	6898982		09/27/2017	PURCHASE 225/ 60R16 GOODYEAR TIRES FOR FLEET #1413	334 61	
	6898978		09/27/2017	PURCHASE TIRES FOR HIGHWAY USER #2934	584 75	
	230114626		09/28/2017	PURCHASE W600X9 SOLIDEAL HALT 10 PLY TIRE FOR FACILITIES #6087	112 76	
	6898981		09/27/2017	PURCHASE P235/75R15 GOODYEAR TIRES FOR PARKS #4055	397 83	
	6898979		09/27/2017	PURCHASE LT245/75R17 GOODYEAR TIRES FOR HU #5470	584 75	
	230114464		09/25/2017	PURCHASE TIRES FOR HU #3580 SWEEPER	758 24	
	6898980		09/29/2017	PURCHASE P225/75R15 GOODYEAR TIRES FOR HU #4837	419 05	
	6899075		10/03/2017	PURCHASE P255/70R17 GOODYEAR TIRES FOR WASTE WATER DEPT #0593	540 22	
Check	10/19/2017	82201	Accounts Payable	RAMON MOSQUEDA		75 00
	Invoice		Date	Description	Amount	

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	4086		10/06/2017	EMBROIDERY (CITY LOGO/NAME/DEPT) FOR UNIFORM SHIRTS (EE#250	75 00	
Check	10/19/2017	82202	Accounts Payable	REDBURN TIRE COMPANY		864 84
	Invoice		Date	Description		Amount
	11024284		09/19/2017	TIRES F/ FREIGHTLINER TRUCK VIN#00059 F/ SW DIVISION	864 84	
Check	10/19/2017	82203	Accounts Payable	RUSH TRUCK CENTER		63 69
	Invoice		Date	Description		Amount
	3008041366		10/06/2017	PURCHASE THERMOSTAT AND HOSE FOR SOLID WASTE #3796	63 69	
Check	10/19/2017	82204	Accounts Payable	SAFETY-KLEEN CORPORATION		381 13
	Invoice		Date	Description		Amount
	74624082		09/25/2017	WASHER MAINTENANCE	381 13	
Check	10/19/2017	82205	Accounts Payable	SIGN MASTERS		865 43
	Invoice		Date	Description		Amount
	42137		10/02/2017	OVALS DECALS TOTAL OF 105 FOR E1, L1, SLSO, M4 & M5	348 00	
	42100		09/25/2017	APPLICATION OF LETTERING ON ALL AMBULANCES	200 00	
	42117		10/02/2017	PURCHASE LETTERING FOR WATER #0399	173 78	
	42125		09/29/2017	PURCHASE LETTERING FOR HU #0645	143 65	
Check	10/19/2017	82206	Accounts Payable	STANDARD PRINTING COMPANY, INC		1,461 00
	Invoice		Date	Description		Amount
	251691		10/05/2017	OUTSOURCING FOR PREPARING/PRINTING UTILITY BILL	1,461 00	
Check	10/19/2017	82207	Accounts Payable	THE LOZANO LAW FIRM PLLC		1,600 00
	Invoice		Date	Description		Amount
	372		09/26/2017	ATTORNEY FEES	400 00	
	369		09/07/2017	ATTORNEY FEES	400 00	
	371		09/18/2017	ATTORNEY FEES	400 00	
	370		09/18/2017	ATTORNEY FEES	400 00	
Check	10/19/2017	82208	Accounts Payable	US POST MASTER		2,545 07
	Invoice		Date	Description		Amount
	139406		10/05/2017	MONTHLY POSTAGE FEE FOR MAILING UTILITY BILLS	2,545 07	
Check	10/19/2017	82209	Accounts Payable	W W GRAINGER, INC		250 68
	Invoice		Date	Description		Amount
	9567216180		09/27/2017	MASTER LOCKS KEYED ALIKE	250 68	
Check	10/19/2017	82210	Accounts Payable	WAXIE SANITARY SUPPLY		1,448 89
	Invoice		Date	Description		Amount
	76970853		09/22/2017	PURCHASE OF JANITORIAL SUPPLIES FOR THE PARKS DEPARTMENT	1,254 29	
	76979108		09/27/2017	JANITORIAL SUPPLIES	194 60	
Check	10/19/2017	82211	Accounts Payable	YOUNG PEST CONTROL LLC		510 00

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description		Amount
	1323		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1328		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1333		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1331		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1325		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1330		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1321		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1336		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1329		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1332		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1324		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1320		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1327		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1335		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1334		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1326		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
	1322		09/25/2017	PEST CONTROL SERVICES FOR SEPTEMBER 2017 FOR VARIOUS DEPARTMENTS		30 00
Check	10/19/2017	82212	Accounts Payable	YUMA COUNTY RECORDER		91 50
	Invoice		Date	Description		Amount
	17-15730		09/06/2017	RECORDING FEES		29 00
	17-16131		09/13/2017	RECORDING FEES		62 50
Check	10/19/2017	82213	Accounts Payable	YUMA COURT REPORTERS LLC		389 00
	Invoice		Date	Description		Amount
	103297		10/05/2017	TRASCRIBING SERVICES FOR EMPLOYEE REPORT		389 00
Check	10/19/2017	82214	Accounts Payable	YUMA FARM & HOME SUPPLY INC		105 05
	Invoice		Date	Description		Amount
	493631		09/22/2017	PURCHASE BRASS TIPS, CLAMPS AND FITTINGS FOR HU#3580		51 81
	493658		09/22/2017	ITEMS TO LIFT HEAVY EQUIPMENT/REPLACE & INSTALL FH,MOTORS,PUMPS		53 24
Check	10/19/2017	82215	Accounts Payable	YUMA NURSERY SUPPLY		2,380 89
	Invoice		Date	Description		Amount
	305655		09/22/2017	PURCHASE OF PRO RED INFIELD MIX NEEDED FOR THE JOE ORDUNO PARK		569 18
	305518		09/20/2017	PURCHASE OF PARTS & SUPPLIES FOR THE PARKS IRRIGATION LANDSCAPE		837 09
	305516		09/20/2017	PURCHASE OF PRO RED INFIELD MIX NEEDED FOR THE JOE ORDUNO PARK		974 62
Check	10/19/2017	82216	Accounts Payable	YUMA PRINTING & GRAPHIC DEPT		455 67
	Invoice		Date	Description		Amount
	1255		09/29/2017	NOTICES/DOOR HANGERS F/ SANITATION DIVISION		334 01
	1278		10/04/2017	BUSINESS CARDS FOR BUSINESS LICENSE DIVISION		121 66
Check	10/19/2017	82217	Accounts Payable	YUMA WINLECTRIC CO		199 86

Schedule G

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82219	Accounts Payable	VELEZ CONSULTING SERVICES		6,240 00

Invoice	Date	Description	Amount
2018-00000433	10/19/2017	CONSULTING SERVICES FOR WEEK OF OCTOBER 2, 2017	3,250 00
2018-00000434	10/19/2017	CONSULTING SERVICES FOR WEEK OF OCTOBER 9, 2017	1,170 00
2018-00000435	10/19/2017	CONSULTING SERVICES FOR WEEK OF OCTOBER 16, 2017	1,820 00

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/19/2017	82220	Accounts Payable	VELEZ CONSULTING SERVICES		1,499 84

Invoice	Date	Description	Amount
2018-00000436	10/19/2017	CONSULTING SERVICES FOR AUGUST TO OCTOBER 2017	1,499 84

1BYPAYABLE 1st BY Accounts Payable Totals		Transactions: 2	$7,739 84
Checks:	2	$7,739.84	

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10/19/17

Schedule H

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description		Amount
	2018-00000448		10/19/2017	539 - AZ COPS - SLPD		495 00
Check	10/19/2017	82233	Accounts Payable	UNITED WAY OF YUMA COUNTY INC		19 00
	Invoice		Date	Description		Amount
	2018-00000449		10/19/2017	705 - UNITED WAY		19 00
Check	10/19/2017	82234	Accounts Payable	UNITED YUMA FIRE FIGHTERS-IAFF		800 00
	Invoice		Date	Description		Amount
	2018-00000450		10/19/2017	543 - IAFF- FIRE DEPT		800 00
1BYPAYABLE 1st BY Accounts Payable Totals:				Transactions 14		$4,761 93

Checks 14 $4,761 93

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10/19/17 C

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82221	Accounts Payable	CALIFORNIA STATE DISBURSEMENT UNIT		324 91
	Invoice		Date	Description		Amount
	2018-00000443		10/19/2017	532 - GARNISHMENT - CHILD SUPPORT*		324 91
Check	10/19/2017	82222	Accounts Payable	CHARGO PA , GURSTEL		52 21
	Invoice		Date	Description		Amount
	2016-00000444		10/19/2017	533 - GARNISHMENT		52 21
Check	10/19/2017	82223	Accounts Payable	CHILD SUPPORT SERVICES		274 62
	Invoice		Date	Description		Amount
	2018-00000445		10/19/2017	532 - GARNISHMENT - CHILD SUPPORT		274 62
Check	10/19/2017	82224	Accounts Payable	FOP/ALC		255 00
	Invoice		Date	Description		Amount
	2018-00000446		10/19/2017	714 - FOP/ALC		255 00
Check	10/19/2017	82225	Accounts Payable	INTERNAL REVENUE SERVICE		50 00
	Invoice		Date	Description		Amount
	2018-00000447		10/19/2017	533 - GARNISHMENT		50 00
Check	10/19/2017	82226	Accounts Payable	NATIONWIDE RETIREMENT SOLUTIONS		126 00
	Invoice		Date	Description		Amount
	NW NUC101917		10/19/2017	NW NUC 101917		126 00
Check	10/19/2017	82227	Accounts Payable	PUBLIC SAFETY PERSONNEL RET SY		157 50
	Invoice		Date	Description		Amount
	PSPRS BUCB		10/19/2017	PSPRS BUCH 101917		157 50
Check	10/19/2017	82228	Accounts Payable	PUBLIC SAFETY PERSONNEL RET SY		109 35
	Invoice		Date	Description		Amount
	WAL 101917		10/19/2017	WAL101917		109 35
Check	10/19/2017	82229	Accounts Payable	PUBLIC SAFETY PERSONNEL RET SY		156 33
	Invoice		Date	Description		Amount
	psprs alt 101917		10/19/2017	ALT PSPRS 101917		156 33
Check	10/19/2017	82230	Accounts Payable	PUBLIC SAFETY PERSONNEL RET SY		1,939 75
	Invoice		Date	Description		Amount
	OCTOBER 2017EORP		10/19/2017	EORP		1,939 75
Check	10/19/2017	82231	Accounts Payable	PUBLIC SAFETY PERSONNEL RET SY		2 26
	Invoice		Date	Description		Amount
	PSPRS 101917B		10/19/2017	PSPRS 101917B		2 26
Check	10/19/2017	82232	Accounts Payable	SAN LUIS POLICE OFFICERS ASSOC		495 00

Schedule I

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82235	Accounts Payable	SUPPORT PAYMENT CLEARINGHOUSE		4,093 75

Invoice	Date	Description	Amount
CS101917	10/19/2017	CS 101917	4,093 75

1BYPAYABLE 1st BY Accounts Payable Totals:		Transactions: 1	$4,093 75
Checks:	1	$4,093.75	

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Schedule J

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82236	Accounts Payable	YUMA SUN INC		204.07

Invoice	Date	Description	Amount
2018-00000451	08/29/2017	LEGAL PUBLICATIONS 2017-09-11 AD# 00128348	94.90
2018-00000452	09/22/2017	LEGAL PUBLICATIONS 2017-09-11 AD#00130103	109.13
2018-00000453	09/30/2017	LEGAL PUBLICATIONS SVC CHARGE 09/30/17	0.04

1BYPAYABLE 1st BY Accounts Payable Totals: Transactions: 1 $204.07

Checks: 1 $204.07

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10/19/17 C

Schedule K

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82237	Accounts Payable	CAMPA, JOAQUIN		133.00
	Invoice		Date	Description		Amount
	CAMPA 102417		10/19/2017	TRAVEL: AZBO 2017 FALL EDUCATION INSTITUTE		133.00
Check	10/19/2017	82238	Accounts Payable	JIMENEZ , MARTHA		133.00
	Invoice		Date	Description		Amount
	JIMENEZ 102217		10/19/2017	TRAVEL: AZBO 2017 FALL EDUCATION INSTITUTE		133.00
Check	10/19/2017	82239	Accounts Payable	MILLER, DAMIAN		108.00
	Invoice		Date	Description		Amount
	MILLER 102517		10/19/2017	TRAVEL. HIGH RISK VEHICLE STOPS INSTRUCTOR		108.00
Check	10/19/2017	82240	Accounts Payable	MUÑOZ , LAURA		133.00
	Invoice		Date	Description		Amount
	MUNOZ 102217		10/19/2017	TRAVEL: AZBO 2017 FALL EDUCATION INSTITUTE		133.00
1BYPAYABLE 1st BY Accounts Payable Totals:				Transactions: 4		$507.00

Checks: 4 $507.00

10/19/17

Schedule L

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/19/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/19/2017	82241	Accounts Payable	RELIABLE AUTO INC.		3,711.51

Invoice	Date	Description	Amount
2470	10/05/2017	TRAILER TO TRANSPORT STRIPING EQUIPMENT	3,711.51

1BYPAYABLE 1st BY Accounts Payable Totals: Transactions: 1 $3,711.51

Checks: 1 $3,711.51

10/19/17

Schedule M

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/23/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/23/2017	82242	Accounts Payable	ARIZONA MUNICIPAL RISK RETENTION POOL - WC		68,620.00

Invoice	Date	Description	Amount
32017	10/19/2017	JUL AUG SEP 2017	68,620.00

1BYPAYABLE 1st BY Accounts Payable Totals: Transactions: 1 $68,620.00

Checks: 1 $68,620.00

Prepared By:
Maggie Dominguez
Date: 10/23/17

Schedule N

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/23/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/23/2017	82243	Accounts Payable	VELAZQUEZ, OMAR		116.00

Invoice	Date	Description	Amount
VELAZQUEZ 102317	10/23/2017	TRAVEL - AZ BUILDING OFFICIALS 2017 FALL EDUCATION INSTITUTE	116.00

1BYPAYABLE 1st BY Accounts Payable Totals: Transactions: 1 $116.00

Checks: 1 $116.00

Prepared By:
Maggie Dominguez
Date: 10/23/17

Schedule D

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/25/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/25/2017	82244	Accounts Payable	ARIZONA DEPT OF ECONOMIC SECUR		5,374.70

Invoice	Date	Description	Amount
UNEM	10/24/2017	2017/3	5,374.70

1BYPAYABLE 1st BY Accounts Payable Totals:		Transactions: 1	$5,374.70
Checks:	1	$5,374.70	

Prepared By:
Maggie Dominguez
Date: 10/25/17

C

Schedule P

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/25/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/25/2017	82245	Accounts Payable	CITY OF YUMA		487.50

Invoice	Date	Description	Amount
2018-000000034	09/28/2017	PURCHASED TWO (2) ADDL RADIOS	487.50

1BYPAYABLE 1st BY Accounts Payable Totals:		Transactions: 1	$487.50
Checks:	1	$487.50	

Prepared By:
Maggie Dominguez
Date: 10/25/17

C

Schedule Q

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/26/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	CR.201600375		10/26/2017	RESTITUTION PAYMENT	40.00	
	CR 201700245		10/26/2017	RESTITUTION PAYMENT	47.00	
	CR201300290		10/26/2017	RESTITUTION PAYMENT	13.09	
Check	10/26/2017	82324	Accounts Payable	WAXIE SANITARY SUPPLY		133.24
	Invoice		Date	Description	Amount	
	76986001		09/29/2017	JANITORIAL SUPPLIES	133.24	
Check	10/26/2017	82325	Accounts Payable	YUMA FARM & HOME SUPPLY INC.		45.61
	Invoice		Date	Description	Amount	
	494873		10/11/2017	PURCHASE PARTS FOR WASTEWATER #9341	45.61	
Check	10/26/2017	82326	Accounts Payable	YUMA PRINTING & GRAPHIC DEPT.		741.65
	Invoice		Date	Description	Amount	
	1351		10/17/2017	7500 #10 WINDOW ENVELOPES W/ BILL ENCLOSED	741.65	
Check	10/26/2017	82327	Accounts Payable	YUMA SUN INC		92.53
	Invoice		Date	Description	Amount	
	00132265		10/20/2017	LEGAL PUBLICATIONS	92.53	
Check	10/26/2017	82328	Accounts Payable	YUMA WINLECTRIC CO.		1,173.19
	Invoice		Date	Description	Amount	
	512671 00		10/19/2017	ELECTRICAL MATERIAL TO INSTALL NEW COMPRESSOR@EAST WWTP	789.41	
	512333 00		10/19/2017	REPLACEMENT FUSES F/ BLOWERS ELECTRICAL BOX@WEST WWTP	383.78	
Check	10/26/2017	82329	Accounts Payable	YUMA WINNELSON CO.		4,904.37
	Invoice		Date	Description	Amount	
	289471 00		09/25/2017	MATERIAL F/NEW INSTALLS AND/OR REPAIRS IN WATER DIST. SYSTEM	4,710.14	
	288840 00		09/11/2017	PURCHASE OF REPAIR KIT NEEDED FOR THE REPAIR OF WATER BACK FLOW	194.23	
1BYPAYABLE 1st BY Accounts Payable Totals:				Transactions: 84		$503,131.94

Checks: 84 $503,131.94

Prepared By:
Maggie Dominguez
Date: 10/26/17

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/26/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/26/2017	82246	Accounts Payable	AGUILAR , CANDELARIA Y		50.00

Invoice	Date	Description	Amount
TR201700250	10/26/2017	OVERPAYMENT	50.00

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/26/2017	82247	Accounts Payable	ALSCO, INC		1,905.45

Invoice	Date	Description	Amount
LYUM1198482	09/05/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	135.95
2018-00000454	09/19/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	136.61
LYUM1200378	09/12/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	126.59
LYUM1204337	09/26/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	126.59
LYUM1198484	09/05/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	39.97
LYUM1200380	09/12/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	37.71
LYUM1202369	09/19/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	37.71
LYUM1204339	09/26/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	37.71
LYUM1198483	09/05/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	139.42
LYUM1200379	09/12/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	140.20
LYUM1202368	09/19/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	131.53
LYUM1204338	09/26/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	131.53
LYUM1198497	09/05/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	105.13
LYUM1200393	09/12/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	98.92
LYUM1200686	09/12/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	25.87
LYUM1202382	09/19/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	103.64
LYUM1204352	09/26/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	108.37
LYUM1204650	09/26/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	68.15
LYUM1204695	09/26/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	61.10
LYUM1188603	08/01/2017	UNIFORM SERVICE FOR PW PERSONNEL - SEPTEMBER 2017	112.75

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/26/2017	82248	Accounts Payable	ANGEL'S TOWING SERVICE/AUTO SALES		825.00

Invoice	Date	Description	Amount
2017-20163	09/19/2017	TOWING SERVICES FOR PD	75.00
2017-20390	09/21/2017	TOWING SERVICES FOR PD	75.00
2017-20750	09/26/2017	TOWING SERVICES FOR PD	75.00
2017-20895	09/28/2017	TOWING SERVICES FOR PD	75.00

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/26/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	2017-20874		09/28/2017	TOWING SERVICES FOR PD		75.00
	2017-20998		09/30/2017	TOWING SERVICES FOR PD		75.00
	2017-21018		10/01/2017	TOWING SERVICES FOR PD		75.00
	2017-21284		10/05/2017	TOWING SERVICES FOR PD		75.00
	2017-19636		09/12/2017	TOWING SERVICES FOR PD		75.00
	2017-19829		09/15/2017	TOWING SERVICES FOR PD		75.00
	2017-19913		09/15/2017	TOWING SERVICES FOR PD		75.00
Check	10/26/2017	82249	Accounts Payable	APS/CLAIM #414-1352-AH		100.00
	Invoice		Date	Description		Amount
	TR2.01401091		10/26/2017	RESTITUTION PAYMENT		50.00
	TR 201401091		10/26/2017	RESTITUTION PAYMENT		50.00
Check	10/26/2017	82250	Accounts Payable	ARCIGA, CARLOS		100.00
	Invoice		Date	Description		Amount
	ARCIGA 102617		10/26/2017	REIMBURSEMENT - STEEL TOE BOOTS		100.00
Check	10/26/2017	82251	Accounts Payable	ARIZONA BRAKE & CLUTCH SUPPLY		523.71
	Invoice		Date	Description		Amount
	48960		09/28/2017	SW 0487 EE180		390.99
	49151		10/09/2017	SW9937 EE180		115.82
	49238		10/11/2017	HWY 1277 EE180		16.90
Check	10/26/2017	82252	Accounts Payable	AZ STATE PRISON COMPLEX - YUMA		89.00
	Invoice		Date	Description		Amount
	Y08-10820171012		10/13/2017	PAYMENT FOR INMATE TRANSPORTATION PROJECT		89.00
Check	10/26/2017	82253	Accounts Payable	AZ STATE PRISON COMPLEX - YUMA		385.00
	Invoice		Date	Description		Amount
	Y08-108 20171012		10/13/2017	PAYMENT FOR INMATE LABOR PROJECT		385.00
Check	10/26/2017	82254	Accounts Payable	BILL ALEXANDER FORD		1,812.50
	Invoice		Date	Description		Amount
	341375		09/26/2017	PD 0570 EE180		668.09
	341980		10/12/2017	FIRE AMB 7630 EE180		93.83
	342007		10/16/2017	FIRE AMB 7630 EE180		936.12

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Batch Date: 10/26/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	341871		10/10/2017	PD 0568 EE180		114.46
Check	10/26/2017	82255	Accounts Payable	BINGHAM AUTO & TRUCK PARTS		1,311.49
	Invoice		Date	Description		Amount
	3023-470448		10/12/2017	PURCHASE TOOLS FOR FLEET SHOP RAUL SANCHEZ		820.66
	3023-468050		09/20/2017	SW4813 EE180		82.58
	3023-469091		09/29/2017	HWY 3580 EE907		118.39
	3023-468051		09/20/2017	SW0487 EE180		135.26
	3023-469990		10/09/2017	WW4489 EE180		47.35
	3023-471466		10/23/2017	SW3270 EE180		107.25
Check	10/26/2017	82256	Accounts Payable	BLT ASPHALT LLC		2,074.47
	Invoice		Date	Description		Amount
	238		09/20/2017	MATERIAL (ASPHALT) FOR STREET REPAIRS CITYWIDE		691.49
	233		09/13/2017	MATERIAL (ASPHALT) FOR STREET REPAIRS CITYWIDE		691.49
	250		09/27/2017	MATERIAL (ASPHALT) FOR STREET REPAIRS CITYWIDE		691.49
Check	10/26/2017	82257	Accounts Payable	BLT READY MIX CONCRETE LLC		3,438.71
	Invoice		Date	Description		Amount
	3207		09/01/2017	MATERIAL (CONCRETE) F/ SIDEWALK REPAIRS CITYWIDE		604.49
	3406		09/19/2017	MATERIAL (CONCRETE) F/ SIDEWALK REPAIRS CITYWIDE		805.98
	3562		09/29/2017	MATERIAL (CONCRETE) F/ SIDEWALK REPAIRS CITYWIDE		906.73
	3541		09/28/2017	MATERIAL (CONCRETE) F/ SPILLWAY/WATER STORAGE TANK@WS#4		503.74
	3673		10/06/2017	MATERIAL (CONCRETE) F/ ENTRANCE DRIVEWAY@WS #4 & #6		617.77
Check	10/26/2017	82258	Accounts Payable	BORDER CONSTRUCTION SPECIALTIES		1,392.08
	Invoice		Date	Description		Amount
	INV-5475064		08/10/2017	PPE/TOOLS FOR HWY USERS CREWS & AZ INMATES		1,217.29
	INV-5527367		10/12/2017	HERBICIDE FOR WEED CONTROL CITYWIDE		174.79
Check	10/26/2017	82259	Accounts Payable	BORREGO BROTHERS, INC		3,750.00
	Invoice		Date	Description		Amount
	719		10/09/2017	CATWALK REPAIR F/ BASINS@WEST WWTP		3,750.00
Check	10/26/2017	82260	Accounts Payable	CABRERA , LILIANA		100.00
	Invoice		Date	Description		Amount

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	CR.201600044		10/26/2017	RESTITUTION PAYMENT		50.00
	CR2016000044		10/26/2017	RESTITUTION PAYMENT		50.00
Check	10/26/2017	82261	Accounts Payable	CDWG		1,408.09
	Invoice		Date	Description		Amount
	KHS6723		09/28/2017	FIBER PATCH CABLES FOR YC		30.39
	KJR6092		10/02/2017	COMPUTER WORKSTATION F/ EE#819 A. GONZALEZ		155.93
	KJS3043		10/02/2017	COMPUTER WORKSTATION F/ EE#819 A. GONZALEZ		894.16
	KMH6043		10/13/2017	TONER FOR LT. ALVAREZ PRINTER		327.61
Check	10/26/2017	82262	Accounts Payable	CLEAR CHANNEL AIRPORTS		167.79
	Invoice		Date	Description		Amount
	790521082		10/01/2017	AIRPORT DISPLAY		167.79
Check	10/26/2017	82263	Accounts Payable	CSC OF YUMA		151.04
	Invoice		Date	Description		Amount
	000592682		09/21/2017	OPEN P.O. AUTO PARTS FOR VARIOUS DEPTS-SEPTEMBER 2017		151.04
Check	10/26/2017	82264	Accounts Payable	DESERT DOCUMENT SHREDDERS, LLC		35.00
	Invoice		Date	Description		Amount
	37740		10/16/2017	DOCUMENT DESTRUCTION SERVICES		35.00
Check	10/26/2017	82265	Accounts Payable	DESERT WATER		251.85
	Invoice		Date	Description		Amount
	68044		09/05/2017	WATER FOR PW PERSONNEL - SEPTEMBER 2017		49.82
	68125		09/12/2017	WATER FOR PW PERSONNEL - SEPTEMBER 2017		66.42
	68204		09/19/2017	WATER FOR PW PERSONNEL - SEPTEMBER 2017		49.82
	68274		09/26/2017	WATER FOR PW PERSONNEL - SEPTEMBER 2017		41.51
	30487		09/05/2017	DRINKING WATER FOR FD		7.20
	68045		09/05/2017	DRINKING WATER FOR FD		9.96
	68126		09/12/2017	DRINKING WATER FOR FD		9.96
	30530		09/19/2017	DRINKING WATER FOR FD		7.20
	68205		09/19/2017	DRINKING WATER FOR FD		9.96
Check	10/26/2017	82266	Accounts Payable	DIAMONDBACK POLICE SUPPLY, INC.		1,459.28
	Invoice		Date	Description		Amount

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	15945		08/18/2017	SHOTGUN EQUIPMENT	1,459.28	
Check	10/26/2017	82267	Accounts Payable	DPE CONSTRUCTION, INC		248,959.80
	Invoice		Date	Description	Amount	
	03		10/01/2017	J. SANCHEZ BLVD RECONSTRUCTION PROJECT-PAYMENT APP#3	248,959.80	
Check	10/26/2017	82268	Accounts Payable	EMPIRE MACHINERY		156.94
	Invoice		Date	Description	Amount	
	EMPS4215678		10/02/2017	PURCHASE SEALS FOR PARKS #6639	48.13	
	EMPS4217843		10/04/2017	PURCHASE BRAKE OIL FOR PARKS #6639	108.81	
Check	10/26/2017	82269	Accounts Payable	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.		4,392.90
	Invoice		Date	Description	Amount	
	93334507		08/17/2017	GIS SOFTWARE MAINTENANCE	4,392.90	
Check	10/26/2017	82270	Accounts Payable	ERAZO , NICOLA B		75.00
	Invoice		Date	Description	Amount	
	2018-00000457		10/26/2017	OVERPAYMENT	75.00	
Check	10/26/2017	82271	Accounts Payable	ERDMANN , LUIS A		96.00
	Invoice		Date	Description	Amount	
	TR 201601533		10/26/2017	OVERPAYMENT	96.00	
Check	10/26/2017	82272	Accounts Payable	FISHER CHEVROLET - PARTS		189.84
	Invoice		Date	Description	Amount	
	498646		09/27/2017	PD 1605 EE180	189.84	
Check	10/26/2017	82273	Accounts Payable	FISHER CHRYSLER		593.02
	Invoice		Date	Description	Amount	
	642643		10/10/2017	PD 5713 EE180	593.02	
Check	10/26/2017	82274	Accounts Payable	FREIGHTLINER OF ARIZONA, LLC		253.87
	Invoice		Date	Description	Amount	
	XP001348607:01		10/13/2017	SW 3270 EE180	253.87	
Check	10/26/2017	82275	Accounts Payable	FRESH TERRA SERVICES LLC		590.00

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Type	Date	Number	Source	Payee Name / Description	EFT Bank/Account / Date	Amount	Transaction Amount
	Invoice			Description	Date	Amount	
	6098			WW ANALYSIS REQUIREMENTS PER ADEQ REGULATIONS	08/25/2017	140.00	
	6186			WW ANALYSIS REQUIREMENTS PER ADEQ REGULATIONS	09/28/2017	450.00	
Check	10/26/2017	82276	Accounts Payable	GONZALEZ , SANTIAGO A			681.80
	Invoice			Description	Date	Amount	
	4244			REUPHOLSTER FORD SEAT AND HEADLINER AND VISORS FOR PARKS#4058	10/20/2017	681.80	
Check	10/26/2017	82277	Accounts Payable	GUARDIAN MEDICAL PRODUCTS, LLC			4,121.72
	Invoice			Description	Date	Amount	
	5763735			EMS SUPPLIES	10/17/2017	2,605.55	
	5757105			MEDICAL SUPPLIES	09/12/2017	37.98	
	5761710			EMS SUPPLIES (QUOTE# 067969)	10/06/2017	11.67	
	5760172			MEDICAL SUPPLIES (QUOTE# 066893)	09/28/2017	321.01	
	5761203			EMS SUPPLIES (QUOTE# 067969)	10/04/2017	1,017.11	
	5760173			MEDICAL SUPPLIES	09/28/2017	128.40	
Check	10/26/2017	82278	Accounts Payable	GUERRA , RUTH			500.00
	Invoice			Description	Date	Amount	
	068			INTERPRETATION SERVICES FOR COURT - 101617-102017	10/20/2017	500.00	
Check	10/26/2017	82279	Accounts Payable	HILL BROTHERS CHEMICAL CO.			4,734.96
	Invoice			Description	Date	Amount	
	4439674			BLEACH USED TO DISINFECT EFFLUENT DISCHARGE@EAST WWTP	10/09/2017	2,367.48	
	4439675			BLEACH USED TO DISINFECT EFFLUENT DISCHARGE@WEST WWTP	10/09/2017	2,367.48	
Check	10/26/2017	82280	Accounts Payable	HUMPHREY, JEREMY			209.00
	Invoice			Description	Date	Amount	
	HUMPHREY 103117			TRAVEL - AFCA REGIONAL BATTALION CHIEF ACDMY	10/26/2017	209.00	
Check	10/26/2017	82281	Accounts Payable	JAMES DAVEY AND ASSOCIATES			5,335.00
	Invoice			Description	Date	Amount	
	0000002017168			J. SANCHEZ BLVD REPAVING PROJECT	10/03/2017	4,740.00	
	000002017174			PROFESSIONAL SERVICES	10/05/2017	595.00	
Check	10/26/2017	82282	Accounts Payable	KAMAN INDUSTRIAL TECHNOLOGIES			43.02

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description		Amount
	C659057		09/22/2017	VALVE OPERATOR/GREASE - INVOICE#C659057 9/22/17		43.02
Check	10/26/2017	82283	Accounts Payable	KENDALL ACQUISITIONS COMPANY, LLC		2,140.00
	Invoice		Date	Description		Amount
	12369		09/28/2017	MAINTENANCE SUPPLIES FOR TRUCKS/EQUIPMENT & CHEMICALS F/ WEEDS		1,450.00
	12379		09/29/2017	CHEMICALS F/ ODOR CONTROL IN COLLECTION SYSTEM		690.00
Check	10/26/2017	82284	Accounts Payable	KUTAK ROCK LLP		669.39
	Invoice		Date	Description		Amount
	2355957348205-2		09/06/2017	LEGAL SERVICES RENDERED FOR SLFDC		669.39
Check	10/26/2017	82285	Accounts Payable	LAWSON PRODUCTS INC.		238.65
	Invoice		Date	Description		Amount
	9305276684		10/02/2017	PURCHASE FITTINGS FOR FIRE DEPT #3237		238.65
Check	10/26/2017	82286	Accounts Payable	LIBERTEL ASSOCIATES		1,501.28
	Invoice		Date	Description		Amount
	214930		10/13/2017	EAR SETS FOR DISPATCH		1,501.28
Check	10/26/2017	82287	Accounts Payable	LOPEZ, ENRIQUE		209.00
	Invoice		Date	Description		Amount
	LOPEZ 103117		10/26/2017	TRAVEL - AFCA REGIONAL BATTALION CHIEF ACDMY		209.00
Check	10/26/2017	82288	Accounts Payable	LPC CONSTRUCTION, INC		107,999.71
	Invoice		Date	Description		Amount
	2018-00000458		10/26/2017	JUAN SANCHEZ BLVD LIFTSTATION PROJECT/FINAL RETENTION INVOICE		107,999.71
Check	10/26/2017	82289	Accounts Payable	MCNEECE BROS. OIL COMPANY, INC		108.95
	Invoice		Date	Description		Amount
	527977		10/03/2017	PURCHASE AXLE OIL FOR PARKS DEPT #6639		108.95
Check	10/26/2017	82290	Accounts Payable	MEDEL , TRINO A		80.00
	Invoice		Date	Description		Amount
	TR201601198		10/26/2017	OVERPAYMENT		80.00

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/26/2017	82291	Accounts Payable	MIDWAY CHEVROLET		31,039.12
	Invoice		Date	Description		Amount
	JZ149261		10/26/2017	2018 CHEVY SILVERADO VIN#9261 FOR BUILDING SAFETY		31,039.12
Check	10/26/2017	82292	Accounts Payable	MORALES LASTRA , RAQUEL		150.00
	Invoice		Date	Description		Amount
	PK201600139		10/26/2017	OVERPAYMENT		150.00
Check	10/26/2017	82293	Accounts Payable	MUNOZ , YOLANDA ANGELICA		150.00
	Invoice		Date	Description		Amount
	PK201700030		10/26/2017	OVERPAYMENT		150.00
Check	10/26/2017	82294	Accounts Payable	NAVARRO , CAROLINE		100.00
	Invoice		Date	Description		Amount
	TR.201600854		10/26/2017	RESTITUTION PAYMENT		100.00
Check	10/26/2017	82295	Accounts Payable	NEWMAN TRAFFIC SIGNS		75.00
	Invoice		Date	Description		Amount
	TI-0313182		08/22/2017	SIGN MAKING EQUIPMENT AND SUPPLIES		75.00
Check	10/26/2017	82296	Accounts Payable	OFFICE DEPOT		3,509.64
	Invoice		Date	Description		Amount
	959394714001		09/01/2017	PURCHASE OF DESKS FOR RECREATION STAFF LOCATED AT THE GYM		775.01
	951396304001		08/21/2017	WHITE BOARDS FOR SLFD CLASSROOM		579.53
	959400012001		09/07/2017	OFFICE EQUIPMENT SUPPLIES FOR DDS		266.65
	962312391001		09/14/2017	TIME/DATE HEAVY DUTY STAMP FOR BUSINESS LICENSES		236.53
	961130594001		09/11/2017	OFFICE SUPPLIES FOR IT DEPT		6.78
	960717804001		09/12/2017	OFFICE SUPPLIES FOR PD		23.88
	959513493001		09/12/2017	OFFICE SUPPLIES FOR PW		94.35
	959513958001		09/13/2017	OFFICE SUPPLIES FOR PW		60.02
	961130595001		09/08/2017	OFFICE SUPPLIES FOR IT DEPT		6.55
	961130266001		09/08/2017	OFFICE SUPPLIES FOR IT DEPT		6.57
	962336467001		09/13/2017	OFFICE SUPPLIES FOR UTILITIES		14.32
	959077151001		09/12/2017	OFFICE SUPPLIES FOR FLEET		14.73
	959078635001		09/13/2017	OFFICE SUPPLIES FOR FLEET		79.30

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	962306143001		09/13/2017	OFFICE SUPPLIES FOR FLEET	12.76	
	960714817001		09/13/2017	OFFICE SUPPLIES FOR PD	57.13	
	962311531001		09/13/2017	OFFICE SUPPLIES FOR FINANCE L.L	238.87	
	961290008001		09/13/2017	OFFICE SUPPLIES FOR UTILITIES	358.08	
	958632312001		09/05/2017	OFFICE SUPPLIES FOR CITY ADMIN	189.38	
	958797146001		08/30/2017	OFFICE SUPPLIES FOR IT DEPT	68.95	
	958796791001		08/31/2017	OFFICE SUPPLIES FOR IT DEPT	21.52	
	961290053001		09/14/2017	OFFICE SUPPLIES FOR UTILITIES	17.58	
	961290052001		09/13/2017	OFFICE SUPPLIES FOR UTILITIES	19.97	
	962312256001		09/14/2017	OFFICE SUPPLIES FOR HR DEPT	65.86	
	962311203001		09/14/2017	OFFICE SUPPLIES FOR HR DEPT	21.92	
	963862946001		09/19/2017	OFFICE SUPPLIES FOR PROSECUTOR	240.08	
	960717805001		09/13/2017	OFFICE SUPPLIES FOR PD	33.32	
Check	10/26/2017	82297	Accounts Payable	ORTIZ GOMEZ , JESUS		60.00
	Invoice		Date	Description	Amount	
	CR--201600321		10/26/2017	RESTITUTION PAYMENT	30.00	
	CR 201600321		10/26/2017	RESTITUTION PAYMENT	30.00	
Check	10/26/2017	82298	Accounts Payable	PARRA FLORES , ARTEMISA		269.00
	Invoice		Date	Description	Amount	
	TR200100439		10/26/2017	OVERPAYMENT	269.00	
Check	10/26/2017	82299	Accounts Payable	PEREZ ARCE , JUAN CARLOS		50.00
	Invoice		Date	Description	Amount	
	TR 201701503		10/26/2017	OVERPAYMENT	50.00	
Check	10/26/2017	82300	Accounts Payable	PEREZ GASTELUM , JORGE R		235.00
	Invoice		Date	Description	Amount	
	PEREZ 102917		10/26/2017	TRAVEL - WATER INFRASTRUCTURE CONFERENCE/EXPOSITION	235.00	
Check	10/26/2017	82301	Accounts Payable	PHOENIX UNIFORMS		366.85
	Invoice		Date	Description	Amount	
	291199		10/11/2017	POLICE BADGES	366.85	
Check	10/26/2017	82302	Accounts Payable	POLAR COOLING LLC		2,550.00

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description		Amount
	90225		09/20/2017	REPAIR A/C UNIT FOR VFD@WELL SITE #4		2,550.00
Check	10/26/2017	82303	Accounts Payable	POLY'S PARTY RENTALS, LLC		1,571.80
	Invoice		Date	Description		Amount
	2018-00000459		09/26/2017	RENTAL OF INFLATABLES FOR THE DAY OF THE DEAD EVENT		1,571.80
Check	10/26/2017	82304	Accounts Payable	QUAIL CONSTRUCTION, LLC		303.55
	Invoice		Date	Description		Amount
	58627		09/08/2017	REPLACE WORN OUT 'ENTERING SAN LUIS' SIGN		303.55
Check	10/26/2017	82305	Accounts Payable	QUIÑONES TIRES LLC		50.00
	Invoice		Date	Description		Amount
	427		09/25/2017	TIRE REPAIRS AND/OR MAINTENANCE F/ VEHICLES/EQUIPMENT		10.00
	396		09/08/2017	TIRE REPAIRS AND/OR MAINTENANCE F/ VEHICLES/EQUIPMENT		40.00
Check	10/26/2017	82306	Accounts Payable	QUINONEZ , FRANCISCO		1,640.00
	Invoice		Date	Description		Amount
	19824		09/15/2017	TOWING SERVICES FOR PD		75.00
	19833		09/15/2017	TOWING SERVICES FOR PD		75.00
	19862		09/15/2017	TOWING SERVICES FOR PD		75.00
	20168		09/19/2017	TOWING SERVICES FOR PD		75.00
	20337		09/21/2017	TOWING SERVICES FOR PD		75.00
	20528		09/23/2017	TOWING SERVICES FOR PD		95.00
	20570		09/24/2017	TOWING SERVICES FOR PD		75.00
	20694		09/25/2017	TOWING SERVICES FOR PD		75.00
	20698		09/26/2017	TOWING SERVICES FOR PD		75.00
	20779		09/27/2017	TOWING SERVICES FOR PD		75.00
	20864		09/28/2017	TOWING SERVICES FOR PD		75.00
	20928		09/29/2017	TOWING SERVICES FOR PD		95.00
	20994		09/30/2017	TOWING SERVICES FOR PD		75.00
	21016		10/01/2017	TOWING SERVICES FOR PD		75.00
	21023		10/01/2017	TOWING SERVICES FOR PD		75.00
	21143		10/03/2017	TOWING SERVICES FOR PD		75.00
	21334		10/05/2017	TOWING SERVICES FOR PD		75.00

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	21273		10/05/2017	TOWING SERVICES FOR PD	250.00	
	21599		10/10/2017	TOWING SERVICES FOR PD	75.00	
Check	10/26/2017	82307	Accounts Payable	ROJAS, MANUEL		235.00
	Invoice		Date	Description	Amount	
	ROJAS 102917		10/26/2017	TRAVEL - WATER INFRASTRUCTURE CONF/EXPO	235.00	
Check	10/26/2017	82308	Accounts Payable	RON TURLEY ASSOCIATES INC.		375.00
	Invoice		Date	Description	Amount	
	50717		10/06/2017	PURCHASE 25 MORE ASSET SPACES FOR RTA SYSTEM	375.00	
Check	10/26/2017	82309	Accounts Payable	ROVIRA , MARCO ANTONIO		80.00
	Invoice		Date	Description	Amount	
	CR201600215		10/26/2017	RESTITUTION PAYMENT	80.00	
Check	10/26/2017	82310	Accounts Payable	RUSH TRUCK CENTER		173.32
	Invoice		Date	Description	Amount	
	3008107596		10/12/2017	UPDATE COMPUTER PROGRAMMING FOR HU#1277	173.32	
Check	10/26/2017	82311	Accounts Payable	SAN LUIS INDUSTRIAL PARK, LLC		3,329.70
	Invoice		Date	Description	Amount	
	407		10/04/2017	RENT FOR LOT NO. 13 - OCT, NOV AND DEC 2017	3,329.70	
Check	10/26/2017	82312	Accounts Payable	SIGN MASTERS		163.70
	Invoice		Date	Description	Amount	
	42180		10/09/2017	PURCHASE DECALS FOR WATER DEPT #5850	163.70	
Check	10/26/2017	82313	Accounts Payable	SOLIS, ROBERT		209.00
	Invoice		Date	Description	Amount	
	SOLIS 103117		10/26/2017	TRAVEL - AFCA REGIONAL BATTALION CHIEF ACDMY	209.00	
Check	10/26/2017	82314	Accounts Payable	SOUTH YUMA COUNTY LANDFILL		38,448.63
	Invoice		Date	Description	Amount	
	10764		09/01/2017	LANDFILL FEES 081617-083117	13,413.33	
	10832		09/15/2017	LANDFILL FEES - 090117-091517	13,321.29	
	10887		10/01/2017	LANDFILL FEES - 091817-092917	11,714.01	
Check	10/26/2017	82315	Accounts Payable	SOUTHWEST SANITATION SERVICES,		550.50

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
				LLC		
	Invoice		Date	Description	Amount	
	20606		10/20/2017	RENTAL OF PORTABLE RESTROOMS FOR SAN LUIS HIGH SCHOOL	550.50	
Check	10/26/2017	82316	Accounts Payable	SUN RENTAL AND SALES INC.		473.35
	Invoice		Date	Description	Amount	
	187262		09/27/2017	PURCHASE OF SUPPLIES FOR REPAIR & MAINTENANCE OF EQUIPMENT	277.97	
	186802		09/12/2017	TOOLS F/ MAIN ST MAINTENANCE DUTIES	195.38	
Check	10/26/2017	82317	Accounts Payable	SUPERIOR TANK SOLUTIONS, INC.		2,380.31
	Invoice		Date	Description	Amount	
	25909		09/12/2017	REPLACEMENT PART (WATER LEVEL INDICATOR) F/ TANK@WS#4	2,380.31	
Check	10/26/2017	82318	Accounts Payable	TEJEDA TAPIA , FRANCISCO		63.00
	Invoice		Date	Description	Amount	
	TR-200400839		10/26/2017	OVERPAYMENT	63.00	
Check	10/26/2017	82319	Accounts Payable	THOMSON WEST PUBLISHING CO.		874.50
	Invoice		Date	Description	Amount	
	836924373		10/01/2017	WESTLAW ONLINE LEGAL RESEARCH	874.50	
Check	10/26/2017	82320	Accounts Payable	UNITED FIRE		842.98
	Invoice		Date	Description	Amount	
	671559		09/20/2017	UNIFORM BOOTS (QUOTE# UFEQ23744)	842.98	
Check	10/26/2017	82321	Accounts Payable	VERA , EULOGIO		235.00
	Invoice		Date	Description	Amount	
	VERA 102917		10/26/2017	TRAVEL - WATER INFRASTRUCTURE CONF/EXPO	235.00	
Check	10/26/2017	82322	Accounts Payable	VR WHOLESALE, INC		157.00
	Invoice		Date	Description	Amount	
	83372		10/12/2017	ADVERTISING FOR THE 2017 DAY OF THE DEAD SPOOKTACULAR FESTIVAL	157.00	
Check	10/26/2017	82323	Accounts Payable	WAL-MART RESTITUTION RECOVERY		120.09
	Invoice		Date	Description	Amount	
	CR-201600375		10/26/2017	RESTITUTION PAYMENT	20.00	

Schedule R

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/26/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	2771-440006	09/29/2017		PARKS 6639 EE180		15.48
	2771-440340	10/02/2017		HWY 2934 EE180		121.74
	2771-440446	10/03/2017		PURCHASE POWER RATED BELT FOR WATER DEPT # 0934		45.17
	2771-440607	10/04/2017		HWY 8098 EE610		40.91
	2771-440687	10/05/2017		SW 3796 EE610		77.48
	2771-440712	10/05/2017		UTILITIES 9906 EE610		12.21
	2771-441253	10/10/2017		HWY 0934 EE180		27.24
	2771-441260	10/10/2017		HWY 8090 EE907		4.54
	2771-441494	10/12/2017		FLEET 1413 EE180		14.39
1BYPAYABLE 1st BY Accounts Payable Totals:				Transactions: 3		$10,019.26

Checks: 3 $10,019.26

Prepared By:
Maggie Dominguez
Date: 10/26/17

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/26/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/26/2017	82330	Accounts Payable	AUTOZONE STORES, INC		1,228.93

Invoice	Date	Description	Amount
2756865865	09/27/2017	PD 3276 EE180	2.40
2756865863	09/27/2017	FLEET 1413 EE180	19.95
2756865864	09/27/2017	PD 8859 EE180	15.68
2756865869	09/27/2017	PD 8859 EE180	157.75
2756870783	10/02/2017	PD 3206 EE180	8.45
2756870780	10/02/2017	PD 3016 EE180	8.45
2756871950	10/03/2017	PARKS 1912 EE180	5.28
2756874127	10/05/2017	PD 0568 EE180	167.22
2756874128	10/05/2017	CREDIT	(167.22)
2756874843	10/06/2017	WW 1680 EE180	138.83
2756874844	10/06/2017	PD 0570 EE180	138.83
2756874941	10/06/2017	SW 3796 EE610	28.66
2756877951	10/09/2017	WATER 2487 EE180	32.48
2756879284	10/10/2017	PARKS 9933 EE180	401.43
2756880063	10/11/2017	ADMIN 172294 EE180	194.31
2756881022	10/12/2017	PD 5501 EE180	64.30
2756882134	10/13/2017	PD 0570 EE180	12.13

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/26/2017	82331	Accounts Payable	DANA-KEPNER COMPANY INC.		8,111.16

Invoice	Date	Description	Amount
8151022-00	10/20/2017	METERS F/ NEW INSTALL AND/OR REPLACEMENT IN WATER DIST. SYSTEM	8,111.16

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/26/2017	82332	Accounts Payable	O'REILLY AUTO PARTS		679.17

Invoice	Date	Description	Amount
2771-414138	03/20/2017	PD 0066 EE610	50.87
2771-439618	09/26/2017	FLEET 0892 EE180	10.67
2771-439779	09/27/2017	PD3204 EE180	15.06
2771-439781	09/27/2017	PD 7758 EE180	73.99
2771-439749	09/27/2017	WW 5806 EE180	108.73
2771-439726	09/27/2017	WW 5806 EE180	54.46
2771-439870	09/28/2017	WW 0593 EE180	6.23

Schedule S

City of San Luis

Payment Batch Register

Bank Account: 1BYPAYABLE - 1st BY Accounts Payable

Batch Date: 10/26/2017

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 1BYPAYABLE - 1st BY Accounts Payable						
Check	10/26/2017	82333	Accounts Payable	TORNADO FENCE LLC		8,900.00

Invoice	Date	Description	Amount
2018-00000461	10/03/2017	REMOVE AND INSTALLATION OF NEW BLOCK FENCING AT RETENTION AREA	8,900.00

1BYPAYABLE 1st BY Accounts Payable Totals: Transactions: 1 $8,900.00

Checks: 1 $8,900.00

Prepared By:
Maggie Dominguez
Date: 10/26/17

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.C.**

Meeting Date: 11/08/2017

Department Head: Kristin McManus, Court Magistrate, Court

Submitted By: Andrea Ruiz, Court Administrator, Court

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the contract for the Court Interpreter for the San Luis Municipal Court. **(Kristin McManus, Municipal Court Judge)**

SUMMARY:

The City of San Luis has entered into an independent contract for Court Interpreter for the San Luis Municipal Court in the past. The contract is presented for continuation for the 2017-2018 fiscal year.

RECOMMENDATION / SUGGESTED MOTION:

1. I MOVE TO APPROVE AND AUTHORIZE STAFF TO EXECUTE THE INDEPENDENT CONTRACT FOR COURT INTERPRETER AS PRESENTED.

2. I MOVE TO RATIFY THE EFFECTIVE DATE OF THE CONTRACT TO JULY 1, 2017

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	State
TOTAL:	$13,000.00
BUDGETED AMOUNT:	No
AVAILABLE AMOUNT TO TRANSFER:	Not Applicable
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	Contractual Services Special Revenue Acct.#260-262-80000 $0.00 Dlls

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

The San Luis Court Enhancement Special Revenue has a fund balance of $114,000.00. The Court is requesting the release of budget in the amount of $13,000.00 for the Account 260-262-80000 Contractual Services to cover the independent interpreter contract for Fiscal Year 2017-2018. Additionally, request for payment to be ratified to July 1, 2017, at beginning of fiscal year.

The cost of the contract is $100.00 per day as needed, regardless of the number of cases interpreted/translated, with the interpreter to be available Monday through Friday except for legal

holidays and any other times excepted by the Court.

Attachments

1238 Interpreter Contract FY2017-2018

INDEPENDENT CONTRACTOR AGREEMENT

Independent contractor agreement made this 1st day of July, 2017 between City of San Luis, P.O. Box 1170, San Luis, Arizona, 85349 ("City") and Ruth Guerra ("contractor").

A. City is desirous of obtaining interpreting/translating services for customers who conduct business with the court.
B. Contractor agrees to perform these services for City Court under terms and conditions set forth in this contract.

In consideration of these matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

SECTION ONE
DESCRIPTION OF WORK

The charge for interpreting/translating for customers at the Court will be set at $100.00 per day regardless of the amount of cases interpreted/translated.

Contractor agrees to be available from 8:00 a.m. to 5:00 p.m. Monday through Friday, except legal holidays and any other times excepted by the Court.

Contractor agrees to provide interpreting/translating for criminal cases, civil traffic hearings, petition for Orders of Protection and Injunction against Harassment, Prisoners in-custody, litigants who otherwise do not speak English and other needs as determined by the Court.

Invoices should be submitted weekly to the Court Administrator each Friday, no later than 5:00 p.m. beginning July 1, 2017.

This agreement shall be in effect for a period of six months and is renewable every subsequent period if both parties agree to renew it.

SECTION TWO
PAYMENT

Court will pay contractor pursuant to the terms and conditions stated hereinabove.

SECTION THREE
RELATIONSHIP OF PARTIES

The parties intend that an independent contractor-employer relationship will be created by this contract. Court is interested only in the results to be achieved, and the conduct and control of the work will lie solely with contractor. While performing interpreting/translating services, contractor is not to be considered an agent or employee of the Court for any purpose, and not entitled to any benefits normally extended to Court employees.

SECTION FOUR
LIABILITY

The work to be performed under this contract will be performed entirely at contractor's risk, and contractor assumes all responsibility for any incidentals related to the performance of the work. Contractor agrees to indemnify Court for any and all liability or loss arising in any way out of the performance of this contract.

SECTION FIVE
EQUIPMENT

There is no equipment required for the performance of this contract. If any equipment is required in the future, the Court agrees to furnish interpreting/translating equipment which shall remain the property of the court.

SECTION SIX
DURATION

This contract is for fiscal year 2017/2018 and shall terminate December 31, 2017. Either party may cancel this contract on 30 day's written notice unless mutually agreed upon a different time period of notification of intention to terminate contract. This contract is renewable every subsequent period if both parties agree to renew it.

SECTION SEVEN
MISCELLANEOUS

A. WAIVER. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Contractor or Court of the breach of any covenant of this agreement shall be construed as a waiver of any proceeding or succeeding breach of the same of any other covenant or condition of this contract.

B. ATTORNEY'S FEES. In the event any party finds it necessary to bring any action at law or other proceeding, including arbitration, against the another party to enforce any of the terms, covenants or conditions hereof, or by reasons of any breach or default hereunder, the party prevailing in any such action or other proceeding shall be paid all reasonable cost and reasonable attorneys' fees by the other party, and in the event any judgment is secured by said party, all such costs and attorneys' fees shall be included therein, such fees to be set by the court and not by jury.

C. COUNTERPARTS. This agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such

counterparts and such signature pages all attached to a single instrument so that the signature of all parties may be physically attached to a single document.

D. HEADINGS. The descriptive headings of the paragraphs of this agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions thereof.

E. TIME OF THE ESSENCE. Time is of the essence of this contract.

F. NO PARTNERSHIP AND THIRD PARTIES. It is not intended by this agreement to, and nothing contained in this agreement shall, create any partnership, joint venture or other similar arrangement between Contractor or Court. No term or provision of this agreement is intended to be, or shall be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

G. ENTIRE AGREEMENT. This agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

H. AMENDMENT. No change or additions are to be made to this agreement excepted by a written amendment executed by the parties hereto.

I. GOVERNING LAW. This agreement is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona. In particular, this agreement is subject to the provisions of A.R.S. 32-511.

J. VENUE. Any legal action relating to this agreement shall be brought in either the Yuma County Superior Court or in the United State District Court for the District of Arizona at the election of the plaintiff in such legal action, provided, however, that nothing in this paragraph will be deemed to have authorized the bringing of any legal action in a court which does not otherwise have jurisdiction to adjudicate the legal action.

K. SEVERABILITY. Every provision of this agreement is, and will be construed to be, a separated and independent covenant. If any provision of this agreement or the application of the same is, to any extent, found to be invalid or unenforceable, then the remainder of this agreement or the application of the provision to circumstances other than those to which it is invalid or unenforceable, will not be affected by that invalidity or unenforceability, and each provision of this agreement will be valid and will be enforced to the extent permitted by the law, and the parties will negotiate in good faith for such amendments of this agreement which may be necessary to achieve its intent, notwithstanding such invalidity or unenforceability.

L. NO PERSONAL LIABILITY. No member, official or employee of the Court or City shall be personally liable to Contractor, or any successor or assignee, (a) in the event of any default or breach by the Court or City, (b) for any amount which may become due to the Contractor or its successor or assign, or (c) pursuant to any obligation of the Court or City under the terms of this contract.

The parties have executed this agreement on the day and years first above written.

CITY OF SAN LUIS

By: _____
City Manager

CONTRACTOR

By: _____
Ruth Guerra

Approved as to form:

By: _____
City Attorney

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.D.**

Meeting Date: 11/08/2017

Department Head: Tadeo A. De La Hoya, City Manager, Administration

Submitted By: Laura Herrrera, Assistant to Council/Public Information Officer, City Council

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding approval of a contract for the ComicCon event in San Luis, Arizona for Fiscal Year 2017-2018. **(Tadeo A. De La Hoya, City Manager)**

SUMMARY:

Arizona Western College Students and other volunteers through the Yuma County Arts and Cultural Group put on a successful Blazing Desert ComicCon in March of 2016 and March of 2017. We are expecting a successful Blazing Desert ComicCon in February or March of 2018. They will use the City Logo in their advertising for the event. The City Council has already budgeted funds in the amount of **$2,000.00** for the event for the fiscal year 2017-2018 ending June 30, 2018. This item was in a previous work session. Since then the City Attorney met with the president of the non-profit group, Antonio Carrillo and worked out the liability provisions and made certain other provisions more specific as to what the obligations of the parties will be. However, the basic terms are the same since the work session. However, due to the changes, this item is not on the consent agenda.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE THE CONTRACT FOR THE 2018 ANNUAL BLAZING DESERT ComicCon AS PRESENTED IN THE AMOUNT OF $2,000.00.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	City
TOTAL:	$2,000.00
BUDGETED AMOUNT:	Yes
AVAILABLE AMOUNT TO TRANSFER:	No Transfer Needed
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	Account #100-110-80007-Sponsorships/Pledges/Remaining Balance $41,650.00

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Account No: 100-110-80007, City Council's Sponsorships/Pledges. Contract amount of $2,000.00 is budgeted for fiscal year 2017-2018.

Attachments

Agreement
Letter

AGREEMENT

Agreement (the "Agreement") made this _____ day of November 2017, between Yuma County Arts and Cultural Group, a non-profit corporation organized under the laws of Arizona of P.O. Box 4293 San Luis, Arizona 85349, (the "GROUP"), and the City of San Luis, a municipal corporation organized under the laws of Arizona, having its administrative offices at 1090 East Union Street, P.O. Box 1170, San Luis, Arizona (the "CITY").

(GROUP and CITY may be referred to singularly as the "Party" and collectively as the "Parties")

In consideration of the mutual benefits and obligations in this Agreement, the Parties agree as follows:

SECTION ONE. EVENT

The 2018 Annual Blazing Desert ComicCon event (the "EVENT") shall be held in San Luis, Arizona, on a single day, at a date to be determined in February or March of 2018.

SECTION TWO. BASIC DUTIES OF GROUP

2.1 The Group shall put on the EVENT.

2.2 The GROUP shall advertise and promote the EVENT.

2.3 The GROUP shall bear all necessary expenses in connection with such advertising with the intent of attracting a large turn-out for the enjoyment of recreation and cultural entertainment.

2.4 The GROUP shall cause the CITY's name and logo to appear prominently in all advertising and publicity for the EVENT.

2.5 The GROUP shall keep accurate and current books showing disbursements and the purpose of disbursements and retain all receipts to account for the CITY's Sponsorship. The GROUP shall keep such books in a place convenient for the CITY. The CITY shall have access to and the right to examine such books at any reasonable times. GROUP shall prepare a report and submit it to the CITY, through the City's Public Information Officer, by April 4, 2018, showing an accounting of the CITY's Sponsorship and providing copies of receipts.

SECTION THREE. BASIC DUTIES OF CITY

3.1 The CITY shall pay $2,000.00 to GROUP. Payment shall be made out to Yuma County Arts and Cultural GROUP in care of Antonio Carrillo.

3.2 The CITY shall provide the Cesar Chavez Cultural Center at 1015 North Main Street, San Luis, Arizona for the EVENT.

3.3 The CITY shall provide staff for the EVENT who will handle matters dealing with the facility such as switching the lights and similar tasks.

3.4 The CITY shall provide supplies for postcard advertising of the EVENT and for the program booklet with the scheduled entertainment.

3.5 Otherwise, all expenses for EVENT shall be the sole and separate liability of the GROUP. The CITY assumes no financial responsibility of any kind or nature relative to EVENT.

SECTION FOUR. LIABILITY INSURANCE AND INDEMNITY

4.1 Insurance. Without in any way limiting GROUP's liability under the indemnification described below, GROUP shall maintain, during the term of this contract, and for the EVENT as described in Section Two of this Agreement the following insurance:

Coverage	Minimum Limits
Commercial General Liability, including: Premises and Operations Contractual Liability Personal-Injury Liability Independent Contractors Liability Including Coverage for the EVENT	$1,000,000 Combined Single Limit, per occurrence and $1,000,000 general aggregate

Such insurance shall include additional endorsements naming the CITY (the City of San Luis, Arizona) and its directors, officers, employees, and agents as additional insured concerning liabilities arising out of performing services hereunder. Except for the Comprehensive Automobile Liability coverage, GROUP shall provide CITY with certificates of insurance documenting that GROUP has obtained the above coverages. Such certificates shall include the required provisions and endorsements required by this Agreement. Such Certificates shall include a statement that insurance may not be canceled without 30 days prior written notice to CITY by first class mail, postage prepaid, ten (10) days of notice if cancellation is due to nonpayment of premium.

Group represents that Workers' Compensation and professional liability are not applicable to the activities the Group will perform under this contract.

5.2 Indemnification. GROUP agrees to indemnify, defend and hold harmless the CITY, its Council members, officers, directors, employees, insurers, indemnitors and agents for, from and against all suits, claims, liabilities, costs, expenses and debt, including reasonable attorneys' fees, incurred by the CITY arising from, attributable to or caused by acts or omissions of GROUP (or its officers, directors, shareholders or agents) or any GROUP'S Employee in the performance of or related to the performance of the duties of any GROUP Employee (including, but not limited to injuries to GROUP Employees that may or may not be covered by workers compensation insurance); except, to the extent such suits, claims, liabilities, costs, expenses and debt result from acts or omissions of the CITY or its Council members, officers, directors, employees, insurers, indemnitors or agents. This indemnification provision shall apply to suits, claims, liabilities, costs, expenses and debt not otherwise covered by the CITY's Liability Insurance provided for by the Pool.

SECTION SIX. COOPERATION OF PARTIES

The CITY and the GROUP shall work together and take such actions intended to make the EVENT an enjoyable event with a good turn-out.

SECTION SEVEN. TERMINATION ON DEFAULT

If GROUP shall fail to comply with any of the terms and conditions of this Agreement, CITY may terminate this Agreement immediately, in which case CITY shall have no further liability or obligation to GROUP and shall be entitled to reimbursement for any funds advanced for unfulfilled obligations of the GROUP.

SECTION EIGHT PROVISIONS REQUIRED BY ARIZONA LAW

8.1 Conflict of Interest. Under Arizona law, rules and regulations, no member, official or employee of the CITY shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official or employee participate in any decision relating this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This Agreement is subject to A.R.S. §38-511.

8.2 Employment Eligibility. GROUP warrants it complies with all federal immigration laws and regulations that relate to its employees and with A.R.S. § 23-213 relating to verification of employment eligibility. A breach of this warranty shall be deemed a material breach of this Agreement. CITY retains the legal right to inspect the papers of GROUP to ensure that GROUP complies with this warranty.

8.3 Boycott. GROUP certifies that it does not participate in, and agrees not to participate in during the term of this Agreement a boycott of Israel under A.R.S. § 35-393.01. The undersigned understands this certification will become public record under A.A.C. R2-7-C317.

SECTION NINE. MISCELLANEOUS PROVISIONS

9.1 Notices. All notices, approvals and communications provided for herein, or given in connection, shall be validly given, made, delivered or served in writing and delivered personally by process server or sent by a nationally recognized courier (e.g., Federal Express, UPS) or by United States Postal Service certified with return receipt requested and postage prepaid to:

If to the CITY:

San Luis City Manager
City of San Luis
P.O. Box 1170 (by United States Postal Service)
1090 East Union Street (by personal process or courier)
San Luis, Arizona 85349

With a copy to: San Luis City Attorney
City of San Luis
P.O. Box 1170
San Luis, Arizona 85349

If to the GROUP: Statutory Agent
Yuma County Arts and Culture GROUP
P.O. Box 4293 (by United States Postal Service)
1324 East C Street (by personal process or courier)
San Luis, Arizona 85349

or such other addresses as either Party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective. Notices, approvals, changes of addresses and other communications provided for herein shall be effective upon receipt as hereinabove provided, prepaid and addressed as set forth above.

9.2 Assignment of Rights. The rights of each Party under this Agreement may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other Party. The obligations of each Party under this Agreement may not be assumed without the prior, express, and written consent of the other Party.

9.3 No Waiver. The failure of either Party to this Agreement to insist upon performing any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as subsequently waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

9.4 Governing Law and Venue. It is agreed this Agreement shall be governed by, construed, and enforced under the laws of Arizona. The Parties agree that venue for any action commenced in this Agreement shall be proper only in a court of competent jurisdiction in Yuma County, Arizona or the Arizona Federal District Court and the Parties waive any right to object to such venue.

9.5 Severability. The invalidity of any portion of this Agreement shall not be deemed to affect the validity of any other provision. If any provision of this Agreement is held to be invalid, the Parties agree that the remaining provisions shall be deemed in full force and effect as if they had been executed by both Parties subsequent to the expungement of the invalid provision.

9.6 Modifications. Any modification of this Agreement or additional obligation assumed by either Party in this Agreement shall be binding only if placed in writing and signed by each Party or an authorized representative of each Party.

9.7 Headings. The titles of the sections of this Agreement are solely for the convenience of the Parties and shall not be used to explain, modify, simplify, or aid in interpreting this Agreement.

9.8 Authority. The undersigned represent to each other that they have full power and authority to enter into this Agreement and that all necessary actions have been taken to give full force and effect to this Agreement. The GROUP represents and warrants it is duly formed and validly existing under the laws of the State of Arizona and that it is qualified to do business in the State of Arizona and is in good standing under state laws. The GROUP and the CITY warrant to each other that the individuals executing this Agreement on behalf of their respective Parties are authorized and empowered to bind the Party on whose behalf each individual is signing.

9.9 Attorney's Fees and Costs. If either Party brings a legal action because of a breach of this Agreement or to enforce a provision of this Agreement, the prevailing Party will be entitled to reasonable attorney's fees and court costs.

9.10 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, and no person or entity who is not a Party shall have any right or cause of action.

9.11 No Agency Created. Nothing in this Agreement shall create any partnership, joint venture, or agency relationship between the Parties.

9.12 No Personal Liability. No member, official or employee of the CITY shall be personally liable to GROUP, or any successor or assignee, (a) if any default occurs or breach by the CITY, (b) for any amount which may become due to the GROUP or its successor or assign, or (c) under any obligation to the CITY under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of GROUP under this Agreement shall be limited solely to the assets of GROUP and shall not extend to or be enforceable against: (i) the individual assets of the individuals or entities who are shareholders, members, managers constituent partners, officers or directors of the general partners or members of GROUP; (ii) the shareholders, members or managers or constituent partners of GROUP; or (iii) officers of GROUP.

9.13 *Force Majeure* If the Cesar Chavez Cultural Center is destroyed by fire, flood or any other calamity, or if by reason of strikes, lockouts or any other cause beyond the CITY's control and the CITY is unable to provide the Cesar Chavez Center for the EVENT under this Agreement, then the CITY shall not be liable to the GROUP for consequential damages.

9.14 Time is of the essence. Time is of the essence in this Agreement and GROUP agrees to use the utmost diligence to have all the work specified in this Agreement entirely completed on or before the events of the March 2018 EVENT.

9.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same instrument.

9.16 Entire Agreement. This Agreement shall constitute the entire Agreement between the Parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either Party except to the extent incorporated in this Agreement

SECTION TEN. EFFECT OF AGREEMENT

This Agreement shall inure to the benefit of and bind the heirs, legal representatives, assignees, and successors of the respective Parties.

The Parties have executed this Agreement in Yuma County, Arizona the day and year set forth above which is the day the last Party approved this Agreement.

City of San Luis, Arizona

Gerardo Sanchez
Mayor

ATTEST:

Sonia Cornelio
City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil
City Attorney

Yuma County Arts and Cultural Group

Antonio Carrillo
President

Antonio C. Carrillo
P.O. Box 4293
San Luis, Arizona 85349

April 20, 2017

Mayor Gerardo Sanchez and Council Members
City of San Luis
P.O. Box 1170
San Luis, Arizona 85349

Dear Mayor Sanchez and members of the Council,

The Blazing Desert ComicCon – San Luis, Arizona continues to highlight our community positively in our region and beyond.

This year, the artists' line-up included **Los Angeles** based Carla Perez, actress who portrayed *Rita Repulsa* in the TV series *Mighty Morphin Power Rangers* and Jason Ybarra, actor who depicted the Red Power Ranger in the same TV program and has been contributing with singer Vanilla Ice in his "I Love the 90s" world tour.

The different activities and additional guests included:

- Mario Kent and Pokemon Video Games
- Dungeons and Dragons, Pokemon & Force of Will, Vanguard & Yu-Gi-Oh, and Magic & Weis Schwarz Card Tournaments
- **Phoenix** Natalie Arvizu cosplayer, Corgi Cosplay, Heartless Aquarius cosplayer
- **Yuma** - LilimOO Cosplayer, Laru Cosplayer, MoNic Cosplayer
- **Tucson** - Stray Kat Cosplayer.
- **Minnesota** - Rufus: Supernatural Impala and the Tardis
- **Phoenix** - The Arizona Legacy Rangers
- **San Diego** - Star Trek Continues – Cat and John Roberts
- **Hollywood** - MusicBand "Knight od Audio"
- **Yuma** – BorderCity RollerGirls
- All-Day Panel discussions
- Food and merchandise vendors and more

Accommodating all these guests has become quite a financial challenge and has made it difficult for our group of volunteers to sustain an event of this magnitude. We hope that our city government continues to support this event and provides us with the financial support to bring this event in 2018.

For these reasons and on behalf of the organizers, I would like to request your financial assistance in the amount of $5,000 for this purpose.

I have included a list of benefits that this event has brought to our community.

- Promoting a positive image of San Luis
- Organizing a family event
- Diversity of comic con fans in our city
- Accessing activities that are usually only available in large urban and cosmopolitan cities
- Encouraging the inclusion of peoples of all backgrounds in a single event
- Impacting positively San Luis businesses
- Scholarship fund for SYC students
- Mentoring youngsters as future leaders

If you have any questions, please contact me at your convenience at (928) 246-5212 or via email.

Respectfully,

Antonio C. Carrillo, MA/MEd

Cc: Mr. Tadeo de La Hoya

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.E.**

Meeting Date: 11/08/2017

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding payment of the judgment in the tax case of APS versus the City of San Luis and authorization to use City Council Contingency Budget. **(Kay Marion Macuil, City Attorney)**

SUMMARY:

At the City Council Special Meeting on September 20, 2017, City Council did not authorize appeal to the Arizona Supreme Court of the tax case involving APS. Both at the Trial Court level and the Court of Appeals level, APS provided evidence of attorney fees in excess of $75,000.00 at each level. For the prevailing tax payer, Arizona law caps attorney fees in tax cases at $75,000.00. The law also allows the prevailing tax payers costs at each level. Costs are things like Court filing fees, cost of mailing, etc. The Courts at both levels awarded $75,000.00 for a total of $150,000.00 in APS attorney's fees. Costs were awarded at the Appeals Court level of $263.66 for a total of $150,263.66 principal payment. There is interest, 4.5% at the Trial Court Level starting July 12, 2016 and 5.25% starting September 14, 2017 at the appellate level. Since appeals were pending, no payment on the judgments were required so interest accrues. With interest the total amount is **$155,206.08.**

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE PAYMENT OF THE JUDGMENT TO APS IN THE AMOUNT OF $155,206.08 FROM CITY COUNCIL CONTINGENCY BUDGET.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	City
TOTAL:	$156,000
BUDGETED AMOUNT:	No
AVAILABLE AMOUNT TO TRANSFER:	$450,000.00
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	To account 100-110-80003 Legal Services $1,000.00, From 100-110-81000 Contingencies $450,000.00

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Budget transfer required to fund 100-110-80003 Legal Services for the amount of $156,000.00 From 100-110-81000 Contingencies to cover Attorney fees and accrued interest due to APS litigation cost. Attached Budget Transfer form.

Attachments

Judgment

2 Appeals Court Judgment

3 Budget Transfer

Granted as Submitted
See eSignature page

Michael K Jeanes, Clerk of Court
*** Electronically Filed ***
T. Cooley, Deputy
7/12/2016 8:00:00 AM
Filing ID 7554240

STEPTOE & JOHNSON LLP
Pat Derdenger (005874)
Benjamin F. Gardner (025489)
Karen M. Jurichko Lowell (031620)
201 East Washington Street, Suite 1600
Phoenix, Arizona 85004-2382
Telephone: (602) 257-5200
Facsimile: (602) 257-5299
Court E-Mail: phcourtnotices@steptoe.com

Attorneys for Plaintiff Arizona Public Service Company

IN THE ARIZONA TAX COURT

Arizona Public Service Company, Plaintiff, vs. City of San Luis, Defendant.	No. TX2014-000404 (Consolidated Case Number) No. TX2014-000005 **JUDGMENT** (CITY PRIVILEGE TAX) (Assigned to the Honorable Christopher Whitten)
City of San Luis, a municipal corporation, Plaintiff, vs. Arizona Public Service Company, Defendant.	

These consolidated actions came before the Court on the parties' cross-motions for summary judgment. For the reasons stated in the Court's ruling dated February 29, 2016, and filed March 3, 2016, the Court grants Arizona Public Service Company's Motion for Summary Judgment on the Legality of San Luis's Purported Adoption of Model Option 13; denies the City of San Luis's Cross-Motion for Summary Judgment on the Legality of Adoption of Model Option 13; and denies as moot both the City of San Luis's Cross-Motion for Summary Judgment re: Estoppel and Arizona Public Service Company's Cross-Motion for Summary Judgment on Estoppel.

Based on these rulings,

IT IS ORDERED, ADJUDGED AND DECREED as follows:

1. Arizona Public Service Company is entitled to a tax credit or offset against City of San Luis transaction privilege taxes for the audit period from October 2008 through July 2012, pursuant to Model City Tax Code § 480(d) and San Luis Tax Code § 7A-480(d). The tax credit or offset is in the amount of all franchise fees paid by Arizona Public Service Company to the City of San Luis, and the tax credit or offset results in the abatement of the City of San Luis' assessment of transaction privilege taxes and interest for that audit period.

2. Arizona Public Service Company is awarded $75,000 in attorneys' fees under A.R.S. § 12-348(B) and $18 in taxable costs under A.R.S. § 12-332.

3. The Court states that no further matters remain pending and that this Judgment is entered pursuant to Arizona Rule of Civil Procedure 54(c).

DATED this _____ day of _____, 2016.

_____
Honorable Christopher Whitten
Arizona Tax Court Judge

eSignature Page 1 of 1

Filing ID: 7554240 Case Number: TX2014-000404
Original Filing ID: 7480338

Granted as Submitted

/S/ Christopher Whitten Date: 7/8/2016
Judicial Officer of Superior Court

ENDORSEMENT PAGE

CASE NUMBER: TX2014-000404 SIGNATURE DATE: 7/8/2016

E-FILING ID #: 7554240 FILED DATE: 7/12/2016 8:00:00 AM

ANDREW M FEDERHAR

PATRICK DERDENGER

PATRICK IRVINE

NOTICE: NOT FOR OFFICIAL PUBLICATION.
UNDER ARIZONA RULE OF THE SUPREME COURT 111(c), THIS DECISION IS NOT PRECEDENTIAL
AND MAY BE CITED ONLY AS AUTHORIZED BY RULE.

IN THE
ARIZONA COURT OF APPEALS
DIVISION ONE

ARIZONA PUBLIC SERVICE COMPANY, *Plaintiff/Appellee*,

v.

CITY OF SAN LUIS, *Defendant/Appellant*.

No. 1 CA-TX 16-0009
FILED 8-3-2017

Appeal from the Superior Court in Maricopa County
Nos. TX2014-000005
TX2014-000404 (Consolidated)
The Honorable Christopher T. Whitten, Judge

AFFIRMED

COUNSEL

Steptoe & Johnson LLP, Phoenix
By Patrick Derdenger, Bennett Evan Cooper, Karen M. Jurichko Lowell
Counsel for Plaintiff/Appellee

Fennemore Craig PC, Phoenix
By Patrick Irvine, Emily Ayn Ward
Counsel for Defendant/Appellant

Snell & Wilmer LLP, Phoenix
By Hsin Pai
Counsel for Amicus Curiae Arizona Tax Research Association

MEMORANDUM DECISION

Judge Donn Kessler[1] delivered the decision of the Court, in which Presiding Judge Margaret H. Downie and Judge Kenton D. Jones joined.

K E S S L E R, Judge:

¶1 Appellant City of San Luis ("City") appeals the summary judgment in favor of Appellee Arizona Public Service ("APS"). For the reasons that follow, we affirm.

FACTUAL AND PROCEDURAL HISTORY

¶2 In December 2007, the City passed Ordinance No. 253 with an effective date of April 1, 2008. Ordinance No. 253 amended the City's tax code by increasing the tax rate on most activities from 3.5% to 4% and by adopting Model City Tax Code ("MCTC") Model Option 13. MCTC Model Option 13 repealed a tax credit offset for franchise fees paid by public utilities under the old tax code. APS is the only taxpayer affected by the City's adoption of Model Option 13 and the repeal of the franchise fee offset. The City did not send notice to either the League of Arizona Cities and Towns ("League")[2] or the Municipal Tax Code Commission ("Commission")[3] of its adoption of Ordinance No. 253.

¶3 The City conducted a sales tax audit of APS for the period of October 1, 2008 through July 31, 2012 ("Audit Period"). As a result of the audit, the City determined APS had calculated its utility services tax

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1 The Honorable Donn Kessler, Retired Judge of the Arizona Court of Appeals, Division One, has been authorized to sit in this matter pursuant to Article VI, Section 3 of the Arizona Constitution.

2 The League is a voluntary membership organization of incorporated municipalities in Arizona. *League of Arizona Cities and Towns*, http://www.azleague.org/index.aspx?NID=27 (last visited July 28, 2017).

3 The Commission reviews and comments on proposed amendments and modifications to the MCTC. *See* Ariz. Rev. Stat. §§ 42-6052, 42-6053 (2014).

liability using the repealed franchise fee tax credits; continued to use the repealed governmental transaction exception; and did not collect tax on utility sales to customers in areas that had been annexed to the City. The City issued a Summary of Sales Tax Audit ("Assessment") to APS and found APS liable for additional sales taxes, penalties, and interest in the amount of $1,283,391.91. APS timely protested the Assessment. The Assessment did not include the tax increase from 3.5% to 4% because APS had already paid that amount.

¶4 The Municipal Tax Hearing Office ("MTHO") granted in part and denied in part APS's protest of the Assessment. The MTHO found that Arizona Revised Statutes ("A.R.S.") section 42-6053 (2014)[4] did not require the City to notify either the Commission or the League of its adoption of MCTC Model Option 13 because the adoption of a Model Option is not a rate change within the meaning of the statute. Additionally, the MTHO held that APS's reliance on the League's version of the tax code did not give rise to equitable estoppel as to the City. However, the MTHO also found the City did not make its estimates of APS's tax liability for the newly-annexed areas on a reasonable basis and accordingly abated the portions of the Assessment relating to sales in newly-annexed areas. Finally, the MTHO held that APS showed reasonable cause for its failure to pay the privilege tax to the City and waived the penalty against APS.

¶5 Following the MTHO decision, APS lobbied the Arizona Legislature to amend A.R.S. § 42-6053 to retroactively impose notice requirements. The Legislature passed Senate Bill 1331, 51st Leg., 2nd Reg.

[4] We cite the current version of statutes unless changes material to this decision have since occurred.

Sess. (Ariz. 2014) ("SB 1331"), which would have invalidated Ordinance No. 253.[5]

¶6 APS and the City filed separate complaints in the tax court, which were consolidated. APS's complaint appealed the MTHO decision as to the franchise tax credit and asked the tax court to reverse the MTHO on the credit issue and abate the Assessment in full. The City's complaint appealed the MTHO decision to the extent it had reduced the Assessment of APS for unpaid taxes. The parties later settled all issues other than the repeal of the franchise fee tax credit.

¶7 On motions for partial summary judgment, the tax court held that the Assessment was not barred by SB 1331. The court found that the bill's retroactive application of the amendments to A.R.S. § 42-6053 created an unconstitutional special law because it applied to an inelastic closed class of municipalities that had failed in the past to satisfy the statutory requirements. The court stated that it was irrelevant whether the City was the only member of this class, as "[i]t is the closed nature of the class, not its population, which renders the class inelastic."

¶8 The tax court then ruled for APS on a second set of summary judgment motions, holding the City violated APS's due process rights by applying Model Option 13 to APS.[6] The court found the City's tax code on file with the City Clerk through April 2013 included the franchise fee credit. It also found the League's master version of the MCTC, and

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[5] SB 1331 required changes to the MCTC to be reflected in the official copy on file with the Arizona Department of Revenue ("ADOR") within ten days of the Commission's approval. 2014 Ariz. Sess. Laws, ch. 121, § 1 (2nd Reg. Sess.). It also required cities and towns imposing a new or different tax rate to notify the Commission and ADOR. *Id.* Failure to include the changes in the official copy on file with ADOR made any changes void as did failures to notify the Commission and ADOR. *Id.* The Legislature made SB 1331 retroactive to July 1, 1988. *Id.* at § 3. The City then passed a new ordinance readopting the 2007 changes and provided notice to ADOR, the Commission, the Model City Tax Commission, and the League in June 2014.

[6] The court did not invalidate the tax rate increase from 3.5% to 4% adopted in Ordinance No. 253 because it was reflected in the tax code.

ADOR's official copy of the MCTC included the franchise fee credit.[7] The court rejected the City's arguments that its procedure for updating the tax code was simply to attach copies of ordinances to the back of the code and that taxpayers "bore the burden of reviewing those additional ordinances even if they conflicted with the language in the body of the tax code itself." It noted that the 2011 edition of the tax code did not have ordinances attached at the end, reflected the 4% tax rate adopted by Ordinance No. 253, and reflected later changes to the code, but still contained the franchise fee credit. As the tax court explained, the City violated due process because while Arizona law does not require ordinances to be formally published before going into effect, their "existence must at least be made reasonably knowable. Under no circumstances may a city officially publish an incorrect version of its tax code and then attempt to punish a taxpayer for following that code." Accordingly, the court granted summary judgment for APS on the franchise fee credit issue. As the due process issue completely resolved the case, the court denied both motions on equitable estoppel as moot. The court awarded APS a tax credit or offset for "all franchise fees paid by [APS] to the City . . . , and the tax credit or offset results in the abatement of the City['s] assessment of transaction privilege taxes and interest for that audit period."

¶9 The City timely appealed. We have jurisdiction pursuant to A.R.S. §§ 12-170(C) and 12-2101(A)(1).

DISCUSSION

¶10 On appeal, the City argues the tax court erred in holding that the repeal of the tax credit violated due process. APS did not file a notice of cross-appeal, but attempts to argue as a cross-issue that the tax court erred in holding the retroactivity provisions of SB 1331 constituted a special law. APS also has affirmatively waived equitable estoppel as an alternative ground for affirmance. Because we affirm the tax court's ruling on due process grounds, we need not and do not decide whether APS properly preserved the question of whether the tax court erred in holding SB 1331 unconstitutional.

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[7] The court found the City did not report Ordinance No. 253's passage to either the League or the Commission, and the MCTC thus continued to reflect that the City allowed the franchise fee credit.

¶11 We review a grant of summary judgment de novo, viewing the facts and reasonable inferences in the light most favorable to the non-prevailing party. *First Am. Title Ins. Co. v. Johnson Bank*, 239 Ariz. 348, 350, ¶ 8 (2016) (citations omitted). "We must determine whether there is a genuine issue of material fact, and if not, whether the trial court correctly applied the substantive law." *HCZ Constr., Inc. v. First Franklin Fin. Corp.*, 199 Ariz. 361, 363, ¶ 7 (App. 2001) (citation omitted).

¶12 It is undisputed that the 2011 version of the City's tax code sent to APS by the City Clerk and maintained by the City Clerk during the Audit Period does not reflect the repeal of the franchise fee credit. It is also undisputed that, during the Audit Period, the versions of the MCTC maintained by the League and by ADOR did not indicate the City had repealed the franchise fee credit or adopted Model Option 13. The City admitted it did not notify the League or the Commission it had repealed the franchise fee credit. Thus, all three publicly available versions of the City's tax code during the Audit Period showed that, while the City had increased the tax rate with Ordinance No. 253, the franchise fee credit was still in effect. Moreover, the text of the ordinance was not available on the City's website until June 2009, eight months into the Audit Period and eighteen months after the ordinance's adoption. When APS requested a copy of the tax code from the City Clerk in 2013, during this litigation, the tax code it received from the clerk still contained the franchise fee credit and the ordinance was not attached.[8]

¶13 "It is both a long-standing rule and a fundamental principle of our system of government that all people of sound mind are presumed to know the law." *Delmastro & Eells v. Taco Bell Corp.*, 228 Ariz. 134, 143, ¶ 29 (App. 2011) (citations omitted). However, based on the unique facts presented by this case, we do not presume that the public will know what the law provides when the publicly available source of the law is incorrect. Such a holding would require the public to exercise a level of caution well beyond due diligence, in violation of due process principles.

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[8] The day after the City Clerk sent APS the tax code still reflecting the franchise fee credit, the City Attorney sent APS a copy of the ordinance, but not the tax code, reflecting repeal of the credit. As the superior court found, however, the email from the City Attorney does not support the City's suggestion that the City Clerk "had previously sent APS the wrong code or that the City Clerk maintained another version of the City Tax Code."

> Due process requires people to have notice of what the law requires of them so that they may obey it and avoid its sanctions. So long as the law is generally available for the public to examine, then everyone may be considered to have constructive notice of it; any failure to gain actual notice results from simple lack of diligence. But if access to the law is limited, then the people will or may be unable to learn of its requirements and may be thereby deprived of the notice to which due process entitles them.

Bldg. Officials & Code Adm'rs. v. Code Tech., Inc., 628 F.2d 730, 734 (1st Cir. 1980). Consistent with this principle that the law be generally available for the public to examine, the court in *Armstrong v. Maple Leaf Apartments, Ltd.*, 436 F. Supp. 1125, 1145-46 (N.D. Ok. 1977), *aff'd on other grounds*, 622 F.2d 466 (10th Cir. 1979), held an act of Congress violated due process for lack of notice. The court explained that the act was never codified in the United States Code except for a mention in a footnote, did not appear in the United States Code Annotated, and could only be discovered by reading the United States Congressional Record or by contacting the Solicitor of the Department of Interior. These same factors are present here.

¶14 The City's reliance on *Texaco, Inc. v. Short*, 454 U.S. 516, 531-33 (1982) is misplaced. In *Texaco*, Indiana had passed a statute which provided that a mineral interest that had not been used for twenty years would be deemed abandoned unless the mineral rights owner filed a notice of claim within two years of the passage of the statute. *Id.* at 518. The Court rejected the argument that the statute violated due process because a "legislature need do nothing more than enact and publish the law, and afford the citizenry a reasonable opportunity to familiarize itself with its terms and to comply." *Id.* at 532. As the Court continued, "persons owning property within a State are charged with knowledge of relevant statutory provisions affecting the control or disposition of such property." *Id.* The problem with the City's argument is that under the facts of this case, the City did not publish the law and afford APS a reasonable opportunity to familiarize itself with its terms. Rather, the City's tax code continued to reflect the franchise tax credit and the City did not attach copies of Ordinance No. 253 to the tax code so that taxpayers reviewing the official record maintained by the City Clerk could familiarize themselves with the ordinance's terms. Moreover, affording the public a reasonable opportunity to familiarize itself with a change in the law presumes that the law provided to the public is an accurate representation of the laws enacted. *Armstrong*, 436 F. Supp. at 1145-46; *cf. Romanski v.*

Detroit Entm't, L.L.C., 265 F. Supp. 2d 835, 845-46 (E.D. Mich. 2003) (holding that to justify seizure of plaintiff for stealing, casino security officers could not rely on unpublished casino rule contrary to Michigan law that a token found lying in a tray of an abandoned slot machine belongs to the casino).

¶15 For this same reason, *Torres v. Immigration & Naturalization Service*, 144 F.3d 472 (7th Cir. 1998) is distinguishable. In *Torres*, the court addressed amendatory legislation reducing the time to appeal from a final deportation order from ninety to thirty days. *Id.* at 473-74. Congress "published" the acts by printing them and making them available for distribution on the date of enactment. *Id.* However, West Publishing Company had not yet published the acts in or as a supplement to the United States Code Annotated when the thirty days had expired in Torres's case. *Id.* at 474. The acts did appear on computerized databases, but the titles did not indicate that the time to appeal had changed and Torres's lawyers had not known about the amendments when they filed an appeal more than thirty days after the order. *Id.* The court noted that the "idea of secret laws is repugnant [because] [p]eople cannot comply with laws the existence of which is concealed." *Id.* However, the court rejected a due process challenge, holding there was no constitutional duty to index a new statute or determine a rule of law to defer its effective date to enable the contents to be widely distributed. *Id.* Indeed, the court in *Torres* noted an exception to its holding for statutes which were not officially published by Congress, citing to *Armstrong*, 436 F. Supp. at 1145-46. *Torres*, 114 F.3d at 475-76. In contrast, here the City did not "publish" Ordinance No. 253 because it continued to hold out the old tax code as current and did not include the repeal of the franchise credit in that code or even attach a copy of the ordinance to the tax code. Thus, this case is more like *Armstrong* than *Torres.* For this same reason, we find the City's reliance on a number of other cases misplaced. *See Atkins v. Parker*, 472 U.S. 115, 131 (1985) (holding that mailing written notice of change in food stamp program, but not the precise impact of the change on each individual recipient, to all food stamp recipients did not violate due process); *Slaughter v. Levine*, 855 F.2d 553, 554 (8th Cir. 1988) (holding that changes in benefits to Aid to Families with Dependent Children did not require advance notice to become effective).

¶16 Nor do we find *State v. Soltero*, 205 Ariz. 378 (App. 2003) of assistance. In *Soltero*, the defendant had been charged and convicted of extreme DUI pursuant to a law passed and made effective under an emergency clause approximately one month before his violation that reduced the level of blood alcohol concentration for extreme DUI. *Id.* at

371-72, ¶¶ 2, 6. Soltero argued the immediate effective date of the amendment violated due process because it failed to provide adequate notice of its enactment. *Id.* at 372, ¶ 6. We rejected this argument, holding that there is no due process requirement that the government give notice of the enactment of legislation because promulgation of a law is deemed to constitute adequate notice to all. *Id*. at ¶ 7 (citing *Torres*, 144 F.3d at 474). There was no indication, however, that the Legislature had failed to "publish" the amendment or that, like here, it had affirmatively represented the law to be unchanged. Like *Torres*, the argument was simply that the legislative body had a duty to delay the effective date of the amendment until it could be widely distributed. However, unlike in *Soltero*, here the City affirmatively represented the franchise credit to be in full force and effect in the tax code and failed to attach a copy of the ordinance to its tax code or even to put the ordinance on its website or file it with other bodies until well into the Audit Period.

¶17 The City asserts APS had notice because Ordinance No. 253 was adopted in a public meeting in December 2007 and the City posted the text of the ordinance on its website in June 2009. However, it is unreasonable and violates taxpayers' due process rights for a taxing authority to play hide-and-seek with taxpayers by publishing an incorrect version of a tax code, not attaching amendatory ordinances, and then penalizing taxpayers when they abide by the published code, simply because the taxpayer did not compare the official tax code against city council minutes and government websites. *See Pease v. Peck*, 59 U.S. 595, 597 (1855) ("Yet, as the people who are governed by the laws, and the courts who administer them, practically know the law only from the authorized publication of them, the propriety of recurring to ancient, altered, and erased manuscripts, for the purpose of changing their construction . . . may well be doubted."); *Armstrong,* 436 F. Supp. at 1145-46 (stating statute violated due process because Congress did not include it in the United States Code and relied on persons seeking the change to review the Congressional Record).

¶18 Based on the unique facts of this case in which the City did not amend the tax code on file with the City Clerk to reflect the repeal of the franchise credit, did not attach copies of Ordinance No. 253 to the tax code, and did not file an amended tax code reflecting the repeal of the franchise credit with the Commission, ADOR, or the League, we conclude that APS as a taxpayer cannot be penalized by following the terms of the published tax code and utilizing the franchise fee credit.

CONCLUSION

¶19 For the foregoing reasons, we affirm the tax court's grant of summary judgment for APS on due process grounds. We grant APS its attorneys' fees on appeal under A.R.S. § 12-348(B)(1) upon timely compliance with Arizona Rule of Civil Appellate Procedure 21.

AMY M. WOOD • Clerk of the Court
FILED: AA

City of San Luis
Budget Adjustment Form

Reason for Budget Adjustment:

Budget transfer required to fund 100-110-80003 Legal Services to cover Attorney Fees for APS litigation.

Account Number	Account Name	Amended Budget FY17/18	Budget to be revised (Add to)	Budget to be decreased (taken from)	Available Balance Budget FY 17/18
100-110-80003	Legal Services	1,000.00	157,000.00		158,000.00
100-110-81000	Contingencies	450,000.00		157,000.00	293,000.00
					-
					-
					-
					-
					-
					-
					-
					-
Total			157,000.00	157,000.00	

Department Head Kay Marion Macuil Date 11-2-2017

City Manager Noelle Dwyer Date 11/02/2017

Finance Department C Cortes Date 11-02-2017

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.F.**

Meeting Date: 11/08/2017

Department Head: Hank Green, Fire Chief, Fire Department

Submitted By: Hank Green, Fire Chief, Fire Department

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the purchase agreement for portable radios for the City of San Luis Fire and Police Departments. **(Hank Green, Fire Chief and Richard Jessup, Acting Chief of Police)**

SUMMARY:

The San Luis Fire Department (SLFD) and San Luis Police Department (SLPD) are requesting authority to enter into a contract with the Motorola Corporation for the purchase of 63 portable radios. SLFD and SLPD are both major partners in the Yuma Regional Communications System (YRCS) and transitioned to YRCS in late 2007. Our portable radios have a service life, more correctly a technology life, of 10 years. After that time the availability of parts and service from the manufacturer (Motorola) is not guaranteed. YRCS has negotiated a purchase contract and equipment pricing from Motorola based upon the collective number of portable radios utilized by YRCS members. Motorola will deliver all radios prior to the end of 2017. SLFD and SLPD must commit to our purchase prior to November 17, 2017. The contract also provides for payments over seven years, the first payment to be one calendar year from delivery of our radios. The contract and quote are attached. The purchase of these radios was also submitted under both departments' Capital Improvement Plans (CIP's). We are asking for authority to contract with Motorola, through the YRCS pricing for the purchase of portable radios for the City of San Luis Fire and Police Departments.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO AUTHORIZE THE CITY MANAGER, HIS DESIGNEES, AND THE CITY ATTORNEY TO TAKE SUCH ACTIONS AS ARE NECESSARY TO ENTER INTO A LEASE-PURCHASE AGREEMENT FOR RADIOS AS PRESENTED.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	YES
CITY/STATE/FEDERAL FUNDS:	CITY
TOTAL:	$ 350,000.00
BUDGETED AMOUNT:	0.00
AVAILABLE AMOUNT TO TRANSFER:	DNA

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: Capital Improvement or Impact Fees

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

There is no fiscal impact, at this time. Our annual obligation is due one year after delivery of radios; projected to be December of 2018 (FY19). Funding for the first payment could be authorized in FY19 budgets or the entire amount or the annual obligation could utilize Impact Fees.

Attachments

Motorola Radio Contract

Motorola Radio Quote

Portable Radio CIP 1

Portable Radio CIP 2

Request to Waive Procurement Process

Sample Lease Agreement

9/17/17

City of Yuma

RE: Municipal Lease # 12345

Dear _____:

Enclosed for your review, please find the **Municipal Lease** documentation in connection with the [radio equipment] to be leased from Motorola. The interest rate and payment streams outlined in Equipment Lease-Purchase Agreement #12345 are valid for contracts that are executed and returned to Motorola on or before **October 27, 2017**. After **10/27/17**, the Lessor reserves the option to re-quote and re-price the transaction based on current market interest rates.

Please have the documents executed where indicated and forward the documents to the following address:

Motorola Solutions Credit Company LLC
Attn: Bill Stancik / 44th Floor
500 W. Monroe
Chicago IL 60661

Should you have any questions, please contact me at 847-538-4531.

Thank You,

MOTOROLA SOLUTIONS CREDIT COMPANY LLC
Bill Stancik

LESSEE FACT SHEET

Please help Motorola provide excellent billing service by providing the following information:

1. Complete Billing Address City of Yuma

_____

E-mail Address: _____

Attention: _____

Phone: _____

2. Lessee County Location: _____

3. Federal Tax I.D. Number _____

4. Purchase Order Number to be referenced on invoice (if necessary) or other "descriptions" that may assist in determining the applicable cost center or department: _____

5. Equipment description that you would like to appear on your invoicing:_____

Appropriate Contact for Documentation / System Acceptance Follow-up:

6. Appropriate Contact & Mailing Address _____

_____

_____

_____

Phone: _____

Fax: _____

7. Payment remit to address**:** **Motorola Solutions Credit Company LLC**
P.O. Box 71132
Chicago IL 60694-1132

Thank you

EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease Number: 12345

LESSEE:

City of Yuma

LESSOR:

Motorola Solutions, Inc.
500 W. Monroe
Chicago IL 60661

Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, the equipment and/or software described in Schedule A attached hereto ("Equipment") in accordance with the following terms and conditions of this Equipment Lease-Purchase Agreement ("Lease").

1. TERM. This Lease will become effective upon the execution hereof by Lessor. The Term of this Lease will commence on date specified in Schedule A attached heretoand unless terminated according to terms hereof or the purchase option, provided in Section 18, is exercised this Lease will continue until the Expiration Date set forth in Schedule B attached hereto ("Lease Term").

2. RENT. Lessee agrees to pay to Lessor or its assignee the Lease Payments (herein so called), including the interest portion , in the amounts specified in Schedule B. The Lease Payments will be payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and will commence on the first Lease Payment Date as set forth in Schedule B and thereafter on each of the Lease Payment Dates set forth in Schedule B. Any payments received later than ten (10) days from the due date will bear interest at the highest lawful rate from the due date. Except as specifically provided in Section 5 hereof, the Lease Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, or recoupment for any reason whatsoever. Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term and hereby covenants that a request for appropriation for funds from which the Lease Payments may be made will be requested each fiscal period, including making provisions for such payment to the extent necessary in each budget submitted for the purpose of obtaining funding. It is Lessee's intent to make Lease Payment for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the Equipment will be used for one or more authorized governmental or proprietary functions essential to its proper, efficient and economic operation.

3. DELIVERY AND ACCEPTANCE. Lessor will cause the Equipment to be delivered to Lessee at the location specified in Schedule A ("Equipment Location"). Lessee will accept the Equipment as soon as it has been delivered and is operational. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a Delivery and Acceptance Certificate in the form provided by Lessor.

Even if Lessee has not executed and delivered to Lessor a Delivery and Acceptance Certificate, if Lessor believes the Equipment has been delivered and is operational, Lessor may require Lessee to notify Lessor in writing (within five (5) days of Lessee's receipt of Lessor's request) whether or not Lessee deems the Equipment (i) to have been delivered and (ii) to be operational, and hence be accepted by Lessee. If Lessee fails to so respond in such five (5) day period, Lessee will be deemed to have accepted the Equipment and be deemed to have acknowledged that the Equipment was delivered and is operational as if Lessee had in fact executed and delivered to Lessor a Delivery and Acceptance Certificate.

4. REPRESENTATIONS AND WARRANTIES. Lessor acknowledges that the Equipment leased hereunder is being manufactured and installed by Lessor pursuant to contract (the "Contract") covering the Equipment. Lessee acknowledges that on or prior to the date of acceptance of the Equipment, Lessor intends to sell and assign Lessor's right, title and interest in and to this Agreement and the Equipment to an assignee ("Assignee"). LESSEE FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE OR KIND WHATSOEVER,

AND AS BETWEEN LESSEE AND THE ASSIGNEE, THE PROPERTY SHALL BE ACCEPTED BY LESSEE "AS IS" AND "WITH ALL FAULTS". LESSEE AGREES TO SETTLE ALL CLAIMS DIRECTLY WITH LESSOR AND WILL NOT ASSERT OR SEEK TO ENFORCE ANY SUCH CLAIMS AGAINST THE ASSIGNEE. NEITHER LESSOR NOR THE ASSIGNEE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF THE LEASE OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY.

Lessor is not responsible for, and shall not be liable to Lessee for damages relating to loss of value of the Equipment for any cause or situation (including, without limitation, governmental actions or regulations or actions of other third parties).

5. NON-APPROPRIATION OF FUNDS. Notwithstanding anything contained in this Lease to the contrary, Lessee has the right to not appropriate funds to make Lease Payments required hereunder in any fiscal period and in the event no funds are appropriated or in the event funds appropriated by Lessee's governing body or otherwise available by any lawful means whatsoever in any fiscal period of Lessee for Lease Payments or other amounts due under this Lease are insufficient therefor, this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments or other amounts herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. The Lessee will immediately notify the Lessor or its Assignee of such occurrence. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. Non-appropriation of funds shall not constitute a default hereunder for purposes of Section 16.

6. LESSEE CERTIFICATION. Lessee represents, covenants and warrants that: (i) Lessee is a state or a duly constituted political subdivision or agency of the state of the Equipment Location; (ii) the interest portion of the Lease Payments shall be excludable from Lessor's gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code"); (iii) the execution, delivery and performance by the Lessee of this Lease have been duly authorized by all necessary action on the part of the Lessee; (iv) this Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; (v) Lessee will comply with the information reporting requirements of Section 149(e) of the Internal Revenue Code of 1986 (the "Code"), and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (vii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (viii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Lease Payment to be or become includible in gross income for Federal income taxation purposes under the Code; and (ix) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term.

Lessee represents, covenants and warrants that: (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect, (ii) it has complied with all laws relative to public bidding where necessary, and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

If Lessee breaches the covenant contained in this Section, the interest component of Lease Payments may become includible in gross income of the owner or owners thereof for federal income tax purposes. In such event, notwithstanding anything to the contrary contained in Section 11 of this Agreement, Lessee agrees to pay promptly after any such determination of taxability and on each Lease Payment date thereafter to Lessor an additional amount determined by Lessor to compensate such owner or owners for the loss of such excludibility (including, without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive (absent manifest error). Notwithstanding anything herein to the contrary, any additional amount payable by Lessee pursuant to this Section 6 shall be payable solely from Legally Available Funds.

It is Lessor's and Lessee's intention that this Agreement not constitute a "true" lease for federal income tax purposes and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment for federal income tax purposes.

7. TITLE TO EQUIPMENT; SECURITY INTEREST. Upon shipment of the Equipment to Lessee hereunder, title to the Equipment will vest in Lessee subject to any applicable license; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 5 hereof; (ii) upon the occurrence of an Event of Default hereunder, and as long as such Event of Default is continuing; or (iii) in the event that the purchase option has not been exercised prior to the Expiration Date, title will immediately vest in Lessor or its Assignee, and Lessee shall immediately discontinue use of the Equipment, remove the Equipment from Lessee's computers and other electronic devices and deliver the Equipment to Lessor or its Assignee. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom; (ii) agrees that this Lease may be filed as a financing statement evidencing such security interest; and (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest.

8. USE; REPAIRS. Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies, the Contract, any licensing or other agreement, and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of the possession, use or maintenance of the Equipment. Lessee, at its expense will keep the Equipment in good repair and furnish and/or install all parts, mechanisms, updates, upgrades and devices required therefor.

9. ALTERATIONS. Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

10. LOCATION; INSPECTION. The Equipment will not be removed from, [or if the Equipment consists of rolling stock, its permanent base will not be changed from] the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

11. LIENS AND TAXES. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, licensing, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within ten days of written demand.

12. RISK OF LOSS: DAMAGE; DESTRUCTION. Lessee assumes all risk of loss or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair (an "Event of Loss") , Lessee at the option of Lessor will: either (a) replace the same with like equipment in good repair; or (b) on the next Lease Payment date, pay Lessor the sum of : (i) all amounts then owed by Lessee to Lessor under this Lease, including the Lease payment due on such date; and (ii) an amount equal to all remaining Lease Payments to be paid during the Lease Term as set forth in Schedule B.

In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payment and the Balance Payment (as set forth in Schedule B) to be made by Lessee with respect to that part of the Equipment which has suffered the Event of Loss.

13. INSURANCE. Lessee will, at its expense, maintain at all times during the Lease Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts,

covering such risks, and with such insurers as shall be satisfactory to Lessor, or, with Lessor's prior written consent, Lessee may self-insure against any or all such risks. All insurance covering loss of or damage to the Equipment shall be carried in an amount no less than the amount of the then applicable Balance Payment with respect to such Equipment. The initial amount of insurance required is set forth in Schedule B. Each insurance policy will name Lessee as an insured and Lessor or it's Assigns as an additional insured, and will contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or it's Assigns as their interests may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

14. INDEMNIFICATION. Lessee shall, to the extent permitted by law, indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, proceedings, expenses, damages or liabilities, including attorneys' fees and court costs, arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, licensing, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon.

15. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment or; (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may assign its rights, title and interest in and to this Lease, the Equipment and any documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

Lessee covenants and agrees not to assert against the Assignee any claims or defenses by way of abatement, setoff, counterclaim, recoupment or the like which Lessee may have against Lessor. No assignment or reassignment of any Lessor's right, title or interest in this Lease or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment, disclosing the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for holders of certificates of participation in the Lease, it shall thereafter be sufficient that a copy of the agency agreement shall have been deposited with Lessee until Lessee shall have been advised that such agency agreement is no longer in effect. During the Lease Term Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

After notice of such assignment, Lessee shall name the Assignee as additional insured and loss payee in any insurance policies obtained or in force. Any Assignee of Lessor may reassign this Lease and its interest in the Equipment and the Lease Payments to any other person who, thereupon, shall be deemed to be Lessor's Assignee hereunder.

16. EVENT OF DEFAULT. The term "Event of Default", as used herein, means the occurrence of any one or more of the following events: (i) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of the Lease when funds have been appropriated sufficient for such purpose, and any such failure continues for ten (10) days after the due date thereof; (ii) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured within twenty (20) days after written notice thereof by Lessor; (iii) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Lease or in writing delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (iv) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by Lessee, or a receiver or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or (v) an attachment, levy or execution is threatened or levied upon or against the Equipment.

17. REMEDIES. Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies: (i) by written notice to Lessee, declare all amounts then due under the Lease, and all remaining Lease Payments due during the fiscal period in effect when the default occurs to be immediately due and payable, whereupon the same shall become immediately due and payable; (ii) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly discontinue use of the Equipment, remove the Equipment from all of Lessee's computers and electronic devices, return the Equipment to Lessor in the manner set forth in Section 5 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same; (iii) sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for all Lease Payments and other amounts due prior to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts paid by the purchaser, Lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable by Lessee hereunder; (iv) promptly return the Equipment to Lessor in the manner set forth in Section 5 hereof; and (v) exercise any other right, remedy or privilege which may be available to it under applicable laws of the state of the Equipment Location or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of this Lease or to rescind this Lease as to any or all of the Equipment. In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

18. PURCHASE OPTION. Upon thirty (30) days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event, which with notice or lapse of time, or both could become an Event of Default, then exists, Lessee will have the right to purchase the Equipment on the Lease Payment dates set forth in Schedule B by paying to Lessor, on such date, the Lease Payment then due together with the Balance Payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that the Equipment is free and clear of any liens created by Lessor.

19. NOTICES. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to such mailing.

20. SECTION HEADINGS. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

21. GOVERNING LAW. This Lease shall be construed in accordance with, and governed by the laws of, the state of the Equipment Location.

22. DELIVERY OF RELATED DOCUMENTS. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease.

23. ENTIRE AGREEMENT; WAIVER. This Lease, together with Schedule A Equipment Lease-Purchase Agreement, Schedule B, Evidence of Insurance, Statement of Essential Use/Source of Funds, Certificate of Incumbency, Certified Lessee Resolution (if any), Bank Qualified Statement, Information Return for Tax-Exempt Governmental Obligations and the Delivery and Acceptance Certificate and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitutes the entire agreement between the parties with respect to the Lease of the Equipment, and this Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of the Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

24. EXECUTION IN COUNTERPARTS. This Lease may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____ day of _____, 2017.

LESSEE:
City of Yuma

By:_____
Title:_____

LESSOR:
MOTOROLA SOLUTIONS, INC.

By:_____
Title:_____

CERTIFICATE OF INCUMBENCY

I, _____ do hereby certify that I am the duly elected or
(Printed Name of Secretary/Clerk)
appointed and acting Secretary or Clerk of the City of Yuma**,** an entity duly organized and existing under the laws of the **State of Arizona** that I have custody of the records of such entity, and that, as of the date hereof, the individual(s) executing this agreement is/are the duly elected or appointed officer(s) of such entity holding the office(s) below his/her/their respective name(s). I further certify that (i) the signature(s) set forth above his/her/their respective name(s) and title(s) is/are his/her/their true and authentic signature(s) and (ii) such officer(s) have the authority on behalf of such entity to enter into that certain Equipment Lease Purchase Agreement number **12345**, between City of Yuma and Motorola Solutions, Inc. If the initial insurance requirement on Schedule B exceeds $1,000,000**,**attached as part of the Equipment Lease Purchase Agreement is a Certified Lessee Resolution adopted by the governing body of the entity.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of City of Yuma , hereto this _____ day of _____ 2017.

By: _____ SEAL
(Signature of Secretary/Clerk)

OPINION OF COUNSEL

With respect to that certain Equipment Lease-Purchase Agreement 12345 by and between Motorola Solutions, Inc. and the Lessee, I am of the opinion that: (i) the Lessee is, within the meaning of Section 103 of the Internal Revenue Code of 1986, a state or a fully constituted political subdivision or agency of the State of the Equipment Location described in Schedule A hereto; (ii) the execution, delivery and performance by the Lessee of the Lease have been duly authorized by all necessary action on the part of the Lessee, (III) the Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; and (iv) Lessee has sufficient monies available to make all payments required to be paid under the Lease during the current fiscal year of the Lease, and such monies have been properly budgeted and appropriated for this purpose in accordance with State law. This opinion may be relied upon by the Lessor and any assignee of the Lessor's rights under the Lease.

_____

Attorney for City of Yuma

SCHEDULE A
EQUIPMENT LEASE-PURCHASE AGREEMENT

Schedule A Lease Number: **12345**

This Equipment Schedule is hereby attached to and made a part of that certain Equipment Lease-Purchase Agreement Number **12345** ("Lease"), between Lessor and Lessee.

Lessor hereby leases to Lessee under and pursuant to the Lease, and Lessee hereby accepts and leases from Lessor under and pursuant to the Lease, subject to and upon the terms and conditions set forth in the Lease and upon the terms set forth below, the following items of Equipment

QUANTITY	**DESCRIPTION (Manufacturer, Model, and Serial Nos.)**
	Refer to attached Equipment List.
Equipment Location:	

Initial Term: XX Months **Commencement Date:** **date**
First Payment Due Date: **date**

XX annual payments as outlined in the attached Schedule B, plus Sales/Use Tax of $0.00, payable on the Lease Payment Dates set forth in Schedule B.

Schedule B

Amortization Schedule will be included below:

INITIAL INSURANCE REQUIREMENT: $_____

Except as specifically provided in Section five of the Lease hereof, Lessee agrees to pay to Lessor or its assignee the Lease Payments, including the interest portion, in the amounts and dates specified in the above payment schedule.

EVIDENCE OF INSURANCE

Fire, extended coverage, public liability and property damage insurance for all of the Equipment listed on Schedule A number **12345** to that Equipment Lease Purchase Agreement number **12345** will be maintained by the City of Yuma as stated in the Equipment Lease Purchase Agreement.

This insurance is provided by:

_____
Name of insurance provider

_____
Address of insurance provider

_____
City, State and Zip Code

_____
Phone number of local insurance provider

_____
E-mail address

In accordance with the Equipment Lease Purchase Agreement Number **12345** , City of Yuma **,** hereby certifies that following coverage are or will be in full force and effect:

Type	**Amount**	**Effective Date**	**Expiration Date**	**Policy Number**
Fire and Extended Coverage	_____	_____	_____	_____
Property Damage	_____	_____	_____	_____
Public Liability	_____	_____	_____	_____

Certificate shall include the following:
Description: All Equipment listed on Schedule A number 12345 to that Equipment Lease Purchase Agreement number 12345. Please include equipment cost equal to the Initial Insurance Requirement on Schedule B to Equipment Lease Purchase Agreement number 12345 and list any deductibles.

Certificate Holder:
MOTOROLA SOLUTIONS, INC. and or its assignee as additional insured and loss payee
1303 E. Algonquin Road
Schaumburg, IL 60196

If self insured, contact Motorola representative for template of self insurance letter.

STATEMENT OF ESSENTIAL USE/SOURCE OF FUNDS

To further understand the essential governmental use intended for the equipment together with an understanding of the sources from which payments will be made, please address the following questions by completing this form or by sending a separate letter:

1. What is the specific use of the equipment?

2. Why is the equipment essential to the operation of **City of Yuma?**

3. Does the equipment replace existing equipment?

   If so, why is the replacement being made?

4. Is there a specific cost justification for the new equipment?

   If yes, please attach outline of justification.

5. What is the expected source of funds for the payments due under the Lease for the current fiscal year and future fiscal years?

EQUIPMENT LEASE PURCHASE AGREEMENT DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of the Equipment described below ("Equipment") and Lessee hereby accepts the Equipment after full inspection thereof as satisfactory for all purposes of lease Schedule A to the Equipment Lease Purchase Agreement executed by Lessee and Lessor.

Equipment Lease Purchase Agreement No.: 12345 Lease Schedule A No. : 12345

EQUIPMENT INFORMATION

QUANTITY	MODEL NUMBER	EQUIPMENT DESCRIPTION
		Equipment referenced in lease Schedule A# 12345. See Schedule A for a detailed Equipment List.

LESSEE:

City of Yuma

By: _____

Date: _____

Bank Qualified Statement

LESSEE CERTIFIES THAT IT (circle one) HAS or HAS NOT DESIGNATED THIS LEASE AS A QUALIFIED TAX-EXEMPT OBLIGATION IN ACCORDANCE WITH SECTION 265(b)(3) OF THE CODEAND IF THE LESSEE HAS DESIGNATED THIS LEASE AS A QUALIFIED TAX-EXEMPT OBLIGATION, IT HAS NOT DESIGNATED MORE THAN $10,000,000 OF ITS OBLIGATIONS AS QUALIFIED TAX-EXEMPT OBLIGATIONS IN ACCORDANCE WITH SUCH SECTION FOR THE CURRENT CALENDAR YEAR AND THAT IT REASONABLY ANTICIPATES THAT THE TOTAL AMOUNT OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY LESSEE DURING THE CURRENT CALENDAR YEAR WILL NOT EXCEED $10,000,000.

CERTIFIED LESSEE RESOLUTION

At a duly called meeting of the Governing Body of the Lessee (as defined in the Lease) held on October_____, 2017, the following resolution was introduced and adopted.
BE IT RESOLVED by the Governing Board of Lessee as follows:

1. Determination of Need. The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment or other personal property described in the Lease between City of Yuma (Lessee) and Motorola Solutions, Inc. (Lessor).

2. Approval and Authorization. The Governing body of Lessee has determined that the Lease, substantially in the form presented to this meeting, is in the best interests of the Lessee for the acquisition of such Equipment or other personal property, and the Governing Board hereby approves the entering into of the Lease by the Lessee and hereby designates and authorizes the following person(s) referenced in the Lease to execute and deliver the Lease on Lessee's behalf with such changes thereto as such person deems appropriate, and any related documents, including any escrow agreement, necessary to the consummation of the transactions contemplated by the Lease.

3. Adoption of Resolution. The signatures in the Lease from the designated individuals for the Governing Body of the Lessee evidence the adoption by the Governing Body of this Resolution.

IRS 8038 G form will be included

MOTOROLA

Dealer/Agent/MR Quotation

Date: Oct. 18, 2017

GCC Case #:

Dealer/Agent/MR Name:	Gila Electronics
MR/Agent Address:	2481 E. Palo Verde Street
City:	Yuma
State/Zip:	AZ, 85365

Quoting as:

APB	
MR	X
Agent	

Prepared By:	Robert Henderson	**Phone:**	928-726-0896	**Fax:**	928-726-8238	**Customer Name**	City of San Luis
email:	robert@gilaelectronics.com					**Customer #**	1035753963

Prepared For:	City of San Luis	**Bill To:**	City of San Luis	**Ship to:**	City of San Luis	**Ultimate Destination:**	City of San Luis
Street:	1090 E. Union St.	**Street:**	1090 E. Union St.	**Street:**	1090 E. Union St.	**Street:**	1090 E. Union St.
City:	San Luis	**City:**	San Luis	**City:**	San Luis	**City:**	San Luis
State/Zip:	AZ, 85349	**State/Zip:**	AZ, 85349	**State/Zip:**	AZ, 85349	**State/Zip:**	AZ, 85349
Attn:	Chief Hank Green	**Attn:**	Chief Hank Green	**Attn:**	Chief Hank Green	**Attn:**	Chief Hank Green

THIS QUOTE IS BASED ON THE FOLLOWING:

This quotation is provided to you for information purposes only and is not intended to be an offer or a binding proposal.
If you wish to purchase the quoted products, Motorola will be pleased to provide you with our standard terms and conditions of sale (which will include the capitalized provisions below), or alternatively, receive your purchase order which will be acknowledged.
Thank you for your consideration of Motorola products.

Quotes are exclusive of all installation and programming charges (unless expressly stated) and all applicable taxes.
Purchaser will be responsible for shipping costs, which will be added to the invoice.
Prices quoted are valid for thirty(30) days from the date of this quote.
Unless otherwise stated, payment will be due within thirty days after invoice. Invoicing will occur concurrently with shipping.

MOTOROLA DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE ORDERED PRODUCTS, EXPRESS OR IMPLIED INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

MOTOROLA'S TOTAL LIABILITY ARISING FROM THE ORDERED PRODUCTS WILL BE LIMITED TO THE PURCHASE PRICE OF THE PRODUCTS WITH RESPECT TO WHICH LOSSES OR DAMAGES ARE CLAIMED. IN NO EVENT WILL MOTOROLA BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

Qty.	Model	Description	Unit List Price	Unit Discounted Price	Total Discounted Price
37	H98UCF9PW6BN	APX6000 700/800 MODEL 2.5 PORTABLE	$ 3,026.00	$ 2,208.98	$ 81,732.26
37	H869BZ	ENH: MULTIKEY	$ 330.00	$ -	$ -
37	QA01833AH	ADD: EXTREME 1-SIDED NOISE REDUCTION	$ 25.00	$ 18.25	$ 675.25
37	QA02756AA	ENH: LI 9600 OR 3600 SINGLE SYSTEM DIGITAL TRUNKING	$ 1,570.00	$ 1,146.10	$ 42,405.70
37	HA00025AG	ENH: 5 YR SFS COMPREHENSIVE	$ 360.00	$ 360.00	$ 13,320.00
37	PMNN4485A	BATT IMPRES 2 LIION R IP68 2550T	$ 127.00	$ 92.71	$ 3,430.27
26	H98UCF9PW6BN	APX6000 700/800 MODEL 2.5 PORTABLE	$ 3,026.00	$ 2,208.98	$ 57,433.48
26	QA06304AA	ALT: LI-ION IMPRES 2 4500 MAH UL/CSA RUGGED (NNTN8921)	$ 75.00	$ 75.00	$ 1,950.00
26	H869BZ	ENH: MULTIKEY	$ 330.00	$ -	$ -
26	Q806BM	ADD: ASTRO DIGITAL CAI OPERATION	$ 515.00	$ 375.95	$ 9,774.70
26	H38BT	ADD: SMARTZONE OPERATION	$ 1,200.00	$ 876.00	$ 22,776.00
26	Q361AR	ADD: P25 9600 BAUD TRUNKING	$ 300.00	$ 219.00	$ 5,694.00
26	HA00025AG	ENH: 5 YR SFS COMPREHENSIVE	$ 360.00	$ 360.00	$ 9,360.00
26	QA02006AA	ENH: APX6000XE RUGGED RADIO	$ 800.00	$ 584.00	$ 15,184.00
26	H64BE	ALT: PUBLIC SAFETY YELLOW HOUSING	$ 25.00	$ 18.25	$ 474.50
26	NNTN8921A	BATT IMPRES 2 LIION TIA4950 R IP68 4500T	$ 177.00	$ 129.21	$ 3,359.46
63	NNTN8860A	CHARGER, SINGLE-UNIT, IMPRES 2, 3A, 115VAC, US/NA	$ 150.00	$ 109.50	$ 6,898.50
26	NNTN7624C	CHARGER,CHR IMP VEH EXT NA/EU KIT	$ 390.00	$ 284.70	$ 7,402.20
37	HMN4104B	IMPRES RSM DSPLY W JACK, W CHNL	$ 413.00	$ 301.49	$ 11,155.13
26	NNTN8575A	AUDIO ACCESSORY REMOTE SPEAKER MICROPHONE,IMPRES XE RSM XT CABLE	$ 480.00	$ 350.40	$ 9,110.40
				Estimated Tax	$ 32,365.00
	↓	**If you need more pages just drag the blue line down. ↓		Total:	$ 334,500.85

Capital Improvement Project

Fiscal Years

Project No.: _____

Total Project Cost: _____

Pct. New Development: _____

Project Title:

Project Description:

	Fund Balance	New	FY	FY	FY	FY	FY	FY	FY
Capital Cost									

Operating Impact Totals:

Source	FY	FY	FY	FY	FY	Total CIP
Grants						
GEN FUNDS						
CDGB						
ENT FUND						
Improvement Districts						
IMPACT FEES						
Subtotal						
					Total Source Expenditures	
					Total Source Expenditures	

SAN LUIS FIRE DEPARTMENT

Portable Radio Unit Cost		4,762.63
Extra Battery		129.21
Charger		109.50
Remote Speaker - Microphone		350.40
Mobile Charger		284.70
Cost per Radio		5,636.44
Radios Needed		26
TOTAL COST		146,547.44
	annual interest rate	0.14
	Interest amount per year(7) financed	20,935.33
	total cost of radios and accessories	167,482.77
	annual payments for 7 years	**23,926.11**

SAN LUIS POLICE DEPARTMENT

Portable Radio Unit Cost		3,733.33
Extra Battery		92.71
Charger		109.50
Remote Speaker - Microphone		301.49
Mobile Charger		58.40
Cost per Radio		4,295.43
Radios Needed		37
TOTAL COST		158,930.91
	annual interest rate	0.14
	Interest amount per year(7) financed	22,704.39
	total cost of radios and accessories	181,635.30
	annual payments for 7 years	**25,947.90**

SLFD/SLPD Portable Radio Capital Improvement Project: TOTAL COST		305,478.35
	annual interest rate	0.14
	Interest amount per year(7) financed	43,639.72
	total cost of radios and accessories	349,118.07
	annual payments for 7 years	49,874.01

Annual Cost for SLFD & SLPD Capital Improvement Project 49,874.01

MEMORANDUM

TO: Angelica Cifuentes, Purchasing Agent III, City of San Luis

FROM: Fire Chief Hank Green

DATE: October 24, 2017

RE: Waive Requirements of City of San Luis Code: ref. Purchase of Portable Radios

I am requesting that the purchase of portable radios for the Fire and Police Departments be done without formal bidding, as required under §Section 36.01(E) In General ($ 35,000 and above) or §Section 36.03 (Bidding) of the City of San Luis Code.

While the annual payment exceeds the $15,000 threshold amount that would require three written quotations and the total cost exceeds the $ 35,000 threshold amount which would require the initiation of a formal bidding process; published request for sealed bids or requests for proposals for review and awarding of the contract for purchase of the desired item(s).

These radios are going to be purchased as an element of a larger purchase brokered by the Yuma Regional Communication System (YRCS) to replace all existing portable radios currently utilized by Public Safety agencies in Yuma and La Paz Counties. I do not believe that the City of San Luis Fire or Police Departments would receive any better pricing from Motorola because of the collective volume of the items being purchased.

Additionally, since our radios would be a part of this regional comunications system, it is benificial that our Fire and Police Department's radios be compatible, if not identical to those used by our neighboring agencies.

Therefore, I am requesting that the requirements of §Sections 36.01(E) and §Section 36.03 be waived under the authority of §Section 36.01(H) and that §Section 36.09 Cooperative Purchasing be applied to this request.

Thank you for your attention to this request.

If you have any other questions, please do not hesitate to contact me.

Be Safe.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.G.**
Meeting Date: 11/08/2017
Department Head: Olivia Jenkins, Director of Human Resources, Human Resources Department
Submitted By: Olivia Jenkins, Director of Human Resources, Human Resources Department
Action Requested: Motion

ITEM:
Discussion and possible action on any and all matters regarding the NEOGOV Software, License Subscription, Maintenance, and GovernmentJobs.com contract renewal. **(Olivia Jenkins, Director of Human Resources)**

SUMMARY:
City of San Luis Human Resources Department has used the software since 2014, for recruitment of new positions. Software, licensing, maintenance, and technical support allows Human Resources to process recruitment such as online job applications, job announcements, tools to assist with selections, tracking applicants, and generating reports. The software is a tool used by other local governments because it meets public sector needs for this purpose.

Since the software is unique and has a copyright, the software is an exclusive service. Under the San Luis Purchasing Code Section 36.2, the quotes and bidding are not required.

Staff recommends a five-year contract renewal: this would allow Human Resources to continue to use the software without interruption of services. Both contracts, the one (1) and the five (5) years, are attached for your review and consideration.

RECOMMENDATION / SUGGESTED MOTION:
I MOVE TO AUTHORIZE THE CITY MANAGER OR HIS DESIGNEE TO ENTER INTO A FIVE-YEAR CONTRACT FOR THE NEOGOV SOFTWARE AS PRESENTED.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	City
TOTAL:	$8,822.10
BUDGETED AMOUNT:	$8,822.10
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	Software Support, 100-125-70040, $10,034.24

Attachments

One Year Renewal
Five Year Renewal
Original Contract 2014
Amendment 2 Arizona Provisions
Reference Email - Surprise
Reference Email - Prescott
Reference Email - Oro Valley

EXHIBIT A – RENEWAL FORM

Customer:	**Bill To:**
San Luis, City of (AZ) **1190 E. Union Street** **San Luis AZ 85349**	San Luis, City of (AZ) 1190 E. Union Street San Luis AZ 85349 Phone: Email:

Quote Date:	8/30/2017	**Revision:**	1
Valid From:	N/A		
Valid To:	**N/A**	**Order Number:**	
Requested Service Date:	TBD	**Initial Term:**	**8/14/2017 to 8/13/2018**

Order Summary NOTE: The following discounts are available if the contract is pre-paid for the specified number of years: 2 year = 4% discount, 3 year = 6% discount, 4 years = 8% discount, 5 years = 10% off your ongoing annual license

Item	2017-2018
Insight Enterprise Software License License Subscription & Maintenance	$7,614.60
GovernmentJobs.com Job Posting Subscription	$1,207.50
Total	**$8,822.10**

Included with License	
Unlimited Customer Support M – F, 6:00 AM – 6:00 PM PT	

Amendment 1

Order Detail

Note: Items designated as Not Applicable (N/A, NA) on the Summary form are not included. Customers may request a quote for these services at their discretion through the term of this contract.

1.0 Insight Enterprise (IN)

License Subscription to NEOGOV IN

The Customer's subscription to the Insight platform includes the following functionality:

Recruitment

- Online job application
- Online job announcements and descriptions
- Automatic online job interest cards
- Recruitment and examination planning

Selection

- Configurable supplemental questions
- Define unique scoring plans
- Test analysis and pass-point setting
- Score, rank, and refer applicants

Applicant Tracking

- Email and hardcopy notifications
- EEO Data collection and reports
- Track applicants by step/hurdle
- Schedule written, oral, and other exams
- Candidate Self-Service Portal for scheduling and application status

Reporting and Analysis

- 90 standard system reports
- Ad Hoc reporting tool

HR Automation

- Create and route job requisitions for approval
- Certification/eligible lists

2.0 GovernmentJobs.com Job Posting Subscription

(GJC) License Subscription

- Enables organizations to advertise their job postings created in Insight on the GovernmentJobs.com website.
- May add an unlimited number of postings

Note: jobs advertised on the promotional and transfer webpage's are not advertised on GovernmentJobs.com as these are typically for internal employees.

3.0 NEOGOV Perform (PE) NA

License Subscription to NEOGOV PE

The annual license for the NEOGOV Performance Evaluations Software includes the following:

- Configurable Performance Evaluations
- Goal Library
- Shareable Competency Content
- Development Plans
- Configurable Process Workflows
- Ability to build Content sections for re-use
- Configurable Rating Scales
- Ability to build Library of Writing Assistants
- 360 Reviews
- Configurable Email Notifications
- Automatic Evaluation Creation
- Ability to perform actions in bulk for Employees & Evaluations

4.0 NEOGOV Onboarding (ON) NA

License Subscription to NEOGOV ON

- Electronic Employee File
- W4
- I9
- Configurable Workflow
- Task Manager
- Employee data upload
- Attachments
- Build your own Onboarding forms*

*****NEOGOV ON includes I9 and W4 standard forms that are updated by NEOGOV. Additional forms or form maintenance is available by NEOGOV Professional services at the following cost:

- Background forms $295 per form
- Dynamic Forms $195 per form
- Updates to existing forms $200 an hour

5.0 NEOGOV Integrations NA

NEOGOV offers Standard Integrations as well as platform APIs for 3rd party system integration(s).

Standard Integrations include:

- Conduct project scope, review integration plan, discuss timeline, and set schedule for required meetings
- Annual Maintenance By NEOGOV

Note: NEOGOV APIs are to be configured directly by Customer staff using NEOGOV documentation. If required, Professional Services may be included by NEOGOV to help define and validate scope, business requirements, timelines, and associated costs (if applicable).

6.0 NEOGOV Services NA

Setup and Provisioning

The following activities are conducted as part of the NEOGOV implementation:

- Customer to review the project kick-off tutorial for information on the project timeline, deliverables, and establish project expectations.
- NEOGOV will establish the Customer's production environment

Training

NEOGOV training is available online (web-based, pre-built, content) unless otherwise proposed as included in the Order Form. All customers have full access to the demo/training environment setup for Insight.

NEOGOV's pre-built, online training consists of a series of web courses as well as a series of hands-on exercise designed to introduce the standard features and functions and may be used as reference material by the staff following training to conduct day-to-day activities. The pre-built, online training includes exercises that are designed to be flexible enough to allow Customer led training sessions internally to introduce user-specific requirements and processes for staff to learn the system as closely as possible to the customer's actual recruitment processes after go-live.

Addendum 1

Order Form Terms and Conditions:

(1) The Customer hereby orders and GovernmentJobs.com, Inc. (d/b/a NEOGOV, Inc., hereafter "NEOGOV") agrees to provide the services described in this Order Form. THE SERVICES ARE PROVIDED PERSUANT TO THE TERMS AND CONDITIONS OF THIS ORDER FORM AND THE SERVICE AGREEMENT BETWEEN NEOGOV AND THE CUSTOMER.

(2) The Customer agrees that the payment schedule is as follows:

Provide all required software and licenses

One hundred percent (100%) of the annual license price is payable within thirty (30) days of Customer receipt of invoice.

Software Provisioning

One hundred percent (100%) of the non-recurring costs are to be paid to NEOGOV within thirty (30) days of the execution of this Order Form and Service Agreement. **N/A**

Training

One hundred percent (100%) of the non-recurring costs are to be paid to NEOGOV within thirty (30) days of the execution of this Order Form and Service Agreement. **N/A**

(3) Neither the Customer nor NEOGOV will be bound by this Order Form until it has been signed by authorized representatives of both parties.

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THERE ARE SIGNIFICANT ADDITIONAL TERMS AND CONDITIONS, WARRANTY DISCLAIMERS AND LIABILITY LIMITATIONS CONTAINED IN THE SERVICE AGREEMENT BETWEEN THE CUSTOMER AND NEOGOV.

DO NOT SIGN THIS ORDER FORM BEFORE YOU HAVE READ THE SERVICE AGREEMENT IN ITS ENTIRETY. YOUR SIGNATURE BELOW INDICATES THAT YOU HAVE READ THE SERVICE AGREEMENT AND AGREE TO BE BOUND BY ITS PROVISIONS.

Customer		**GovernmentJobs.com, Inc.**	
Signature:	_____	Signature:	_____
Print Name:	_____	Print Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

Addendum 1

EXHIBIT A – RENEWAL FORM

Customer:	**Bill To:**
San Luis, City of (AZ) **1190 E. Union Street** **San Luis AZ 85349**	San Luis, City of (AZ) 1190 E. Union Street San Luis AZ 85349 Phone: Email:

Quote Date:	10/13/2017	**Revision:**	1
Valid From:	N/A		
Valid To:	**N/A**	**Order Number:**	
Requested Service Date:	TBD	**Initial Term:**	**8/14/2017 to 8/13/202022**

Order Summary NOTE: The following discounts are available if the contract is pre-paid for the specified number of years: 2 year = 4% discount, 3 year = 6% discount, 4 years = 8% discount, 5 years = 10% off your ongoing annual license

Item	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Insight Enterprise Software License License Subscription & Maintenance	$7,614.60	$7,843.04	$8,078.33	$8,320.68	$8,570.30
GovernmentJobs.com Job Posting Subscription	$1,207.50	$1,207.50	$1,207.50	$1,207.50	$1,207.50
Total	**$8,822.10**	**$9,050.54**	**$9,285.83**	**$9,528.18**	**$9,777.80**

Included with License					
Unlimited Customer Support M – F, 6:00 AM – 6:00 PM PT					

Amendment 1

Order Detail

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Customer		**GovernmentJobs.com, Inc.**	
Signature:	_____	Signature:	_____
Print Name:	_____	Print Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

Addendum 1

Ship To
City of San Luis
Human Resources
1090 East Union Street
San Luis, AZ 85349

Bill To
City of San Luis
Finance
P.O. Box 7740
San Luis, AZ 85349

Purchase Order
No. 2015-00000256

DATE 08/07/2014

VENDOR 8371 - GOVERNMENTJOBS.COM, INC

PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, SHIPPERS, BILL OF LADING AND CORRESPONDENCE

Contact
GOVERNMENTJOBS.COM, INC
NEOGOV
222 N SEPULVEDA BLVD, SUITE 2000
EL SEGUNDO, CA 90245

DELIVER BY
SHIP VIA
FREIGHT TERMS
PAGE **1 of 1**
ORIGINATOR: Angelica Cifuentes

REFERENCE #

QUANTITY	UNIT	DESCRIPTION	UNIT COST	TOTAL COST
1.0000	EACH	CONTRACTUAL SERVICES - NeoGov Online Recruitment 100-999-----90020.. - Capital Outlay - Off / Comp Othr 14,702.00	14,702.0000	$14,702.00

TOTAL DUE $14,702.00

Special Instructions

1. Shipments may be refunded if the Purchase Order No. is not shown on shippers and bill of lading.
2. Exempt from state local and federal taxes.
3. Substitute will not be accepted without prior approval.
4. C.O.D. or collect shipments will not be accepted.
5. Partial shipments will be accepted if invoiced separately.
6. Receiving hours are 6:00 AM to 3:00 PM Monday thru Friday.
7. Purchase Orders comply with City Procurement Policy Regulations as stated on City Ordinance No. 219.
8. All invoices must be mailed to the Finance Department.

Service Agreement

THIS ON-LINE SERVICES AGREEMENT (this "Agreement") is made and entered into this 14th day of August, 2014, by and between **GovernmentJobs.com, Inc.**, a California corporation (d/b/a "NEOGOV"), and the City of San Luis, (AZ) a public entity acting by and through its duly appointed representative ("Customer").

1. **Provision of On-line Services**.

(a) Customer hereby engages NEOGOV, and NEOGOV hereby agrees (subject to the terms and conditions set forth herein), to provide the services (the "Services") more fully described in this Agreement and in Exhibit A (Order Form). Customer hereby acknowledges and agrees that NEOGOV's provision and performance of the Services is dependent and conditioned upon Customer's full performance of its duties, obligations and responsibilities hereunder.

2. **Additional NEOGOV Responsibilities**. In connection with the performance of this Agreement, NEOGOV shall be responsible for the following:

(a) NEOGOV shall provide all required hosting and operations support for the applications provided through this agreement.

(b) NEOGOV shall follow those support, maintenance and other procedures and shall provide those support, maintenance and other services to Customer more fully described in this Agreement.

3. **Customer Responsibilities**. In connection with the performance of this Agreement and the provision of the Services, Customer shall be responsible for the following:

(a) NEOGOV's logos, including the "powered by" logo, may appear on the "employment opportunities", "job description" and other pages of Customer's web site.

(b) Customer shall be responsible for ensuring that Customer's use of the Services and the performance of Customer's other obligations hereunder comply with all laws applicable to Customer.

(c) Customer shall be responsible, as between NEOGOV and Customer, for the accuracy and completeness of all records and databases provided by Customer in connection with this Agreement for use on NEOGOV's system.

4. **Ownership, Protection and Security**.

(a) The parties agree that the NEOGOV marks and the Customer marks shall both be displayed on and through NEOGOV's system(s).

(b) Ownership of any graphics, text, data or other information or content materials and all records and databases supplied or furnished by Customer hereunder for incorporation into or delivery through the application(s) described in this agreement shall remain with Customer, and NEOGOV shall cease use of all such material upon termination of this Agreement.

(c) Customer acknowledges and agrees that nothing in this Agreement or any other agreement grants Customer any licenses or other rights with respect to NEOGOV's software system (source code or object code) other than the right to receive Services as expressly provided herein. NEOGOV shall retain all ownership in the intellectual property and all other proprietary rights and interests associated with NEOGOV's software system and Services and all components thereof and associated documentation, except as expressly provided herein.

(d) NEOGOV grants to Customer a limited license during the term of this Agreement to use and reproduce NEOGOV's trademarks and logos for purposes of including such trademarks and logos in advertising and publicity materials and links solely as permitted hereunder. All uses of such trademarks and logos shall conform to Customer's standard guidelines and requirements for use of such trademarks and logos.

5. **NEOGOV Representations and Warranties**.

(a) *Service Performance Warranty.* NEOGOV warrants that it will perform the Services in a manner consistent with industry standards reasonably applicable to the performance thereof.

(b) *No Other Warranty.* EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION 5, THE SERVICES ARE PROVIDED ON AN "AS IS" BASIS, AND CUSTOMER'S USE OF THE SERVICES IS AT ITS OWN RISK. NEOGOV DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS AND/OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. NEOGOV DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE.

(c) *Disclaimer of Actions Caused by and/or Under the Control of Third Parties.* NEOGOV DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM THE NEOGOV SYSTEM AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE PERFORMANCE OF INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. AT TIMES, ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ALTHOUGH NEOGOV WILL USE COMMERCIALLY REASONABLE EFFORTS TO TAKE ALL ACTIONS IT DEEMS APPROPRIATE TO REMEDY AND AVOID SUCH EVENTS, NEOGOV CANNOT GUARANTEE THAT SUCH EVENTS WILL NOT OCCUR. ACCORDINGLY, NEOGOV DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO SUCH EVENTS.

6. **Publicity**. Following execution of this Agreement, the parties hereto may issue a press release, the form and substance of which shall be mutually agreeable to the parties, announcing the relationship created by this Agreement. Except as expressly contemplated herein, neither party shall issue any additional press release which mentions the other party or the transactions contemplated by this Agreement without the prior consent of the other party, which consent shall not be unreasonably withheld.

7. **Nondisclosure**. Through exercise of each party's rights under this Agreement, each party may be exposed

to the other party's technical, financial, business, marketing, planning, and other information and data, in written, oral, electronic, magnetic, photographic and/or other forms, including but not limited to (i) oral and written communications of one party with the officers and staff of the other party which are marked or identified as confidential or secret or similarly marked or identified and (ii) other communications which a reasonable person would recognize from the surrounding facts and circumstances to be confidential or secret ("Confidential Information") and trade secrets. In recognition of the other party's need to protect its legitimate business interests, each party hereby covenants and agrees that it shall regard and treat each item of information or data constituting a trade secret or Confidential Information of the other party as strictly confidential and wholly owned by such other party and that it will not, without the express prior written consent of the other party or except as required by law including the Public Records Act of the State of AZ, redistribute, market, publish, disclose or divulge to any other person, firm or entity, or use or modify for use, directly or indirectly in any way for any person or entity: (i) any of the other party's Confidential Information during the term of this Agreement and for a period of three (3) years after the termination of this Agreement or, if later, from the last date Services (including any warranty work) are performed by the disclosing party hereunder; and (ii) any of the other party's trade secrets at any time during which such information shall constitute a trade secret under applicable law.

8. **Liability Limitations**.

(a) If promptly notified in writing of any action brought against Customer based on a claim that NEOGOV's Services infringe a United States patent, copyright or trademark right of a third party (except to the extent such claim or infringement relates to any third party software incorporated into NEOGOV's applications), NEOGOV will defend such action at its expense and will pay any and all fees, costs or damages that may be finally awarded in such action or any settlement resulting from such action (provided that Customer shall permit NEOGOV to control the defense of such action and shall not make any compromise, admission of liability or settlement or take any other action impairing the defense of such claim without NEOGOV's prior written approval).

(b) Customer acknowledges and agrees: (i) that NEOGOV has no proprietary, financial, or other interest in the goods or services that may be described in or offered through Customer's web site; and (ii) that except with respect to any material supplied by NEOGOV, Customer is solely responsible (as between NEOGOV and Customer) for the content, quality, performance, and all other aspects of the goods or services and the information or other content contained in or provided through Customer's web site.

(c) **OTHER THAN THOSE WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, NEOGOV DOES NOT MAKE ANY WARRANTIES TO CUSTOMER OR ANY OTHER PERSON OR ENTITY, EITHER EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO THE SERVICES PROVIDED HEREUNDER. NEOGOV SHALL NOT BE LIABLE TO CUSTOMER OR TO ANY OTHER PERSON OR ENTITY, UNDER ANY CIRCUMSTANCE OR DUE TO ANY EVENT WHATSOEVER, FOR CONSEQUENTIAL OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT, LOSS OF USE OR BUSINESS STOPPAGE.**

(d) Under no circumstances shall NEOGOV's total liability to Customer or any other person, regardless of the

nature of the claim or form of action (whether arising in contract, tort, strict liability or otherwise), exceed the aggregate amount of fees and revenue received by NEOGOV hereunder for the prior twelve (12) month period; provided, however that the foregoing limitations set forth in this Section 8(d) shall not apply to actions brought under 8(a) above or to any injury to persons or damages to property arising out of NEOGOV's gross negligence or willful, gross misconduct.

9. **Term and Termination**.

(a) This Agreement shall commence as of the date hereof and remain in effect for twelve (12) months unless terminated by either party as set forth herein ("Initial Term").

(b) This Agreement may be renewed for additional terms ("Renewal Term") equal in duration to the Initial Term provided Customer notifies NEOGOV at least thirty (30) days prior to the end of the Initial Term or a Renewal Term.

(c) NEOGOV reserves the right to terminate this Agreement immediately if the Services provided hereunder become illegal or contrary to any applicable law, rule, regulation or public policy. Each party shall have the right to terminate this Agreement upon sixty (60) days prior written notice to the other party.

(d) Within sixty (60) days of notification of termination of this Agreement, NEOGOV shall provide Customer with a dedicated data files suitable for importation into commercially available database software (e.g., MS-Access or MS-SQL) The dedicated data files will be comprised of Customer's data contained in NEOGOV's system. The structure of the relational database will be specific to the Customer's data and will not be representative of the proprietary NEOGOV database.

10. **Payments**.

(a) *Initial Term.* See Exhibit A (Order Form).

(b) *Renewal Term(s).* For each Renewal Term, NEOGOV will continue to provide Customer with the Services, and will provide maintenance and support services as described herein, provided Customer issues a purchase order or modification to this Agreement and pays NEOGOV in advance the annual recurring charges then in effect. If there is an increase in annual maintenance and support charges, NEOGOV shall give Customer written notice of such increase at least thirty (30) days prior to the expiration of the applicable term.

11. **Force Majeure**. NEOGOV shall not be liable for any damages, costs, expenses or other consequences incurred by Customer or by any other person or entity as a result of delay in or inability to deliver any Services due to circumstances or events beyond NEOGOV's reasonable control, including, without limitation: (i) acts of God; (ii) changes in or in the interpretation of any law, rule, regulation or ordinance; (iii) strikes, lockouts or other labor problems; (iv) transportation delays; (v) unavailability of supplies or materials; (vi) fire or explosion; (vii) riot, military action or usurped power; or (viii) actions or failures to act on the part of a governmental authority.

12. **Piggyback Clause.** It is understood and agreed by Customer and NEOGOV that any governmental entity may purchase the services specified herein in accordance with the prices, terms, and conditions of this

agreement. It is also understood and agreed that each local entity will establish its own contract with NEOGOV, be invoiced therefrom and make its own payments to NEOGOV in accordance with the terms of the contract established between the new governmental entity and NEOGOV. It is also hereby mutually understood and agreed that Customer is not a legally bound party to any contractual agreement made between NEOGOV and any entity other than Customer.

13. **Miscellaneous**. Either party may not assign its rights or obligations under this Agreement without the prior written consent of the other party. This Agreement may not be modified or amended (and no rights hereunder may be waived) except through a written instrument signed by the party to be bound. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall be governed by and construed in accordance with the laws of the State of AZ, without giving effect to conflict of law rules. Customer acknowledges and agrees that this Agreement is not intended to be and shall not be construed to be a franchise or business opportunity.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers as of the date set forth above.

Customer

Signature: Ralph Velez

Print Name: Ralph Velez

Title: City Mgr

GovernmentJobs.com, Inc., a California corporation

Signature:

Print Name: Scott Letourneau

Title: President

Date: 8/29/14

EXHIBIT A – ORDER FORM

Customer:	Bill To:
City of San Luis (AZ)	Attention: Address: Phone: Email:

Quote Date:	7/17/2014	**Valid To:**	90 days
Requested Service Date:	TBD	**Initial Term:**	12 Months with annual renewal option

Order Summary: NOTE: The following discounts are available if the contract is pre-paid for the specified number of years: 2 year = 4% discount, 3 year = 6% discount, 4 years = 8% discount, 5 years = 10% off your ongoing annual license

Line	Description[1]	Annual Recurring Cost[1]	Non-Recurring Cost
1.0	**Insight Enterprise Edition (IN)**		
1.1	Subscription License & Maintenance	$7,252.00	
1.2	Provisioning		$6,000.00
1.3	Online Training		$.00
	Governmentjobs.com Job Posting Subscription (Optional)	$1150.00	
	Salary Study	$300.00	
	Sub Total:	**$8,702.00**	**$6,000.00**
	Order Total:		**$14,702.00**

NOTES:

[1]More detailed descriptions of the services are contained in the order detail for each service, which are incorporated herein and made a part hereof by this reference.

Order Detail

1.0 Insight Enterprise Edition (IN)

1.1 License Subscription

The Customer's subscription to the Insight Hiring Management Software includes the following functionality:

Recruitment

- Customized online job application
- Accept job applications online
- Online applications integration with current agency website
- Online job announcements and descriptions
- Automatic online job interest cards
- Proactively search your applicant database
- Real-time database of all applicant information
- Recruitment and examination planning

Selection

- Create, store, and reuse supplemental questions in the Insight item bank
- Screen applicants automatically as they apply
- Define unique scoring plans per recruitment, or copy existing scoring plans
- Test Item bank (optional in TMS at an extra charge)
- Conduct item analysis
- Test processing (automatically input Scantron test data sheets)*
- Test analysis and pass-point setting
- Score, rank, and refer applicants

Applicant Tracking

- Email and hardcopy notifications
- EEO Data collection and reports
- Track applicants by step/hurdle
- Schedule written, oral, and other exams
- Detailed applicant history record
- Skills tracking and matching

Reporting and Analysis

- Collect and report on EEO data
- Analyze and report on adverse impact and applicant flow
- Track and analyze data such as time-to-hire, recruitment costs, staff workload, applicant quality, etc.
- Over 80 standard system reports
- Ad Hoc reporting tool

HR Automation

- Create and route job requisitions
- Refer and certify applicants electronically
- Scan paper application materials

* Requires a Scantron or similar Optical Mark Reader (OMR) scanner, special forms, form set-up, and scanner software, which are not included in the cost.

Additionally, during the term of the subscription, the Customer will be provided:

Unlimited Customer Support (6:00 AM – 6:00 PM PT)

Customer Support shall be provided to the Customer both on-line and by telephone Monday –

Friday, 6:00 AM – 6:00 PM PT (excluding NEOGOV holidays).

Product Upgrades to Licensed Software

Customer shall receive all product upgrades to purchased package. Product upgrades are automatic and available upon the next login following a product upgrade rollout. Product upgrade rollouts are generally released every three months.

1.2 Provisioning

The following activities are conducted as part of the Insight Enterprise implementation

- Conduct a project kick off meeting to review the project timeline, deliverables, and establish project expectations
- NEOGOV will establish an Agency-specific training environment that will be used during training and post-training to allow the Agency to learn the system and begin defining new roles, responsibilities, and activities within the HR staff
- NEOGOV will conduct eight hours of on line instructor led video tutorial training. NEOGOV will provide all required user exercises and user guides to the Agency.
- Once the core user community is comfortable with the system (typically within 10 hours of hands-on use) they will train the remaining HR staff to complete their tasks using Insight.
- Between the training and go-live, NEOGOV will complete the following activities:
  - Creating an agency-specific training environment which is used by your agency during training and afterwards to train in prior to moving into production
  - Configure printable job bulletin
  - Integrate your new production job opportunities, promotional opportunities, and class specifications web pages into your existing agency website
  - Establish the Agency's Insight Enterprise production environment

1.3 Training

NEOGOV will deliver online training videos to Agency recruiters. We will provide all required user exercises and user guides to the Agency.

Following the training, your agency will have full access to the training environment. Additionally, your agency has full access to our Customer Support Help Desk during the training to help new users fully utilize Insight. Our existing customers find that this unique implementation approach enables their users to become familiar with Insight in a safe environment, promoting system use and leading to a more successful rollout.

2.0 Governmentjobs.com – Subscription for unlimited job postings and advertisement on Governmentjobs.com

3.0 Salary Study Compare Salaries and Benefits in Real Time.

Order Form Terms and Conditions:

(1) The Customer hereby orders and GovernmentJobs.com, Inc. (d/b/a NEOGOV, Inc., hereafter "NEOGOV") agrees to provide the services described in this Order Form. THE SERVICES ARE PROVIDED PERSUANT TO THE TERMS AND CONDITIONS OF THIS ORDER FORM AND THE SERVICE AGREEMENT BETWEEN NEOGOV AND THE CUSTOMER.

(2) The Customer agrees that the payment schedule is as follows:

Provide all required software and licenses

- One hundred percent (100%) of the annual license price is payable within thirty (30) days of execution of this Order Form and Service Agreement. ($8,702.00)

Software Provisioning

- One hundred percent (100%) of the non-recurring costs are to be paid to NEOGOV within thirty (30) days of the execution of this Order Form and Service Agreement. ($6,000.00)

Online Training

- One hundred percent (100%) of the non-recurring costs are to be paid to NEOGOV within thirty (30) days of the execution of this Order Form and Service Agreement. ($.00)

(3) Neither the Customer nor NEOGOV will be bound by this Order Form until it has been signed by authorized representatives of both parties.

(4) Changes or alterations to this Order Form will not be accepted.

THERE ARE SIGNIFICANT ADDITIONAL TERMS AND CONDITIONS, WARRANTY DISCLAIMERS AND LIABILITY LIMITATIONS CONTAINED IN THE SERVICE AGREEMENT BETWEEN THE CUSTOMER AND NEOGOV.

DO NOT SIGN THIS ORDER FORM BEFORE YOU HAVE READ THE SERVICE AGREEMENT IN ITS ENTIRETY. YOUR SIGNATURE BELOW INDICATES THAT YOU HAVE READ THE SERVICE AGREEMENT AND AGREE TO BE BOUND BY ITS PROVISIONS.

Customer		**NEOGOV, Inc.**	
Signature:	Ralph Velez	Signature:	
Print Name:	Ralph Velez	Print Name:	Scott Letourneau
Title:	City Mgr	Title:	President
Date:	8-14-2014	Date:	8/29/14

Arizona Contract Required Certifications and Notice

Certification under ARS §35-393.01: All contracts with the City of San Luis and materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Legislation has been enacted to prohibit the state and its political subdivisions from contracting with companies currently engaged in a boycott of Israel. To ensure compliance with A.R.S. §35-393.01, this form must be completed and returned with to the City o assist the City in making its determination of compliance.

As defined by A.R.S. §35-393.01:

1."Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with Israel or with persons or entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
   (a) In compliance with or adherence to calls for a boycott of Israel other than those boycotts to which 50 United States Code section 4607(c) applies.
   (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.

2. "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, and includes a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate.

3. "Direct holdings" means all publicly traded securities of a company that are held directly by the state treasurer or a retirement system in an actively managed account or fund in which the retirement system owns all shares or interests.

4."Indirect holdings" means all securities of a company that are held in an account or fund, including a mutual fund, that is managed by one or more persons who are not employed by the state treasurer or a retirement system, if the state treasurer or retirement system owns shares or interests either:
   (a) together with other investors that are not subject to this section.
   (b) that are held in an index fund.

5."Public entity" means this State, a political subdivision of Arizona or an agency, board, commission or department of Arizona or a political subdivision of Arizona, such as a city.

6."Public fund" means the state treasurer or a retirement system.

7. "Restricted companies" means companies that boycott Israel.

8. "Retirement system" means a retirement plan or system that is established by or under title 38.

All offerors must select one of the following:

✓ My company **does not** participate in and agrees not to participate in during the term of the contract a boycott of Israel in accordance with A.R.S. §35-393.01. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.

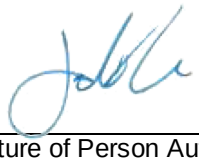
_____ My company **does** participate in a boycott of Israel as defined by A.R.S. §35-393.01.:

By submitting this response, proposer agrees to indemnify and hold the City, its agents and employees, harmless from any claims or causes of action relating to the City's action based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by the City in defending such an action.

Certification of e-verify: Under A.R.S. §41-4401(A), the undersigned is authorized to and does warrant its compliance with all federal immigration laws and regulations that relate to its employees and its compliance with A.R.S. § 23-214, subsection A, e-verify. A breach by the undersigned or his/her employer of this warranty shall be deemed a material breach of the contract that is subject to penalties up to and including termination of the contract. The City retains the legal right to inspect the papers of any contractor or subcontractor employee who works under this Agreement to ensure that the undersigned, his/her employer or the employer's subcontractor or subcontractors are complying with this warranty.

Notice of A.R. S. §38-511: Conflict of Interest. Under Arizona law, rules and regulations, no member, official or employee of the City shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official or employee participate in any decision relating this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This agreement is subject to the provisions of A.R.S. §38-511.

GovernmentJobs.com, Inc.
Company Name


Signature of Person Authorized to Sign

300 Continental Blvd., Suite 2000
Address

John Closs
Printed Name

El Segundo CA 90245
City State Zip

Finance
Title

RE: NeoGov Contract

Thursday, October 12, 2017 7:42 PM

Subject	**RE: NeoGov Contract**
From	Mark Schott
To	Olivia Jenkins; Baird-Simmons, Melanie; David Coolidge; Jacobsen,Mary; Kathleen Haggerty; Ashley Ryan; lriley@ajcity.net; cpenilla@avondale.org; personnel@bisbeeaz.gov; nlove@buckeyeaz.gov; brichardson@bullheadcity.com; russ.martin@campverde.az.gov; gary@carefree.org; dawn_jett@casagrandeaz.gov; cdyrek@cavecreek.org; debra.stapleton@chandleraz.gov; lkyriakakis@chinoaz.net; janet.perry@clarkdale.az.gov; ian@townofclifton.com; jhenderson@coolidgeaz.com; Iris Dobler; juliegibson@dhaz.gov; rocio.garcia@douglasaz.gov; john.basteen@townofduncan.org; e.wilson@eagaraz.gov; sking@elmirageaz.gov; spayne@eloyaz.gov; sanderson@flagstaffaz.gov; scott.barber@florenceaz.gov; dtrimble@fh.az.gov; townclerk@fredonia.net; bturnerr@gilabendaz.org; jolean.fleck@gilbertaz.gov; jwbrown@glendaleaz.com; ccollopy@globeaz.gov; lyman.locket@goodyearaz.gov; lromero@townofhayden.net; patnichols@ci.holbrook.az.us; tmitchell@huachucacityaz.gov; c.gallagher@jerome.az.gov; aflores@townofkearny.com; jwalker@cityofkingman.gov; palbickis@lhcaz.gov; csellmeyer@litchfield-park.org; townofmammoth@hotmail.com; chale@maranaaz.gov; gary.manning@mesaaz.gov; miamimanager@cableone.net; mpinon@nogalesaz.gov; gbridget@orovalleyaz.gov; keddlemon@pageaz.gov; jhancock@paradisevalleyaz.gov; laura.krause@peoriaaz.gov; sean.lewis@pimatown.az.gov; ksmith@pvaz.net; bruce.gardner@queencreek.org; cdavis@saffordaz.gov; mmalott@sahuaritaaz.gov; dbrown@scottsdaleaz.gov; btammarine@sedonaaz.gov; barbara.fleming@sierravistaaz.gov; luciaarmas@somertonaz.gov; renie_broderick@tempe.gov; mmortensen@thatcher.az.gov; wjackson@tollesonaz.org; cityhall@cityoftombstone.com; rebecca.hill@tucsonaz.gov; svanallen@willcoxcity.org; pgalvan@williamsaz.gov; skerlock@townofwinkelman.com; jblackman@youngtownaz.org; ron.corbin@yumaaz.gov; Veronica Moreno
Cc	Edgardo Carbajal; Kassandra Ramirez; Maria Sabori; HR Staff
Sent	Thursday, September 21, 2017 12:51 PM

We use NeoGov in Surprise. There is no cooperative language in the agreement and we renew annually.
Mark

Mark Schott, SHRM-SCP, IPMA-SCP
Human Resources Director
City of Surprise
16000 N. Civic Center Plaza, Surprise, AZ 85374
Dir: 623.222.3540 | Fax: 623.222.3501

From: Olivia Jenkins [mailto:OJenkins@cityofsanluis.org]
Sent: Thursday, September 21, 2017 11:35 AM
To:
Cc: Edgardo Carbajal; Kassandra Ramirez; Maria Sabori; HR Staff
Subject: NeoGov Contract

Hello everyone,

Question1: Who uses NeoGov – GovernmentJobs.com?
Question2: Who would have an open RFP – or approved bid for NeoGov that COSL could piggy-back to?
Question3: Those of you who use NeoGov – GovernmentJobs.com – is the renewal is annually or for 1-2, 2-3 years?

Your attention, feedback and assistance would be greatly appreciated, thank you.

Olivia Jenkins, Director

Human Resources Department
San Luis, AZ 85349
P: (928)341-8579|F: (928)722-6773
ojenkins@cityofsanluis.org
www.cityofsanluis.org

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City Hall offices open at 8 a.m. and close at 5 p.m. Monday through Friday. More info at www.surpriseaz.gov.

This e-mail and any accompanying files transmitted are intended solely for the use of the individual or entity to whom they are addressed; if you have received this e-mail in error please delete it and notify the sender. In addition, under Arizona law, e-mail communications and e-mail addresses may be public records.
0.1
21 Sep 2017 19:51:09 -0000

FW: NeoGov Contract

Thursday, October 12, 2017 7:45 PM

Subject	**FW: NeoGov Contract**
From	Karen Smith
To	Olivia Jenkins
Sent	Thursday, September 21, 2017 1:51 PM

We also use NeoGov and renew annually.

From: Mark Schott [mailto:Mark.Schott@surpriseaz.gov]
Sent: Thursday, September 21, 2017 12:51 PM
Subject: RE: NeoGov Contract

We use NeoGov in Surprise. There is no cooperative language in the agreement and we renew annually.
Mark

Mark Schott, SHRM-SCP, IPMA-SCP
Human Resources Director
City of Surprise
16000 N. Civic Center Plaza, Surprise, AZ 85374
Dir: 623.222.3540 | Fax: 623.222.3501

From: Olivia Jenkins [mailto:OJenkins@cityofsanluis.org]
Sent: Thursday, September 21, 2017 11:35 AM
To:
Cc: Edgardo Carbajal; Kassandra Ramirez; Maria Sabori; HR Staff
Subject: NeoGov Contract

Hello everyone,

Question1: Who uses NeoGov – GovernmentJobs.com?
Question2: Who would have an open RFP – or approved bid for NeoGov that COSL could piggy-back to?
Question3: Those of you who use NeoGov – GovernmentJobs.com – is the renewal is annually or for 1-2, 2-3 years?

Your attention, feedback and assistance would be greatly appreciated, thank you.

Olivia Jenkins, Director
Human Resources Department
San Luis, AZ 85349
P: (928)341-8579|F: (928)722-6773
ojenkins@cityofsanluis.org
www.cityofsanluis.org

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0.1

21 Sep 2017 19:51:09 -0000

RE: NeoGov Contract

Thursday, October 12, 2017 7:50 PM

Subject	**RE: NeoGov Contract**
From	Bridget, Gary
To	Olivia Jenkins
Sent	Thursday, September 28, 2017 8:32 AM

Hello Olivia,

We use NEOGOV as our platform and we have a subscription to Governmentjobs.com where out posting in NEOGOV are pushed out to them. Our contract renews annually and is sole source.

Thank you,

Gary M. Bridget, SHRM-SCP, SPHR
Human Resources Director
Town of Oro Valley, Arizona
11000 N. La Canada Drive
Oro Valley, AZ 85737
520-229-4750 (office)
623-670-1275 (cell/text)

From: Olivia Jenkins [mailto:OJenkins@cityofsanluis.org]
Sent: Thursday, September 21, 2017 11:35 AM
To: Baird-Simmons, Melanie <mbaird-simmons@paysonaz.gov>; David Coolidge <dcoolidge@winslowaz.gov>; Jacobsen,Mary <mary.jacobsen@prescott-az.gov>; Kathleen Haggerty <Kathleen.Haggerty@maricopa-az.gov>; Ashley Ryan <aryan@showlowaz.gov>; lriley@ajcity.net; cpenilla@avondale.org; personnel@bisbeeaz.gov; nlove@buckeyeaz.gov; brichardson@bullheadcity.com; russ.martin@campverde.az.gov; gary@carefree.org; dawn_jett@casagrandeaz.gov; cdyrek@cavecreek.org; debra.stapleton@chandleraz.gov; lkyriakakis@chinoaz.net; janet.perry@clarkdale.az.gov; ian@townofclifton.com; jhenderson@coolidgeaz.com; Iris Dobler <idobler@cottonwoodaz.gov>; juliegibson@dhaz.gov; rocio.garcia@douglasaz.gov; john.basteen@townofduncan.org; e.wilson@eagaraz.gov; sking@elmirageaz.gov; spayne@eloyaz.gov; sanderson@flagstaffaz.gov; scott.barber@florenceaz.gov; dtrimble@fh.az.gov; townclerk@fredonia.net; bturnerr@gilabendaz.org; jolean.fleck@gilbertaz.gov; jwbrown@glendaleaz.com; ccollopy@globeaz.gov; lyman.locket@goodyearaz.gov; lromero@townofhayden.net; patnichols@ci.holbrook.az.us; tmitchell@huachucacityaz.gov; c.gallagher@jerome.az.gov; aflores@townofkearny.com; jwalker@cityofkingman.gov; palbickis@lhcaz.gov; csellmeyer@litchfield-park.org; townofmammoth@hotmail.com; chale@maranaaz.gov; gary.manning@mesaaz.gov; miamimanager@cableone.net; mpinon@nogalesaz.gov; Bridget, Gary <gbridget@orovalleyaz.gov>; keddlemon@pageaz.gov; jhancock@paradisevalleyaz.gov; laura.krause@peoriaaz.gov; sean.lewis@pimatown.az.gov; ksmith@pvaz.net; bruce.gardner@queencreek.org; cdavis@saffordaz.gov; mmalott@sahuaritaaz.gov; dbrown@scottsdaleaz.gov; btammarine@sedonaaz.gov; barbara.fleming@sierravistaaz.gov; luciaarmas@somertonaz.gov; mark.schott@surpriseaz.gov; renie_broderick@tempe.gov; mmortensen@thatcher.az.gov; wjackson@tollesonaz.org; cityhall@cityoftombstone.com; rebecca.hill@tucsonaz.gov; svanallen@willcoxcity.org; pgalvan@williamsaz.gov; skerlock@townofwinkelman.com; jblackman@youngtownaz.org; ron.corbin@yumaaz.gov; Veronica Moreno <vmoreno@southtucson.org>

Cc: Edgardo Carbajal <ecarbajal@cityofsanluis.org>; Kassandra Ramirez <kramirez@cityofsanluis.org>; Maria Sabori <MSabori@cityofsanluis.org>; HR Staff <hrstaff@cityofsanluis.org>
Subject: NeoGov Contract

Hello everyone,

Question1: Who uses NeoGov – GovernmentJobs.com?
Question2: Who would have an open RFP – or approved bid for NeoGov that COSL could piggy-back to?
Question3: Those of you who use NeoGov – GovernmentJobs.com – is the renewal is annually or for 1-2, 2-3 years?

Your attention, feedback and assistance would be greatly appreciated, thank you.

Olivia Jenkins, Director
Human Resources Department
San Luis, AZ 85349
P: (928)341-8579|F: (928)722-6773
ojenkins@cityofsanluis.org
www.cityofsanluis.org

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AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.H.**

Meeting Date: 11/08/2017

Department Head: Olivia Jenkins, Director of Human Resources, Human Resources Department

Submitted By: Olivia Jenkins, Director of Human Resources, Human Resources Department

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding formal approval and ratification of the City of San Luis Salary Schedule for certain positions starting pay rate and skills pay for Fiscal Year 2014-2015 and 2016-2017. **(Olivia Jenkins, Director of Human Resources)**

SUMMARY:

It was brought to the Human Resources attention that there were some discrepancies in the starting pay rate and skills pay for some positions in the Fire and Police Departments. City of San Luis departments, during budget preparation, along with City Administration and the Finance Department proposed requests and recommendations in relation to salaries as part of the budget process. After an extensive research and collection of documentation on said discrepancies, it was determined and concluded that the starting pay rate for some positions as well as the skills pay was not being applied as proposed and per adopted fiscal budget.

Therefore, Human Resources is recommending that the identified salaries and skills pay for Fiscal Years 2014-2015, and 2016-2017 are ratified by council action. This will bring in line city's salary schedule, affected employees pay rate, skills pay, and due compensation to the affected positions. Staff is presenting this item for formal approval through ratification for the Fiscal Year 2014-2015 and Fiscal Year 2016-2017.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO RATIFY AND ADOPT INTO THE SALARY SCHEDULE THE SALARIES AND SKILLS PAY BUDGETED BY CITY COUNCIL FOR FISCAL YEAR 2014-2015 AND FOR FISCAL YEAR 2016-2017 AND AUTHORIZE STAFF TO TAKE ALL ACTION NECESSARY TO UPDATE THE SALARY SCHEDULE TO CONFORM WITH THE BUDGETS OF FISCAL YEARS 2014-015 AND 2016-2017.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	City
TOTAL:	TBD
BUDGETED AMOUNT:	N/A

AVAILABLE AMOUNT TO TRANSFER: TBD

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: TBD

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Estimated impact to police and fire budget is being calculated and will be finalized upon city council's ratification requested and recommended by staff.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.I.**
Meeting Date: 11/08/2017
Department Head: Olivia Jenkins, Director of Human Resources, Human Resources Department
Submitted By: Olivia Jenkins, Director of Human Resources, Human Resources Department
Action Requested: Motion

ITEM:
Discussion and possible action on any and all matters regarding Resolution No. 2012. A resolution of the Mayor and City Council of the City of San Luis, Arizona amending the Personnel Policies Sections HR-4-01 and HR-4-05 on sick leave benefits. **(Olivia Jenkins, Director of Human Resources)**

SUMMARY:
The Arizona State Legislature passed new statutes requiring employers to provide "Paid Sick Time" for part-time employees up to 40 hours per fiscal year and other related "Paid Sick Time" benefits. The city has been providing this benefit effective July 1, 2017. However, the Personnel Policies need to be in line with the new state law requirements. The fiscal impact to the departments that hold part-time positions will vary depending on the number of part-time (which includes seasonal, temporary, and emergency) hires.

Some key points:
•The full-time employees' sick time accrual rate does not change.
•The full-time employees' sick time, for the first 40 hours, will follow the new state law called "Paid Sick Time" (PST). (See HR 4-05(B)).
•Sick time used for "employee's family member's illness, injury, examination, or treatment by a licensed health care practitioner, which shall not exceed 40 hours per fiscal year, except in the case of FMLA leave" (See HR-4-05(C)(3)).
•The full-time and part-time employees on sick leave including PST under the new law ". . . .may be required, after being absent for three consecutive work days, to provide documentation verifying the need for leave."(See HR-4-05(D)(2)).
•The part-time employees sick time accrual rate is 1 hour of sick time for 30 hours. The maximum hours which may be accrued are 40 hours per fiscal year. Any unused sick time is not cumulative.
•Part-time employees may not use PST for the first 90 days of employment.

Human Resources took advantage of the revision to have the Risk Pool Attorney rewrite the provisions that were unclear in the existing sick leave policy. Attached is (1) the Resolution, (2) final draft policy, (3) a quick fact sheet summarizing the new state law, (4) current policy HR-4-01 and (5) current policy HR-4-05. The amendment has been thoroughly reviewed by HR and the City Attorney. Staff recommends approval of the amendments.

RECOMMENDATION / SUGGESTED MOTION:
I MOVE TO APPROVE RESOLUTION NO. 2012.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	No
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

No fiscal impact.

Attachments

Paid Sick Time Fact Sheet
Exibit 1
Sick Leave Policy
Resolution 2012

THE FAIR WAGES AND HEALTHY FAMILIES ACT

Earned Paid Sick Time

EXEMPTIONS:

The Fair Wages and Healthy Families Act (the "Act") does not apply to any person who is employed by a parent or a sibling; any person who is employed performing babysitting services in the employer's home on a casual basis; or any person employed by the State of Arizona or the United States government.

ENTITLEMENT AND AMOUNT:

Beginning July 1, 2017, employees are entitled to earned paid sick time and accrue a minimum of one hour of earned paid sick time for every 30 hours worked, subject to the following limitations:

- Employees whose employers have less than 15 employees may only accrue or use 24 hours of earned paid sick time per year.
- Employees whose employers have 15 or more employees may only accrue or use 40 hours of earned paid sick time per year.

Employers are permitted to select higher accrual and use limits.

TERMS OF USE:

Earned paid sick time may be used for the following purposes: (1) medical care or mental or physical illness, injury, or health condition; or (2) a public health emergency; and (3) absence due to domestic violence, sexual violence, abuse, or stalking. Employees may use earned paid sick time for themselves or for family members. *See* Arizona Revised Statutes § 23-373 for more information.

RETALIATION & DISCRIMINATION PROHIBITED:

Employers are prohibited from discriminating against or subjecting any person to retaliation for: (1) asserting any claim or right under the Act, including requesting or using earned paid sick time; (2) assisting any person in doing so; or (3) informing any person of their rights under the Act.

ENFORCEMENT:

Each employee has the right to file a complaint with the Industrial Commission's Labor Department alleging that an employer has violated the Act. Certain time limits apply. A civil action may also be filed as provided in the Act. Violations of the Act may result in penalties.

INFORMATION:

For additional information regarding the Act, you may refer to the Industrial Commission's website at www.azica.gov or contact the Industrial Commission's Labor Department: 800 W. Washington, Phoenix, Arizona 85007-2022; (602) 542-4515.

THIS POSTER MUST BE CONSPICUOUSLY POSTED IN A PLACE THAT IS ACCESSIBLE TO EMPLOYEES

Exhibit 1

HR-4-01. Benefit Administration

A. Eligibility for leave. All City service employees, except part-time, emergency, seasonal, and temporary employees, are eligible for any type of leave with pay from the date of appointment. Original probationary employees earn vacation and sick leave from their date of appointment but may only use accrued sick leave during their probationary period. Except as otherwise required by law, part-time, emergency, seasonal, and temporary employees are eligible only for Paid Sick Time (as set forth in HR-4-05), administrative leave, military leave, and civic duty leave for voting and jury duty.

B. Requests for leave. Where foreseeable, an employee must obtain approval in advance and in writing prior to taking any leave.

HR-4-05. Sick Leave.

A. Accrual.

1. Full-time employees.
    a. All full-time employees shall accrue sick leave at the rate of 3.69 hours per pay period for employees with a regular work period of 7 days, and at the rate of 4.89 hours per pay period for employees with a regular work period of 28 days.
    b. Accrued sick leave is credited on the last day of the pay period in which earned, provided the employee has been in a pay status for at least ½ of the employee's working days in that pay period. A full-time employee who does not work at least ½ of the employee's working days in a pay period will accrue sick leave at the rate of one hour of sick leave for every 30 hours worked in that period. For example, if a full-time employee, who typically works 80 hours in a pay period works 30 hours in the pay period, the employee would receive one hour of sick leave. If that same employee works 15 hours in a pay period, the employee would receive 0.5 hours of sick leave.
    c. The maximum number of hours of sick leave that any full-time employee may accumulate is 360 hours. Sick leave earned after reaching the maximum will be converted to vacation at a rate of 1 hour of vacation for every 3 hours of sick leave up to the maximum vacation accrual.
2. Part-time, seasonal, temporary, and emergency employees.
    a. Part-time, seasonal, temporary, and emergency employees shall accrue one hour of sick leave for every 30 hours worked, up to 40 hours in a fiscal year. Accrual begins on the date of appointment; however, part-time, seasonal, temporary, and emergency employees may not use sick leave for the first 90 days of employment.
    b. All sick leave accrued by part-time, seasonal, temporary, and emergency employees will be considered Paid Sick Time ("PST"), as discussed below. Any accrued, unused PST, up to 40 hours at the end of a fiscal year, shall be rolled over to the following year; however, part-time, seasonal,

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temporary, and emergency employees may only use 40 hours of PST per fiscal year.

B. Paid Sick Time ("PST"). The first 40 hours of sick leave taken in a year by any employee will be counted as PST under A.R.S. § 23-371, et seq.

1. PST may be used for the purposes set forth in A.R.S. § 23-373, including:
   a. An employee's mental or physical illness, injury, health condition, or actual or potential exposure to a communicable disease;
   b. To care for a family member's mental or physical illness, injury, health condition, or actual or potential exposure to a communicable disease;
   c. An employee's or a family member's need for medical diagnosis, treatment, or preventative care;
   d. Certain public health emergencies; and
   e. Absence due to domestic violence, sexual violence, abuse, or stalking involving an employee or a family member.
2. Except as otherwise set forth herein, for purposes of this policy, a "family member" is defined as set forth in A.R.S. § 23-371.
3. PST (and all other paid leave) will run concurrently with Family and Medical Leave Act ("FMLA") leave if the leave qualifies as FMLA leave.

C. Sick Leave Upon Exhaustion Of PST. Upon exhaustion of PST, full-time employees may use sick leave for:

1. The employee's illness or injury, which renders the employee unable to perform the duties of the position.
2. The employee's examination or treatment by a licensed health care practitioner.
3. The employee's family member's illness, injury, examination, or treatment by a licensed health care practitioner, which shall not exceed 40 hours per fiscal year, except in the case of FMLA leave (in which case, the definitions, including the definition of "family member", and the reasons for leave set forth in the FMLA, as per HR-4-11, shall apply).

D. Use Of Sick Leave.

1. An employee may take paid sick leave when approved by the Supervisor and Human Resources.
2. An employee on sick leave, including PST, may be required, after being absent for three consecutive work days, to provide documentation verifying the need for leave.
3. In certain circumstances, Human Resources may require an employee to be examined by a licensed health care practitioner designated by Human Resources. If the licensed health care practitioner determines that the employee should not work due to illness or injury, Human Resources may place the employee on sick leave or, if the employee's sick leave is exhausted, on vacation leave, or on leave without pay. Human Resources may require the employee to obtain approval from the licensed health care practitioner prior to returning to work. The City shall pay for all examinations required pursuant to this subsection. The employee shall not be charged any leave while participating in or traveling to or from any examination required pursuant to this subsection.

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E. Donation Of Sick Leave.

1. Definitions. "Extended illness or injury" means a period of at least three consecutive weeks in which the employee is medically unable to work and the employee's absence is covered under FMLA, or the employee otherwise qualifies for a serious health condition as stated in HR-4-11.
2. Eligibility.
   a. A full-time employee may donate sick leave to another full-time employee who has no accumulated paid leave if:
      i. The donating employee has a sick leave balance exceeding 120 hours. Only sick leave hours exceeding 120 will be available for donation.
      ii. The recipient employee will use the donated sick leave for the recipient's own extended illness or injury.
      iii. A recipient employee may use a maximum of two consecutive months of donated leave (320 hours for employees working 40 hours per week or 424 hours for employees with work periods of 212 hours) in a 12-month period, which shall be the same as the 12-month period used by the City for FMLA purposes. The eligibility to receive donated leave shall terminate upon employee's receipt of Long-Term Disability benefits.
      iv. The illness or injury is not under workers' compensation.
      v. Recipients' donation-leave requests must be approved by Human Resources and are contingent upon availability of financial funding.
      vi. Before using donated sick leave, a recipient employee with a qualifying illness or injury shall exhaust all available compensatory, sick, and vacation leave.
3. Donation of sick leave is voluntary. Human Resources will establish procedures for donating leave and eligibility for recipients.
4. If the recipient employee separates from City service, recovers before using all donated leave, or the need for the donated leave is otherwise abated, the City shall return unused leave to contributors on a prorated basis.
5. No leave accrual will occur for recipient employees receiving payment entirely from donated sick leave.
6. Hours donated will be applied on an hour by hour basis.

F. Separation From Employment.

1. Sick leave, including PST, will not be paid out upon separation from City service except as otherwise provided by law.
2. If a full-time employee is laid off due to a reduction in force and is re-hired within one year from the separation date, he or she will be credited with all unused sick leave at the time of separation.
3. If any employee separates from City employment for any reason and is re-hired within nine months from the separation date, unused, accrued PST will be reinstated. Upon rehire, employees will be eligible to use any reinstated sick leave immediately.

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HR-4-01. Benefit Administration

A. Eligibility for leave. All City service employees, except part-time, emergency, seasonal, and temporary employees, are eligible for any type of leave with pay from the date of appointment. Original probationary employees earn vacation and sick leave from their date of appointment but may only use accrued sick leave during their probationary period. Except as otherwise required by law, part-time, emergency, seasonal, and temporary employees are eligible only for Paid Sick Time (as set forth in HR-4-05), administrative leave, military leave, and civic duty leave for voting and jury duty.

B. Requests for leave. Where foreseeable, an employee must obtain approval in advance and in writing prior to taking any leave.

HR-4-05. Sick Leave.

A. Accrual.

1. Full-time employees.
    a. All full-time employees shall accrue sick leave at the rate of 3.69 hours per pay period for employees with a regular work period of 7 days, and at the rate of 4.89 hours per pay period for employees with a regular work period of 28 days.
    b. Accrued sick leave is credited on the last day of the pay period in which earned, provided the employee has been in a pay status for at least ½ of the employee's working days in that pay period. A full-time employee who does not work at least ½ of the employee's working days in a pay period will accrue sick leave at the rate of one hour of sick leave for every 30 hours worked in that period. For example, if a full-time employee, who typically works 80 hours in a pay period works 30 hours in the pay period, the employee would receive one hour of sick leave. If that same employee works 15 hours in a pay period, the employee would receive 0.5 hours of sick leave.
    c. The maximum number of hours of sick leave that any full-time employee may accumulate is 360 hours. Sick leave earned after reaching the maximum will be converted to vacation at a rate of 1 hour of vacation for every 3 hours of sick leave up to the maximum vacation accrual.
2. Part-time, seasonal, temporary, and emergency employees.
    a. Part-time, seasonal, temporary, and emergency employees shall accrue one hour of sick leave for every 30 hours worked, up to 40 hours in a fiscal year. Accrual begins on the date of appointment; however, part-time, seasonal, temporary, and emergency employees may not use sick leave for the first 90 days of employment.
    b. All sick leave accrued by part-time, seasonal, temporary, and emergency employees will be considered Paid Sick Time ("PST"), as discussed below. Any accrued, unused PST, up to 40 hours at the end of a fiscal year, shall be rolled over to the following year; however, part-time,

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seasonal, temporary, and emergency employees may only use 40 hours of PST per fiscal year.

B. Paid Sick Time ("PST"). The first 40 hours of sick leave taken in a year by any employee will be counted as PST under A.R.S. § 23-371, et seq.

1. PST may be used for the purposes set forth in A.R.S. § 23-373, including:
   a. An employee's mental or physical illness, injury, health condition, or actual or potential exposure to a communicable disease;
   b. To care for a family member's mental or physical illness, injury, health condition, or actual or potential exposure to a communicable disease;
   c. An employee's or a family member's need for medical diagnosis, treatment, or preventative care;
   d. Certain public health emergencies; and
   e. Absence due to domestic violence, sexual violence, abuse, or stalking involving an employee or a family member.
2. Except as otherwise set forth herein, for purposes of this policy, a "family member" is defined as set forth in A.R.S. § 23-371.
3. PST (and all other paid leave) will run concurrently with Family and Medical Leave Act ("FMLA") leave if the leave qualifies as FMLA leave.

C. Sick Leave Upon Exhaustion Of PST. Upon exhaustion of PST, full-time employees may use sick leave for:

1. The employee's illness or injury, which renders the employee unable to perform the duties of the position.
2. The employee's examination or treatment by a licensed health care practitioner.
3. The employee's family member's illness, injury, examination, or treatment by a licensed health care practitioner, which shall not exceed 40 hours per fiscal year, except in the case of FMLA leave (in which case, the definitions, including the definition of "family member", and the reasons for leave set forth in the FMLA, as per HR-4-11, shall apply).

D. Use Of Sick Leave.

1. An employee may take paid sick leave when approved by the Supervisor and Human Resources.
2. An employee on sick leave, including PST, may be required, after being absent for three consecutive work days, to provide documentation verifying the need for leave.
3. In certain circumstances, Human Resources may require an employee to be examined by a licensed health care practitioner designated by Human Resources. If the licensed health care practitioner determines that the employee should not work due to illness or injury, Human Resources may place the employee on sick leave or, if the employee's sick leave is exhausted, on vacation leave, or on leave without pay. Human Resources may require the employee to obtain approval from the licensed health care practitioner prior to returning to work. The City shall pay for all examinations required pursuant to this subsection. The employee shall not

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be charged any leave while participating in or traveling to or from any examination required pursuant to this subsection.

E. Donation Of Sick Leave.

1. Definitions. "Extended illness or injury" means a period of at least three consecutive weeks in which the employee is medically unable to work and the employee's absence is covered under FMLA, or the employee otherwise qualifies for a serious health condition as stated in HR-4-11.
2. Eligibility.
    a. A full-time employee may donate sick leave to another full-time employee who has no accumulated paid leave if:
        i. The donating employee has a sick leave balance exceeding 120 hours. Only sick leave hours exceeding 120 will be available for donation.
        ii. The recipient employee will use the donated sick leave for the recipient's own extended illness or injury.
        iii. A recipient employee may use a maximum of two consecutive months of donated leave (320 hours for employees working 40 hours per week or 424 hours for employees with work periods of 212 hours) in a 12-month period, which shall be the same as the 12- month period used by the City for FMLA purposes. The eligibility to receive donated leave shall terminate upon employee's receipt of Long-Term Disability benefits.
        iv. The illness or injury is not under workers' compensation.
        v. Recipients' donation-leave requests must be approved by Human Resources and are contingent upon availability of financial funding.
        vi. Before using donated sick leave, a recipient employee with a qualifying illness or injury shall exhaust all available compensatory, sick, and vacation leave.
3. Donation of sick leave is voluntary. Human Resources will establish procedures for donating leave and eligibility for recipients.
4. If the recipient employee separates from City service, recovers before using all donated leave, or the need for the donated leave is otherwise abated, the City shall return unused leave to contributors on a prorated basis.
5. No leave accrual will occur for recipient employees receiving payment entirely from donated sick leave.
6. Hours donated will be applied on an hour by hour basis.

F. Separation From Employment.

1. Sick leave, including PST, will not be paid out upon separation from City service except as otherwise provided by law.
2. If a full-time employee is laid off due to a reduction in force and is re-hired within one year from the separation date, he or she will be credited with all unused sick leave at the time of separation.

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3. If any employee separates from City employment for any reason and is re-hired within nine months from the separation date, unused, accrued PST will be reinstated. Upon rehire, employees will be eligible to use any reinstated sick leave immediately.

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OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Resolution

No. 2012

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA AMENDING THE PERSONNEL POLICIES SECTIONS HR-4-01 AND HR-4-05 ON SICK LEAVE BENEFITS.

BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona, as follows:

Section 1. that it is deemed in the best interest of the City of San Luis to bring its sick leave benefits policy in line with current state law;

Section 2. that a true copy of the amended Personnel Policies section HR-4-01 and HR-4-05 is attached as Exhibit 1 and incorporated herein as though set forth again in full; and

Section 3. that the City of San Luis staff is directed to take any and all actions as may be necessary to put this amended Personnel Policies policy into effect.

PASSED, ADOPTED and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this ____day of November, 2017

_____
Gerardo Sanchez, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

_____
Kay Marion Macuil, City Attorney

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.J.**

Meeting Date: 11/08/2017

Department Head: Sonia Cornelio, City Clerk, City Clerk's Office

Submitted By: Sonia Cornelio, City Clerk, City Clerk's Office

Action Requested: Motion
Resolution

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2014. A resolution of the Mayor and City Council of the City of San Luis, Arizona, declaring as a public record that certain document filed with the City Clerk and titled "2017 S-3 Supplement to the Code of Ordinances of the City of San Luis, Arizona." **(Sonia Cornelio, City Clerk)**

SUMMARY:

In 2012, the City of San Luis had all its ordinances codified and published into a hard-copy book and on-line with American Legal Publishing. As the City adds more Ordinances, the City adds supplements to the hard-copy book and the online publication.

Arizona State law allows cities and towns to enact the provisions of a code or amendment to the code without publishing the entire code. The law does require that three (3) copies of the code shall be filed in the Office of the City Clerk and made available for public use and inspection.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE RESOLUTION NO. 2014.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	N/A
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

There is no fiscal impact.

Attachments

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Resolution

No. 2014

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND TITLED "2017 S-3 SUPPLEMENT TO THE CODE OF ORDINANCES OF THE CITY OF SAN LUIS, ARIZONA"

BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona, State of Arizona as follows:

Section 1: That certain document titled "2017 S-3 Supplement to the Code of Ordinances of the City of San Luis, Arizona", three copies of which are on file in the office of the City Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

PASSED AND ADOPTED by the Mayor and City Council of the City of San Luis, Arizona on this _____ day of November, 2017.

_____
Gerardo Sanchez, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

_____
Kay Marion Macuil, City Attorney

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5.K.**

Meeting Date: 11/08/2017

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion
Resolution

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2015. A resolution of the Mayor and City Council of the City of San Luis, Arizona, declaring as a public record that certain document filed with the City Clerk and titled "2012-2014 Amendments and the 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code." **(Kay Marion Macuil, City Attorney)**

SUMMARY:

Following this Agenda Item is an ordinance which adopts or "rubber stamps" tax amendments already codified into the Tax Code of the City of San Luis by the Municipal Tax Code Commission.

Arizona State law allows cities and towns to enact the provisions of a code or amendment to the code without publishing the entire code. The law does require that three copies of the code shall be filed in the Office of the City Clerk and made available for public use and inspection.

The attached resolution will establish **"**2012-2014 Amendments and the 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code," as a public record and directs the City Clerk to maintain three (3) copies on file. By adopting the amendments by reference it will save the city money because the city will not have to publish the numerous pages of amendments in the newspaper.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND ADOPT RESOLUTION NO. 2015 DECLARING THE 2012-2014 AMENDMENTS AND THE 2016 AMENDMENT OF LOCAL OPTION V (TIER TAX) TO THE SAN LUIS TAX CODE A PUBLIC RECORD.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	No
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

There is no fiscal impact for this item.

Attachments

Res No. 2015

Title Page

San Luis Tax Code Amendments

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Resolution

No. 2015

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND TITLED "2012-2014 AMENDMENTS AND THE 2016 AMENDMENT OF LOCAL OPTION V (TIER TAX) TO THE SAN LUIS TAX CODE."

BE IT RESOLVED by the Mayor and City Council of the City Of San Luis, Arizona:

That certain document attached as Exhibit "A" and titled "2012-2014 Amendments and the 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code," three (3) copies of which are on file in the office of the City Clerk, are hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

PASSED AND ADOPTED by the Mayor and Council of the City of San Luis, Arizona, this ____day of November, 2017.

Gerardo Sanchez, Mayor

ATTEST:

Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil

Kay Marion Macuil, City Attorney

Exhibit

A

2012-2014 AMENDMENTS

AND

2016 AMENDMENT

OF LOCAL OPTION V

(TIER TAX)

TO THE

SAN LUISTAX CODE

CHAPTER 7A - PRIVILEGE AND EXCISE TAXES

Article I - General Conditions and Definitions

Sec. 7A-1. Words of tense, number and gender; code references.

(a) For the purposes of this Chapter, all words of tense, number, and gender shall comply with A.R.S. Section 1-214 as amended.

(b) For the purposes of this Chapter, all code references, unless specified otherwise, shall:
(1) refer to this City Code.
(2) be deemed to include all amendments to such code references.

Sec. 7A-100. General definitions.

For the purposes of this Chapter, the following definitions apply:

"Assembler" means a person who unites or combines products, wares, or articles of manufacture so as to produce a change in form or substance of such items without changing or altering component parts.

"Broker" means any person engaged or continuing in business who acts for another for a consideration in the conduct of a business activity taxable under this Chapter, and who receives for his principal all or part of the gross income from the taxable activity.

"Business" includes all activities or acts, personal or corporate, engaged in or caused to be engaged in with the object of gain, benefit, or advantage, either directly or indirectly, but do not include either casual activities or sales; or the transfer of electricity from a solar photovoltaic generation system to an electrical distribution system.

"Business Day" means any day of the week when the Tax Collector's office is open for the public to conduct the Tax Collector's business.

"Casual Activity or Sale" means a transaction of an isolated nature made by a person who neither represents himself to be nor is engaged in a business subject to a tax imposed by this Chapter. However, no sale, rental, license for use, or lease transaction concerning real property nor any activity entered into by a business taxable by this Chapter shall be treated, or be exempt, as casual. This definition shall include sales of used capital assets, provided that the volume and frequency of such sales do not indicate that the seller regularly engages in selling such property.

"Combined Taxes" means the sum of all applicable Arizona Transaction Privilege and Use Taxes; all applicable transportation taxes imposed upon gross income by this County as authorized by Article III, Chapter 6, Title 42, Arizona Revised Statutes; and all applicable taxes imposed by this Chapter.

"Commercial Property" is any real property, or portion of such property, used for any purpose other than lodging or lodging space, including structures built for lodging but used otherwise, such as model homes, apartments used as offices, etc.

"Communications Channel" means any line, wire, cable, microwave, radio signal, light beam, telephone, telegraph, or any other electromagnetic means of moving a message.

"Construction Contracting" refers to the activity of a construction contractor.

"Construction Contractor" means a person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development, or improvement to real property, or to do any part thereof. "Construction contractor" includes subcontractors, specialty contractors, prime contractors, and any person receiving consideration for the general supervision and/or coordination of such a construction project except for remediation contracting. This definition shall govern without regard to whether or not the construction contractor is acting in fulfillment of a contract.

"Delivery (of Notice) by the Tax Collector" means "receipt (of notice) by the taxpayer".

"Delivery, Installation, or Other Direct Customer Services" means services or labor, excluding repair labor, provided by a taxpayer to or for his customer at the time of transfer of tangible personal property; provided further that the charge for such labor or service is separately billed to the customer and maintained separately in the taxpayer's books and records.

"Engaging", when used with reference to engaging or continuing in business, includes the exercise of corporate or franchise powers.

"Equivalent Excise Tax" means either:

(1) a Privilege or Use Tax levied by another Arizona municipality upon the transaction in question, and paid either to such Arizona municipality directly or to the vendor; or

(2) an excise tax levied by a political subdivision of a state other than Arizona upon the transaction in question, and paid either to such jurisdiction directly or to the vendor; or

(3) an excise tax levied by a Native American Government organized under the laws of the federal government upon the transaction in question, and paid either to such jurisdiction directly or to the vendor.

"Federal Government" means the United States Government, its departments and agencies; but not including national banks or federally chartered or insured banks, savings and loan institutions, or credit unions.

"Food" means any items intended for human consumption as defined by rules and regulations adopted by the Department of Revenue, State of Arizona, pursuant to A.R.S. Section 42-5106. Under no circumstances shall "food" include alcoholic beverages or tobacco, or food items purchased for use in conversion to any form of alcohol by distillation, fermentation, brewing, or other process. Under no circumstances shall “food” include an edible product, beverage, or ingredient infused, mixed, or in any way combined with medical marijuana or an active ingredient of medical marijuana.

"Hotel" means any public or private hotel, inn, hostelry, tourist home, house, motel, rooming house, apartment house, trailer, or other lodging place within the City offering lodging, wherein the owner thereof, for compensation, furnishes lodging to any transient, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facilities.

"Jet Fuel" means jet fuel as defined in A.R.S. Section 42-5351.

"Job Printing" means the activity of copying or reproducing an article by any means, process, or method. "Job printing" includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

"Lessee" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Lessor" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Licensing (for Use)" means any agreement between the user ("licensee") and the owner or the owner's agent ("licensor") for the use of the licensor's property whereby the licensor receives consideration, where such agreement does not qualify as a "sale" or "lease" or "rental" agreement.

"Lodging (Lodging Space)" means any room or apartment in a hotel or any other provider of rooms, trailer spaces, or other residential dwelling spaces; or the furnishings or services and accommodations accompanying the use and possession of said dwelling space, including storage or parking space for the property of said tenant.

"Manufactured Buildings" means a manufactured home, mobile home or factory built building, as defined in A.R.S. Section 41-2142.

"Manufacturer" means a person engaged or continuing in the business of fabricating, producing, or manufacturing products, wares, or articles for use from other forms of tangible personal property, imparting to such new forms, qualities, properties, and combinations.
"Medical Marijuana" means "marijuana" used for a "medical use" as those terms are defined in A.R.S. Section 36-2801.

"Mining and Metallurgical Supplies" means all tangible personal property acquired by persons engaged in activities defined in Section 7A-432 for such use. This definition shall not include:

(1) janitorial equipment and supplies.
(2) office equipment, office furniture, and office supplies.
(3) motor vehicles licensed for use upon the highways of the State.

"Modifier" means a person who reworks, changes, or adds to products, wares, or articles of manufacture.

"Nonprofit Entity" means any entity organized and operated exclusively for charitable purposes, or operated by the Federal Government, the State, or any political subdivision of the State.

"Occupancy (of Real Property)" means any occupancy or use, or any right to occupy or use, real property including any improvements, rights, or interests in such property.

"Out-of-City Sale" means the sale of tangible personal property and job printing if all of the following occur:

(1) transference of title and possession occur without the City; and
(2) the stock from which such personal property was taken was not within the corporate limits of the City; and
(3) the order is received at a permanent business location of the seller located outside the City; which location is used for the substantial and regular conduct of such business sales activity. In no event shall the place of business of the buyer be determinative of the situs of the receipt of the order.

For the purpose of this definition it does not matter that all other indicia of business occur within the City, including, but not limited to, accounting, invoicing, payments, centralized purchasing, and supply to out-of-City storehouses and out-of-City retail branch outlets from a primary storehouse within the City.

"Out-of-State Sale" means the sale of tangible personal property and job printing if all of the following occur:

(1) The order is placed from without the State of Arizona; and
(2) the property is delivered to the buyer at a location outside the State; and
(3) the property is purchased for use outside the State.

"Owner-Builder" means an owner or lessor of real property who, by himself or by or through others, constructs or has constructed or reconstructs or has reconstructed any improvement to real property.

"Person" means an individual, firm, partnership, joint venture, association, corporation, estate, trust, receiver, syndicate, broker, the Federal Government, this State, or any political subdivision or agency of this State. For the purposes of this Chapter, a person shall be considered a distinct and separate person from any general or limited partnership or joint venture or other association with which such person is affiliated. A subsidiary corporation shall be considered a separate person from its parent corporation for purposes of taxation of transactions with its parent corporation.

"Prosthetic" means any of the following tangible personal property if such items are prescribed or recommended by a licensed podiatrist, chiropractor, dentist, physician or surgeon, naturopath, optometrist, osteopathic physician or surgeon, psychologist, hearing aid dispenser, physician assistant, nurse practitioner or veterinarian:

(1) any man-made device for support or replacement of a part of the body, or to increase acuity of one of the senses. Such items include: prescription eyeglasses; contact lenses; hearing aids; artificial limbs or teeth; neck, back, arm, leg, or similar braces.
(2) insulin, insulin syringes, and glucose test strips sold with or without a prescription.
(3) hospital beds, crutches, wheelchairs, similar home health aids, or corrective shoes.
(4) drugs or medicine, including oxygen.
(5) equipment used to generate, monitor, or provide health support systems, such as respiratory equipment, oxygen concentrator, dialysis machine.
(6) durable medical equipment which has a federal health care financing administration common procedure code, is designated reimbursable by Medicare, can withstand repeated use, is primarily and customarily used to serve a medical purpose, is generally not useful to a person in the absence of illness or injury and is appropriate for use in the home.
(7) under no circumstances shall "prosthetic" include medical marijuana regardless of whether it is sold or dispensed pursuant to a prescription, recommendation, or written certification by any authorized person.

"Qualifying Community Health Center"

(1) means an entity that is recognized as nonprofit under Section 501(c)(3) of the United States Internal Revenue Code, that is a community-based, primary care clinic that has a community-based board of directors and that is either:
    (a) the sole provider of primary care in the community.
    (b) a nonhospital affiliated clinic that is located in a federally designated medically underserved area in this State.
(2) includes clinics that are being constructed as qualifying community health centers.

"Qualifying Health Care Organization" means an entity that is recognized as nonprofit under Section 501(c) of the United States Internal Revenue Code and that uses, saves or invests at least eighty percent (80%) of all monies that it receives from all sources each year only for health and medical related educational and charitable services, as documented by annual financial audits prepared by an independent certified public accountant, performed according to generally accepted accounting standards and filed annually with the Arizona Department of Revenue. Monies that are used, saved or invested to lease, purchase or construct a facility for health and medical related education and charitable services are included in the eighty percent (80%) requirement.

"Qualifying Hospital" means any of the following:

(1) a licensed hospital which is organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
(2) a licensed nursing care institution or a licensed residential care institution or a residential care facility operated in conjunction with a licensed nursing care institution or a licensed kidney dialysis center, which provides medical services, nursing services or health related services and is not used or held for profit.
(3) a hospital, nursing care institution or residential care institution which is operated by the federal government, this State or a political subdivision of this State.
(4) a facility that is under construction and that on completion will be a facility under subdivision (1), (2) or (3) of this paragraph.

"Receipt (of Notice) by the Taxpayer" means the earlier of actual receipt or the first attempted delivery by certified United States mail to the taxpayer's address of record with the Tax Collector.

"Remediation" means those actions that are reasonable, necessary, cost-effective and technically feasible in the event of the release or threat of release of hazardous substances into the environment such that the waters of the State are or may be affected, such actions as may be necessary to monitor, assess and evaluate such release or threat of release, actions of remediation, removal or disposal of hazardous substances or taking such other actions as may be necessary to prevent, minimize or mitigate damage to the public health or welfare or to the waters of the State which may otherwise result from a release or threat of release of a hazardous substance that will or may affect the waters of the State. Remediation activities include the use of biostimulation with indigenous microbes and bioaugmentation using microbes that are nonpathogenic, nonopportunistic and that are naturally occurring. Remediation activities may include community information and participation costs and providing an alternative drinking water supply.

"Rental Equipment" means tangible personal property sold, rented, leased, or licensed to customers to the extent that the item is actually used by the customer for rental, lease, or license to others; provided that:

(1) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
(2) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Rental Supply" means an expendable or nonexpendable repair or replacement part sold to become part of "rental equipment", provided that:

(1) the documentation relating to each purchased item so claimed specifically itemizes to the vendor the actual item of "rental equipment" to which the purchased item is intended to be attached as a repair or replacement part; and
(2) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
(3) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Repairer" means a person who restores or renews products, wares, or articles of manufacture.

"Resides within the City" means in cases other than individuals, whose legal addresses are determinative of residence, the engaging, continuing, or conducting of regular business activity within the City.

"Restaurant" means any business activity where articles of food, drink, or condiment are customarily prepared or served to patrons for consumption on or off the premises, also including bars, cocktail lounges, the dining rooms of hotels, and all caterers. For the purposes of this Chapter, a "fast food" business, which includes street vendors and mobile vendors selling in public areas or at entertainment or sports or similar events, who prepares or sells food or drink for consumption on or off the premises is considered a "restaurant", and not a "retailer".

"Retail Sale (Sale at Retail)" means the sale of tangible personal property, except the sale of tangible personal property to a person regularly engaged in the business of selling such property.

"Retailer" means any person engaged or continuing in the business of sales of tangible personal property at retail.

"Sale" means any transfer of title or possession, or both, exchange, barter, conditional or otherwise, in any manner or by any means whatsoever, including consignment transactions and auctions, of property for a consideration. "Sale" includes any transaction whereby the possession of such property is transferred but the seller retains the title as security for the payment of the price. "Sale" also includes the fabrication of tangible personal property for consumers who, in whole or in part, furnish either directly or indirectly the materials used in such fabrication work.

"Solar Daylighting" means a device that is specifically designed to capture and redirect the visible portion of the solar beam, while controlling the infrared portion, for use in illuminating interior building spaces in lieu of artificial lighting.

"Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination of the foregoing by means of collecting and transferring solar generated energy into such uses either by active or passive means, including wind generator systems that produce electricity. Solar energy systems may also have the capability of storing solar energy for future use. Passive systems shall clearly be designed as a solar energy device, such as a trombe wall, and not merely as a part of a normal structure, such as a window.

"Speculative Builder" means either:

(1) an owner-builder who sells or contracts to sell, at any time, improved real property (as provided in Section 7A-416) consisting of:
    (a) custom, model, or inventory homes, regardless of the stage of completion of such homes; or
    (b) improved residential or commercial lots without a structure; or
(2) an owner-builder who sells or contracts to sell improved real property, other than improved real property specified in subsection (1) above:
    (a) prior to completion; or
    (b) before the expiration of twenty-four (24) months after the improvements of the real property sold are substantially complete.

"Substantially Complete" means the construction contracting or reconstruction contracting:

(1) has passed final inspection or its equivalent; or
(2) certificate of occupancy or its equivalent has been issued; or
(3) is ready for immediate occupancy or use.

"Supplier" means any person who rents, leases, licenses, or makes sales of tangible personal property within the City, either directly to the consumer or customer or to wholesalers, jobbers, fabricators, manufacturers, modifiers, assemblers, repairers, or those engaged in the business of providing services which involve the use, sale, rental, lease, or license of tangible personal property.

"Tax Collector" means the City Council or its designee or agent for all purposes under this Chapter.

"Taxpayer" means any person liable for any tax under this Chapter.

"Taxpayer Problem Resolution Officer" means the individual designated by the City to perform the duties identified in Sections 3.14-515 and 3.14-516. In cities with a population of 50,000 or more, the Taxpayer Problem Resolution Officer shall be an employee of the City. In cities with a population of less than 50,000, the Taxpayer Problem Resolution Officer need not be an employee of the City. Regardless of whether the Taxpayer Problem Resolution Officer is or is not an employee of the City, the Taxpayer Problem Resolution Officer shall have substantive knowledge of taxation. The identity of and telephone number for the Taxpayer Problem Resolution Officer can be obtained from the Tax Collector.

"Telecommunication Service" means any service or activity connected with the transmission or relay of sound, visual image, data, information, images, or material over a communications channel or any combination of communications channels.

"Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days.

"Utility Service" means the producing, providing, or furnishing of electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.

Sec. 7A-110. Definitions: Income-producing capital equipment.

(a) The following tangible personal property, other than items excluded in subsection (d) below, shall be deemed "income-producing capital equipment" for the purposes of this Chapter:

(1) machinery or equipment used directly in manufacturing, processing, fabricating, job printing, refining or metallurgical operations. The terms "manufacturing", "processing", "fabricating", "job printing", "refining", and "metallurgical" as used in this paragraph refer to and include those operations commonly understood within their ordinary meaning. "Metallurgical operations" includes leaching, milling, precipitating, smelting and refining.

(2) mining machinery, or equipment, used directly in the process of extracting ores or minerals from the earth for commercial purposes, including equipment required to prepare the materials for extraction and handling, loading or transporting such extracted material to the surface. "Mining" includes underground, surface and open pit operations for extracting ores and minerals.

(3) tangible personal property, sold to persons engaged in business classified under the telecommunications classification, consisting of central office switching equipment; switchboards; private branch exchange equipment; microwave radio equipment, and carrier equipment including optical fiber, coaxial cable, and other transmission media which are components of carrier systems.

(4) machinery, equipment, or transmission lines used directly in producing or transmitting electrical power, but not including distribution. Transformers and control equipment used at transmission substation sites constitute equipment used in producing or transmitting electrical power.

(5) pipes or valves four inches (4") in diameter or larger and related equipment, used to transport oil, natural gas, artificial gas, water, or coal slurry. For the purpose of this section, related equipment includes: compressor units, regulators, machinery and equipment, fittings, seals and any other parts that are used in operating the pipes or valves.

(6) aircraft, navigational and communication instruments, and other accessories and related equipment sold to:

(A) a person holding a federal certificate of public convenience and necessity or foreign air carrier permit for air transportation for use as or in conjunction with or becoming a part of aircraft to be used to transport persons, property or united states mail in intrastate, interstate or foreign commerce.

(B) any foreign government for use by such government outside of this State.

(C) persons who are not residents of this State and who will not use such property in this State other than in removing such property from this State. This subdivision also applies to corporations that are not incorporated in this State, regardless of maintaining a place of business in this State, if the principal corporate office is located outside this State and the property will not be used in this State other than in removing the property from this State.

(7) machinery, tools, equipment and related supplies used or consumed directly in repairing, remodeling or maintaining aircraft, aircraft engines or aircraft component parts by or on behalf of a certificated or licensed carrier of persons or property.

(8) railroad rolling stock, rails, ties and signal control equipment used directly to transport persons or property.

(9) machinery or equipment used directly to drill for oil or gas or used directly in the process of extracting oil or gas from the earth for commercial purposes.

(10) buses or other urban mass transit vehicles which are used directly to transport persons or property for hire or pursuant to a governmentally adopted and controlled urban mass transportation program and which are sold to bus companies holding a federal certificate of convenience and necessity or operated by a city, town or other governmental entity or by any person contracting with such governmental entity as part of a governmentally adopted and controlled program to provide urban mass transportation.

(11) metering, monitoring, receiving, and transmitting equipment acquired by persons engaged in the business of providing utility services or telecommunications services; but only to the extent that such equipment is to be used by the customers of such persons and such persons separately charge or bill their customers for use of such equipment.

(12) groundwater measuring devices required under A.R.S. § 45-604.

(13) machinery or equipment used in research and development. In this paragraph, "research and development" means basic and applied research in the sciences and engineering, and designing, developing or testing prototypes, processes or new products, including research and development of computer software that is embedded in or an integral part of the prototype or new product or that is required for machinery or equipment otherwise exempt under this section to function effectively. Research and development do not include manufacturing quality control, routine consumer product testing, market research, sales promotion, sales service, research in social sciences or psychology, computer software research that is not included in the definition of research and development, or other non-technological activities or technical services.

(14) (Reserved)

(15) included in income producing capital equipment are liquid, solid or gaseous chemicals used in manufacturing, processing, fabricating, mining, refining, metallurgical operations, research and development or job printing, if using or consuming the chemicals, alone or as part of an integrated system of chemicals, involving direct contact with the materials from which the product is produced for the purpose of causing or permitting a chemical or physical change to occur in the materials as part of the production process. This subsection does not include chemicals that are used or consumed in activities such as packaging, storage or transportation but does not affect any deduction for such chemicals that is otherwise provided by this Code. Chemicals meeting the requirements of this subsection are deemed not to be expendable under subsection (d) of this Section.

(16) cleanrooms that are used for manufacturing, processing, fabrication or research and development, as defined in paragraph (13) of this subsection, of semiconductor products. For purposes of this paragraph, “cleanroom” means all property that comprises or creates an environment where humidity, temperature, particulate matter and contamination are precisely controlled within specified parameters, without regard to whether the property is actually contained within that environment or whether any of the property is affixed to or incorporated into real property. Cleanroom:

(A) includes the integrated systems, fixtures, piping, movable partitions, lighting and all property that is necessary or adapted to reduce contamination or to control airflow, temperature, humidity, chemical purity or other environmental conditions or manufacturing tolerances, as well as the production machinery and equipment operating in conjunction with the cleanroom environment.

(B) does not include the building or other permanent, nonremovable component of the building that houses the cleanroom environment.

(17) machinery and equipment that are purchased by or on behalf of the owners of a soundstage complex and primarily used for motion picture, multimedia or interactive video production in the complex. This paragraph applies only if the initial construction of the soundstage complex begins after June 30, 1996 and before January 1, 2002 and the machinery and equipment are purchased before the expiration of five years after the start of initial construction. For purposes of this paragraph:

(A) “motion picture, multimedia or interactive video production” includes products for theatrical and television release, educational presentations, electronic retailing, documentaries, music videos, industrial films, cd-rom, video game production, commercial advertising and television episode production and other genres that are introduced through developing technology.

(B) “soundstage complex” means a facility of multiple stages including production offices, construction shops and related areas, prop and costume shops, storage areas, parking for production vehicles and areas that are leased to businesses that complement the production needs and orientation of the overall facility.

(18) tangible personal property that is used by either of the following to receive, store, convert, produce, generate, decode, encode, control or transmit telecommunications information:

(A) any direct broadcast satellite television or data transmission service that operates pursuant to 47 Code of Federal Regulations parts 25 and 100.

(B) any satellite television or data transmission facility, if both of the following conditions are met:

(i) over two-thirds of the transmissions, measured in megabytes, transmitted by the facility during the test period were transmitted to or on behalf of one or more direct broadcast satellite television or data transmission services that operate pursuant to 47 Code of Federal Regulations parts 25 and 100.

(ii) over two-thirds of the transmissions, measured in megabytes, transmitted by or on behalf of those direct broadcast television or data transmission services during the test period were transmitted by the facility to or on behalf of those services.

For purposes of subdivision (B) of this paragraph, "test period" means the three hundred sixty-five day period beginning on the later of the date on which the tangible personal property is purchased or the date on which the direct broadcast satellite television or data transmission service first transmits information to its customers.

(19) machinery and equipment that is used directly in the feeding of poultry, the environmental control of housing for poultry, the movement of eggs within a production and packaging facility or the sorting or cooling of eggs. This exemption does not apply to vehicles used for transporting eggs.

(20) machinery or equipment, including related structural components, that is employed in connection with manufacturing, processing, fabricating, job printing, refining, mining, natural gas pipelines, metallurgical operations, telecommunications, producing or transmitting electricity or research and development that is used directly to meet or exceed rules or regulations adopted by the Federal Energy Regulatory Commission, the United States Environmental Protection Agency, the United States Nuclear Regulatory Commission, the Arizona Department of Environmental Quality or a political subdivision of this state to prevent, monitor, control or reduce land, water or air pollution.

(21) machinery or equipment that enables a television station to originate and broadcast or to receive and broadcast digital television signals and that was purchased to facilitate compliance with the Telecommunications Act of 1996 (P.L. 104-104; 110 Stat. 56; 47 United States Code Section 336) and the Federal Communications Commission Order issued April 21, 1997, 47 Code of Federal Regulations Part 73. This paragraph does not exempt any of the following:

(A) repair or replacement parts purchased for the machinery or equipment described in this paragraph.

(B) machinery or equipment purchased to replace machinery or equipment for which an exemption was previously claimed and taken under this paragraph.

(C) any machinery or equipment purchased after the television station has ceased analog broadcasting, or purchased after November 1, 2009, whichever occurs first.

(b) The term "income-producing capital equipment" shall further include ancillary machinery and equipment used for the treatment of waste products created by the business activities which are allowed to purchase "income-producing capital equipment" defined in subsection (a) above.

(c) The term "income-producing capital equipment" shall further include repair and replacement parts, other than the items in subsection (d) below, where the property is acquired to become an integral part of another item itemized in subsections (a) or (b) above.

(d) The tangible personal property defined as income-producing capital equipment in this Section shall <u>not</u> include:

(1) expendable materials. For purposes of this paragraph, expendable materials do not include any of the categories of tangible personal property specified in subsections (a), (b) or (c) of this Section regardless of the cost or useful life of that property.

(2) janitorial equipment and hand tools.

(3) office equipment, furniture, and supplies.

(4) tangible personal property used in selling or distributing activities.

(5) motor vehicles required to be licensed by the State of Arizona, except buses or other urban mass transit vehicles specifically exempted pursuant to subsection (a)(10) above without regard to the use of such motor vehicles.

(6) shops, buildings, docks, depots, and all other materials of whatever kind or character not specifically included as exempt.

(7) motors and pumps used in drip irrigation systems.

(e) For the purposes of this Section:
(1) "aircraft" includes:
(A) an airplane flight simulator that is approved by the Federal Aviation Administration for use as a Phase II or higher flight simulator under Appendix H, 14 Code of Federal Regulations Part 121.
(B) tangible personal property that is permanently affixed or attached as a component part of an aircraft that is owned or operated by a certificated or licensed carrier of persons or property.
(2) "other accessories and related equipment" includes aircraft accessories and equipment such as ground service equipment that physically contact aircraft at some point during the overall carrier operation.

Sec. 7A-115. Definitions: computer software; custom computer programming.

(a) "Computer Software" means any computer program, part of such a program, or any sequence of instructions for automatic data processing equipment. Computer software which is not "custom computer programming" is deemed to be tangible personal property for the purposes of this Chapter, regardless of the method by which title, possession, or right to use the software is transferred to the user.

(b) "Custom Computer Programming" means any computer software which is written or prepared exclusively for a customer and includes those services represented by separately stated charges for the modification of existing prewritten programs when the modifications are written or prepared exclusively for a customer.
(1) The term does not include a prewritten program which is held or existing for general or repeated sale, lease, or license, even if the program was initially developed on a custom basis for in-house, or for a single customer's, use.
(2) Modification to an existing prewritten program to meet the customer's needs is custom computer programming only to the extent of the modification, and only to the extent that the actual amount charged for the modification is separately stated on invoices, statements, and other billing documents supplied to the customer.

Article II - Determination of Gross Income

Sec. 7A-200. Determination of gross income: in general.

(a) Gross income includes:
  (1) the value proceeding or accruing from the sale of property, the providing of service, or both.
  (2) the total amount of the sale, lease, license for use, or rental price at the time of such sale, rental, lease, or license.
  (3) all receipts, cash, credits, barter, exchange, reduction of or forgiveness of indebtedness, and property of every kind or nature derived from a sale, lease, license for use, rental, or other taxable activity.
  (4) all other receipts whether payment is advanced prior to, contemporaneous with, or deferred in whole or in part subsequent to the activity or transaction.

(b) Barter, exchange, trade-outs, or similar transactions are includable in gross income at the fair market value of the service rendered or property transferred, whichever is higher, as they represent consideration given for consideration received.

(c) No deduction or exclusion is allowed from gross income on account of the cost of the property sold, the time value of money, expense of any kind or nature, losses, materials used, labor or service performed, interest paid, or credits granted.

(d) For the purposes of this chapter the total amount of gross income, gross receipts or gross proceeds of sales for nuclear fuel shall be deemed to be the value of the purchase price of uranium oxide used in producing the fuel. The tax imposed by this chapter may be imposed only once for any one quantity or batch of nuclear fuel regardless of the number of transactions or financing arrangements which may occur with respect to that nuclear fuel.

Sec. 7A-210. Determination of gross income: transactions between affiliated companies or persons.

In transactions between affiliated companies or persons, or in other circumstances where the relationship between the parties is such that the gross income from the transaction is not indicative of the market value of the subject matter of the transaction, the Tax Collector shall determine the "market value" upon which the City Privilege and Use Taxes shall be levied. "Market value" shall correspond as nearly as possible to the gross income from similar transactions of like quality or character by other taxpayers where no common interest exists between the parties, but otherwise under similar circumstances and conditions.

Sec. 7A-220. Determination of gross income: artificially contrived transactions.

The Tax Collector may examine any transaction, reported or unreported, if, in his opinion, there has been or may be an evasion of the taxes imposed by this Chapter and to estimate the amount subject to tax in cases where such evasion has occurred. The Tax Collector shall disregard any transaction which has been undertaken in an artificial manner in order to evade the taxes imposed by this Chapter.

Sec. 7A-230. Determination of gross income based upon method of reporting.

The method of reporting chosen by a taxpayer, as provided in Section 7A-520, necessitates the following adjustments to gross income for all purposes under this Chapter:

(a) Cash basis - When a person elects to report and pay taxes on a cash basis, gross income for the reporting period shall include:
  (1) the total amounts received on "paid in full" transactions, against which are allowed all applicable deductions and exclusions; and

(2) all amounts received on accounts receivable, conditional sales contract, or other similar transactions, against which no deductions and no exclusions from gross income are allowed. Interest on finance contracts may be deducted if separately itemized on all books and records.

(b) Accrual basis - When a person elects to report and pay taxes on an accrual basis, gross income shall include all gross income for the applicable period regardless of whether receipts are for cash, credit, conditional, or partially deferred transactions, and regardless of whether or not any security document or instrument is sold, assigned, or otherwise transferred to another. Persons reporting on the accrual basis may deduct bad debts, provided that:

(1) the amount deducted for the bad debt must be deducted from gross income of the month in which the actual charge-off was made, and only to the extent that such amount was actually charged-off, and also only to the extent that such amount is or was included as taxable gross income; and

(2) if any amount is subsequently collected on such charged-off account, it shall be included in gross income for the month in which it was collected, without deduction for expense of collection.

Sec. 7A-240. Exclusion of cash discounts, returns, refunds, trade-in values, vendor-issued coupons, and rebates from gross income.

(a) The following items are not included in gross income:

(1) Cash discounts allowed by the vendor for timely payment, but only discounts allowed against taxable gross income.

(2) The value of property returned by customers to the extent of the amount actually refunded either in cash or by credit and the amount refunded was included in taxable gross income.

(3) The trade-in allowance for tangible personal property accepted as payment, not to exceed the full sales price for any tangible personal property sold, when the full sales price is included in taxable gross income. Trade-in allowances are not allowed for manufactured buildings taxable under Section 7A-427.

(4) When coupons issued by a vendor are later accepted by the vendor as a discount against the transaction, the discount may be excluded from gross income as a cash discount. Amounts credited or refunded by a vendor for redemption of coupons issued by any person other than the vendor may not be excluded from gross income.

(5) Rebates issued by the vendor to a customer as a discount against the transaction may be excluded from gross income as a cash discount. Rebates issued by a person other than the vendor may not be excluded from gross income, even when the vendee assigns his right to the rebate to the vendor.

(6) In computing the tax base, gross proceeds of sales or gross income does not include a manufacturer's cash rebate on the sales price of a motor vehicle if the buyer assigns the buyer's right in the rebate to the retailer.

(b) If the amount specified in subsection (a) above is credited by a vendor subsequent to the reporting period in which the original transaction occurs, such amount may be excluded from the taxable gross income of that subsequent reporting period, but only to the extent that the excludable amount was reported as taxable gross income in that prior reporting period.

Sec. 7A-250. Exclusion of combined taxes from gross income; itemization; notice; limitations.

(a) When tax is separately charged and/or collected. The total amount of gross income shall be exclusive of combined taxes only when the person upon whom the tax is imposed shall establish to the satisfaction of the Tax Collector that such tax has been added to the total price of the transaction. The taxpayer must provide to his customer and also keep a reliable record of the actual tax charged or collected, shown by cash register tapes, sales tickets, or other accurate record, separating net transaction price and combined tax. If at any time the Tax Collector cannot ascertain from the records kept by the taxpayer the total or amounts billed or collected on account of combined taxes, the claimed taxes collected may not be excluded from gross income, unless such records are completed and/or clarified to the satisfaction of the Tax Collector.

(1) Remittance of all tax charged and/or collected. When an added charge is made to cover City (or combined) Privilege and Use Taxes, the person upon whom the tax is imposed shall pay the full amount of the City taxes due, whether collected by him or not, and in the event he collects more than the amount due he shall remit the excess to the Tax Collector. In the event the Tax Collector cannot ascertain from the records kept by the taxpayer the total or amounts of taxes collected by him, and the Tax Collector is satisfied that the taxpayer has collected taxes in an amount in excess of the tax assessed under this Chapter, the Tax Collector may determine the amount collected and collect the tax so determined in the manner provided in this Chapter.

(2) Itemization. A taxpayer, in order to be entitled to exclude from his gross income any amounts paid to him by customers for combined taxes passed on to the customer, must prove that he has provided his customer with a written record of the transaction showing at a minimum the price before the tax, the combined taxes, and the total cost. This shall be addition to the record required to be kept under subsection (a) above.

(b) When tax has been neither separately charged nor separately collected. When the person upon whom the tax is imposed shall establish by means of invoices, sales tickets, or other reliable evidence, that no added charge was made to cover combined taxes, the taxpayer may exclude tax collected from such income by dividing such taxable gross income by 1.00 plus a decimal figure representing the effective combined tax rate expressed as a fraction of 1.00.

Sec. 7A-260. Exclusion of fees and taxes from gross income; limitations.

(a) There shall be excluded from gross income of vendors of motor vehicles those motor vehicle registration fees, license fees and taxes, and lieu taxes imposed pursuant to Title 28, Arizona Revised Statutes in connection with the initial purchase of a motor vehicle, but only to the extent that such taxes or fees or both have been separately itemized and collected from the purchaser of the motor vehicle by the vendor, actually remitted to the proper registering, licensing, and taxing authorities, and the provisions of Article III, regarding recordkeeping, are met. For the purpose of the exclusion provided by this subsection only, the terms vendor and vendee shall also apply to a lessor and lessee respectively, of a motor vehicle if, in addition to all other requirements of this subsection, the lease agreement specifically requires the lessee to pay such fees or taxes, and such amounts are separately itemized in the documentation provided to the lessee.

(b) There shall be excluded from gross income of vendors at retail of heavy trucks and trailers, the amount attributable to Federal Excise Taxes imposed by 26 U.S.C. Section 4051, but only to the extent that the provisions of Article III, relating to recordkeeping, have been met.

(c) There shall be excluded from gross income the following fees, taxes, and lieu taxes, but only to the extent that such taxes or fees or both have been separately itemized and collected from the purchaser by the vendor, actually remitted to the proper registering, licensing, and taxing authorities, and the provisions of Article III, regarding recordkeeping, are met:

(1) emergency telecommunication services excise tax imposed pursuant to A.R.S. Section 42-5252. "Emergency telecommunication services" means telecommunication services or systems that use number 911 or a similarly designated telephone number for emergency calls;
(2) the telecommunication devices for the deaf and the severely hearing and speech impaired excise tax imposed pursuant to A.R.S. Section 42-5252;
(3) federal excise taxes on communications services as imposed by 26 U.S.C. § 4251;
(4) car rental surcharge imposed pursuant to A.R.S. Section 48-4234;
(5) federal excise taxes on passenger vehicles as imposed by 26 U.S.C. §4001(.01);
(6) waste tire disposal fees, imposed pursuant to A.R.S. Section 44-1302.

(d) There shall be excluded from gross income of vendors of motor vehicles dealer documentation fees, but only to the extent that such fees have been separately itemized and collected from the purchaser of the motor vehicle by the vendor.

Sec. 7A-265. (Reserved)

Sec. 7A-266. Exclusion of motor carrier revenues from gross income.

There shall be excluded from gross income the gross proceeds of sale or gross income derived from any of the following:

(a) a motor carrier's use on the public highways in this State if the motor carrier is subject to a fee prescribed in A.R.S. Title 28, Chapter 15, Article 4 or A.R.S. Title 28, Chapter 16, Article 4.

(b) Leasing, renting or licensing a motor vehicle subject to and upon which the fee has been paid under A.R.S. Title 28, Chapter 16.

(c) The sale of a motor vehicle and any repair and replacement parts and tangible personal property becoming a part of such motor vehicle, to a motor carrier who is subject to a fee prescribed in A.R.S. Title 28, Chapter 16 and who is engaged in the business of leasing, renting or licensing such property.

(d) for the purposes of these exclusions, "motor carrier" includes a motor vehicle weighing 26,000 pounds or more, a lightweight motor vehicle which weighs 12,001 pounds to 26,000 pounds and a light motor vehicle weighing 12,000 pounds or less, which pay the fee prescribed in A.R.S. Title 28, Chapter 15 or A.R.S. Title 28, Chapter 16.

Sec. 7A-270. Exclusion of gross income of persons deemed not engaged in business.

(a) For the purposes of this Section, the following definitions shall apply:
(1) "Federally Exempt Organization" means an organization which has received a determination of exemption, or qualifies for such exemption, under 26 U.S.C. Section 501(c) and rules and regulations of the Commissioner of Internal Revenue pertaining to same, but not including a "governmental entity", "non-licensed business", or "public educational entity".
(2) "Governmental Entity" means the Federal Government, the State of Arizona, any other state, or any political subdivision, department, or agency of any of the foregoing; provided further that persons contracting with such a governmental entity to operate any part of a governmentally adopted and controlled program to provide urban mass transportation shall be deemed a governmental entity in all activities such person performs when engaged in said contract.
(3) "Non-Licensed Business" means any person conducting any business activity for gain or profit, whether or not actually realized, which person is not required to be licensed for the conduct or transaction of activities subject to the tax imposed under this Chapter.

(4) "Proprietary Club" means any club which has qualified or would otherwise qualify as an exempt club under the provisions of 26 U.S.C. Section 501(c)(7), (8), and (9), notwithstanding the fact that some or all of the members may own a proprietary interest in the property and assets of the club.

(5) "Public Educational Entity" means any educational entity operated pursuant to any provisions of Title 15, Arizona Revised Statutes.

(b) Transactions which, if conducted by any other person, would produce gross income subject to tax under this Chapter shall not be subject to the imposition of such tax if conducted entirely by a public educational entity; governmental entity, except "proprietary activities" of municipalities as provided by Regulation; or non-licensed business.

(c) Transactions which, if conducted by any other person, would produce gross income subject to the tax under this Chapter shall not be subject to the imposition of such tax if conducted entirely by a federally exempt organization or proprietary club with the following exceptions:

(1) Transactions involving proprietary clubs and organizations exempt under 26 U.S.C. Section 501(c)(7), (8), and (9), where the gross revenue of the activity received from persons other than members and bona fide guests of members is in an amount in excess of fifteen percent (15%) of total gross revenue, as prescribed by Regulation. In the event this fifteen percent (15%) limit is exceeded, the entire gross income of such entity shall be subject to the applicable tax.

(2) Gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512, including all statutory definitions and determinations, the rules and regulations of the Commissioner of Internal Revenue, and his administrative interpretations and guidelines.

(3) (Reserved)

(d) Except as may be provided elsewhere in this Chapter, transactions where customers are exempt organizations, proprietary clubs, public educational entities, governmental entities, or non-licensed businesses shall be deemed taxable transactions for the purpose of the imposition of taxes under this Chapter, notwithstanding that property so acquired may in fact be resold or leased by the acquiring person to others. In the case of sales, rentals, leases, or licenses to proprietary clubs or exempt organizations, the vendor may be relieved from the responsibility for reporting and paying tax on such income only by obtaining from its vendee a verified statement that includes:

(1) a statement that when the property so acquired is resold, rented, leased, or licensed, that the otherwise exempt vendee chooses, or is required, to pay City Privilege Tax or an equivalent excise tax on its gross income from such transactions and does in fact file returns on same; and

(2) the Privilege License number of the otherwise exempt vendee; and

(3) such other information as the Tax Collector may require.

(e) Franchisees or concessionaires operating businesses for or on behalf of any exempt organization, governmental entity, public educational entity, proprietary club, or non-licensed business shall not be considered to be such an exempt organization, club, entity, or non-licensed business, but shall be deemed to be a taxpayer subject to the provisions of this Chapter, except as provided in the definition of governmental entity, regarding urban mass transit.

(f) In any case, if a federally exempt organization, proprietary club, or non-licensed business rents, leases, licenses, or purchases any tangible personal property for its own storage or use, and no city privilege or use tax or equivalent excise tax has been paid on such transaction, said organization, club, or business shall be liable for the use tax upon such acquisitions or use of such property.

Sec. 7A-280. (Reserved)

Sec. 7A-285. (Reserved)

Sec. 7A-290. (Reserved)

Article III - Licensing and Recordkeeping

Sec. 7A-300. Licensing requirements.

(a) The following persons shall make application to the Tax Collector for a Transaction Privilege and Use Tax License and no person shall engage or continue in business or engage in such activities until he shall have such a license:
  (1) Every person engaging or continuing in business activities within the city or town upon which a Transaction Privilege Tax is imposed by this Chapter.
  (2) Every person engaging or continuing in business within the city and storing or using tangible personal property in this municipality upon which a Use tax is imposed by this Chapter
  (3) (Reserved)

(b) For the purpose of determining whether a Transaction Privilege and Use Tax License is required, a person shall be deemed to be "engaging or continuing in business" within the city or town if:
  (1) engaging in any activity as a principal or broker, the gross receipts of which may be subject to Transaction Privilege Tax under Article IV of this Chapter, or
  (2) maintaining within the city or town directly, or if a corporation by a subsidiary, an office, distribution house, sales house, warehouse or other place of business; maintaining within the city or town directly, or if a corporation by a subsidiary, any real or tangible personal property; or having any agent or other representative operating within the city or town under the authority of such person, or if a corporation by a subsidiary, irrespective of whether such place of business, property, or agent or other representative is located here permanently or temporarily, or
  (3) soliciting sales, orders, contracts, leases, and other similar forms of business relationships, within the City from customers, consumers, or users located within the city or town, by means of salesmen, solicitors, agents, representatives, brokers, and other similar agents or by means of catalogs or other advertising, whether such orders are received or accepted within or without this City.
  (4) A person shall also be deemed to be "engaging or continuing in business" if engaging in any activity subject to Use Tax under Article VI of this Chapter for business purposes. Individuals who acquire items subject to Use Tax for their own personal use or their family's personal use are not required to obtain a license.
  (5) (Reserved)

(c) A person engaging in more than one activity subject to Transaction Privilege Tax at any one business location is not required to obtain a separate license for each activity, provided that, at the time such person makes application for a license, he shall list on such application each category of activity in which he is engaged.

(d) The licensee shall inform the Tax Collector of any changes in his business activities, location, or mailing address within thirty (30) days.

(e) Limitation. The issuance of a Transaction Privilege and Use Tax License by the Tax Collector shall in no way be construed as permission to operate a business activity in violation of any other law or regulation to which such activity may be subject

(f) Casual activity. For the purposes of this Chapter, individuals engaging in a “casual activity or sale” are not subject to the license requirements imposed under this Article provided that they are only engaged in private sales activities, such as the sale of a personal automobile or garage sale, on no more than three separate occasions during any calendar year.

Sec. 7A-310. Licensing; Special requirements.

(a) Partnerships. Application for a Transaction Privilege and Use Tax License for a partnership engaging or continuing in business shall provide, as a minimum, the names and addresses of all general partners. Licenses issued to persons engaging in business as partners, limited or general, shall be in the name of the partnership.

(b) Limited Liability Companies. Application for a Transaction Privilege and Use Tax License for a Limited Liability Company (LLC) engaging or continuing in business shall provide, as a minimum, the names and addresses of all members and the manager. Licenses issued to persons engaging in business as Limited Liability Companies, shall be in the name of the LLC.

(c) Corporations. Application for a Transaction Privilege and Use Tax License for a corporation engaging or continuing in business shall provide, as a minimum, the names and addresses of both the Chief Executive manager or Officer and Chief Financial Officer of the corporation. Licenses issued to persons engaging in business as corporations shall be in the name of the corporation.

(d) Multiple Locations or Multiple Business Names. A person engaging or continuing in one or more businesses at two (2) or more locations or under two (2) or more business names shall procure a license for each such location or business name. A "location" is a place of a separate business establishment.

(e) Real Property Rental, Leasing, and Licensing for Use. In all cases the Transaction Privilege and Use Tax License shall be issued only to the owner of the real property regardless of the owner engaging a property other broker to oversee the owner's business activity including filing tax returns on behalf of the owner. Each rental property that can be independently sold or transferred is deemed to be a separate business establishment. Each platted parcel of real property subject to the tax imposed by this Chapter is deemed to be a separate business establishment and requires a separate license, regardless of the number of rental units located on that platted parcel. If one structure is located on multiple parcels in a manner such that ownership of an individual parcel cannot be sold or transferred without requiring alteration to divide the structure, one license shall be required for all affected parcels.

Sec. 7A-320. License fees: annual renewal; renewal fees.

(a) The Transaction Privilege and Use Tax License shall be valid upon receipt of a non-refundable license fee of two dollars ($2.00), except for a license to engage in the business activity of residential or commercial real property rental, leasing, and licensing for use as separately identified in this Section. The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate The Transaction Privilege and Use Tax License shall be valid upon receipt of a non-refundable license fee of application for license renewal and paying an annual license renewal fee of zero dollars ($0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such annual renewal fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

(b) The Transaction Privilege and Use Tax License to engage in the business activity of residential real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of two dollars ($2.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of zero dollars ($0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

(c) The Transaction Privilege and Use Tax License to engage in the business activity of commercial real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of two dollars ($2.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of zero dollars ($0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

Sec. 7A-330. Licensing: transferability; display; penalties; penalty waiver; relicensing; fees collectable as taxes

(a) The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying the applicable license renewal fee for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January. Application and payment of the annual fee must be received in the Tax Collector's office to be deemed paid and received.

(b) The Transaction Privilege and Use Tax License shall be nontransferable between owners or locations, and shall be on display to the public in the licensee's place of business.

(c) Any person required to be licensed under this Chapter who fails to obtain a license on or before conducting any business activity requiring such license shall be subject to the license fees due for each year in business plus a penalty in the amount of fifty percent (50%) of the applicable fee for each period of time for which such fee would have been imposed, from and after the date on which such activity commenced until paid. This penalty shall be in addition to any other penalty imposed under this Chapter and must be paid prior to the issuance of any license. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 7A-540.

(d) Any licensee who fails to renew his license on or before the due date shall be deemed to be operating without a license following such due date, and shall be subject to all penalties imposed under this Chapter against persons required to be licensed and operating without a license. The non-licensed status may be removed by payment of the annual license fee for each year or portion of a year he operated without a license, plus a license fee penalty of 50% of the license fee due for each year. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 7A-540.

(e) Any licensee who permits his license to expire through cancellation as provided in Section 7A-340, by his request for cancellation, by surrender of the license, or by the cessation of the business activity for which the license was issued, and who thereafter applies for a license, shall be granted a new license as a new applicant and shall pay the current license fee imposed under Section 7A-320.

(f) Any licensee who needs a copy of his Transaction Privilege and Use Tax License which is still in effect shall be charged the current license fee for each reissuance of a license.

(g) Any person conducting a business activity subject to licensing without obtaining a Transaction Privilege and Use Tax License shall be liable to the city for all applicable fees and penalties and shall be subject to the provisions of Sections 7A-580 and 7A-590, to the same extent as if such fees and penalties were taxes and penalties under such Sections.

Sec. 7A-340. Licensing: cancellation; revocation.

(a) Cancellation. The Tax Collector may cancel the Transaction Privilege and Use Tax License of any licensee as "inactive" if the taxpayer, required to report monthly, has neither filed any return nor remitted any taxes imposed by this Chapter for a period of six (6) consecutive months; or, if required to report quarterly, has neither filed any return nor remitted any taxes imposed by this Chapter for two (2) consecutive quarters; or, if required to report annually, has neither filed any return nor remitted any taxes imposed by this Chapter when such annual report and tax are due to be filed with and remitted to the Tax Collector.

(b) Revocation. If any licensee fails to pay any tax, interest, penalty, fee, or sum required to be paid under this Chapter, or if such licensee fails to comply with any other provisions of this Chapter, the Tax Collector may revoke the Transaction Privilege and Use Tax License of said licensee.

(c) Notice and Hearing. The Tax Collector shall deliver notice to such licensee of cancellation or revocation of the Transaction Privilege and Use Tax License. If the licensee requests a hearing within twenty (20) days of receipt of such notice, he shall be granted a hearing before the Tax Collector.

(d) After cancellation or revocation of a taxpayer's license, the taxpayer shall not be issued a new license until all reports have been filed; all fees, taxes, interest, and penalties due have been paid; and he is in compliance with all provisions of this Chapter.

Sec. 7A-350. Operating without a license.

It shall be unlawful for any person who is required by this Chapter to obtain a Transaction Privilege and Use Tax License to engage in or continue in business without a license. The Tax Collector shall assess any delinquencies in tax, interest, and penalties which may apply against such person upon any transactions subject to the taxes imposed by this Chapter.

Sec. 7A-360. Recordkeeping: requirements

(a) It shall be the duty of every person subject to the tax imposed by this Chapter to keep and preserve suitable records and such other books and accounts as may be necessary to determine the amount of tax for which he is liable under this Chapter. The books and records must contain, at a minimum, such detail and summary information as may be required by this Article; or when records are maintained within an electronic data processing (EDP) system, the requirements established by the Arizona Department of Revenue for privilege tax filings will be accepted. It shall be the duty of every person to keep and preserve such books and records for a period equal to the applicable limitation period for assessment of tax, and all such books and records shall be open for inspection by the Tax Collector during any business day.

(b) The Tax Collector may direct, by letter, a specific taxpayer to keep specific other books, records, and documents. Such letter directive shall apply:
(1) only for future reporting periods, and

(2) only by express determination of the Tax Collector that such specific recordkeeping is necessary due to the inability of the taxing jurisdiction to conduct an adequate examination of the past activities of the taxpayer, which inability resulted from inaccurate or inadequate books, records, or documentation maintained by the taxpayer.

Sec. 7A-362. Recordkeeping: Income.

The minimum records required for persons having gross income subject to, or exempt or excluded from, tax by this Chapter must show:

(a) The gross income of the taxpayer attributable to any activity occurring in whole or in part in the City

(b) The gross income taxable under this Chapter, divided into categories as stated in the official City tax return.

(c) The gross income subject to Arizona Transaction Privilege Taxes, divided into categories as stated in the official State

(d) The gross income claimed to be exempt, and with respect to each activity or transaction so claimed:
  (1) If the transaction is claimed to be exempt as a sale for resale or as a sale, rental, lease, or license for use of rental equipment:
    (A) The City Privilege License number and State Transaction Privilege Tax License number of the customer (or the equivalent city, if applicable, and state tax numbers of the city and state where the customer resides), and
    (B) The business address, and business activity of the customer, and
    (C) Evidence sufficient to persuade a reasonably prudent businessman that the transaction is believed to be in good faith a purchase for resale, or a purchase, rental, lease, or license for use of rental equipment, by the vendee in the ordinary and regular course of his business activity, as provided by Regulation.
  (2) If the transaction is claimed to be exempt for any other reason:
    (A) The name, business address, and business activity of the customer, and
    (B) Evidence sufficient to persuade a reasonably prudent businessman that the transaction is believed to be in good faith a purchase for resale, or a purchase, rental, lease, or license for use of rental equipment, by the vendee in the ordinary and regular course of his business activity, as provided by Regulation.

(e) With respect to those allowed deductions or exclusions for tax collected or charges for delivery or other direct customer services, where applicable, evidence that the deductible income has been separately stated and shown on the records of the taxpayer and on invoices or receipts provided to the customer. All other deductions, exemptions, and exclusions shall be separately shown and substantiated.

(f) With respect to special classes and activities, such other books, records, and documentation as the Tax Collector, by regulation, shall deem necessary for specific classes of taxpayer by reason of the specialized business activity of any such class.

(g) In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded income defined by this Chapter

Sec. 7A-364. Recordkeeping: expenditures

The minimum records required for persons having expenditures, costs, purchases and rental or lease or License expenses subject to, or exempt or excluded from, tax by this Chapter are:

(a) The total price of all goods acquired for use or storage in the City

(b) The date of acquisition and the name and business address of the seller or lessor of all goods acquired for use or storage in the City

(c) Documentation of taxes, freight, and direct customer service labor separately charged and paid for each purchase, rental, lease, or license.

(d) The gross price of each acquisition claimed as exempt from tax, and with respect to each transaction so claimed, sufficient evidence to satisfy the Tax Collector that the exemption claimed is applicable.

(e) As applicable to each taxpayer, documentation sufficient to the Tax Collector, so that he may ascertain:

(1) All construction expenditures and all Privilege and Use Taxes claimed paid, relating to owner-builders and speculative builders.
(2) Disbursement of collected gratuities and related payroll information required of restaurants.
(3) Franchise and license fee payments and computations thereto which relate to:
(A) Utility service
(4) The validity of any claims of proof of exemption.
(5) A claimed alternative prior value for reconstruction.
(6) All claimed exemptions to the Use Tax imposed by Article VI of this Chapter.
(7) Costs used to compute the "computed charge" claimed for retail service and repair.
(8) Payments of tax to the Arizona Department of Transportation and computations therefor, when a motor-vehicle transporter claims such the exemption.
(9) Payments by tenants subject to the tax upon Rental Occupancy imposed by Section 7A-440.

(f) Any additional documentation as the Tax Collector, by Regulation, shall deem necessary for any specific class of taxpayer by reason of the specialized business activity of specific exemptions afforded to that class of taxpayer.

(g) In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded expenditures as defined by this Chapter.

Sec. 7A-366. Recordkeeping: out of City and out of State sales.

(a) Out-of-City Sales. Any person engaging or continuing in a business who claims out-of-City sales shall maintain and keep accounting records or books indicating separately the gross income from the sales of tangible personal property from such out-of-City branches or locations.

(b) Out-of-State sales. Persons engaged in a business claiming out-of-State sales shall maintain accounting records or books indicating for each out-of-State sale the following documentation:
(1) documentation of location of the buyer at the time of order placement; and
(2) shipping, delivery, or freight documents showing where the buyer took delivery; and
(3) documentation of intended location of use or storage of the property sold to such buyer.

Sec. 7A-370. Recordkeeping: claim of exclusion, exemption, deduction, or credit: documentation; liability

(a) All deductions, exclusions, exemptions, and credits provided in this Chapter are conditional upon adequate proof and documentation of such as may be required under A.R.S. Section 42-5022 or by this Chapter or Regulation.

(b) Any person who claims and receives an exemption, deduction, exclusion, or credit to which he is not entitled under this Chapter, shall be subject to, liable for, and pay the tax on the transaction as if the vendor subject to the tax had passed the burden of the payment of the tax to the person wrongfully claiming the exemption. A person who wrongfully claimed such exemption shall be treated as if he is delinquent in the payment of the tax and shall be subject to interest and penalties upon such delinquency. However, if the tax is collected from the vendor on such transaction it shall not again be collected from the person claiming the exemption, or if collected from the person claiming the exemption it shall not also be collected from the vendor

Sec. 7A-372. Proof of exemption: sale for resale; sale; rental; lease or rental equipment.

A claim of purchase for resale or of purchase, rental, lease, or license for rent, lease, or license is valid only if the evidence is sufficient to persuade a reasonably prudent businessman that the particular item is being acquired for resale or for rental, lease, or license in the ordinary course of business. The fact that the acquiring person possesses a Privilege License number, and makes a verbal claim of "sale for resale or lease" or "lease for re-lease" does not meet this burden and is insufficient to justify an exemption. The "reasonable evidence" must be evidence which exists objectively, and not merely in the mind of the vendor, that the property being acquired is normally sold, rented, leased, or licensed by the acquiring person in the ordinary course of business. Failure to obtain such reasonable evidence at the time of the transaction will be a basis for disallowance of any claimed deduction on returns filed for such transactions.

Sec. 7A-380. Inadequate or unsuitable records.

In the event the records provided by the taxpayer are considered by the Tax Collector to be inadequate or unsuitable to determine the amount of the tax for which such taxpayer is liable under the provisions of this Chapter, it is the responsibility of the taxpayer either:

(a) to provide such other records required by this Chapter or Regulation; or

(b) to correct or to reconstruct his records, to the satisfaction of the Tax Collector.

Article IV - Privilege Taxes

Sec. 7A-400. Imposition of Privilege Taxes; presumption.

(a) There are hereby levied and imposed, subject to all other provisions of this Chapter, the following Privilege Taxes for the purpose of raising revenue to be used in defraying the necessary expenses of the City, such taxes to be collected by the Tax Collector:
   (1) a Privilege Tax upon persons on account of their business activities, to the extent provided elsewhere in this Article, to be measured by the gross income of persons, whether derived from residents of the City or not, or whether derived from within the City or from without.
   (2) (Reserved)

(b) Taxes imposed by this Chapter are in addition to others. Except as specifically designated elsewhere in this Chapter, each of the taxes imposed by this Chapter shall be in addition to all other licenses, fees, and taxes levied by law, including other taxes imposed by this Chapter.

(c) Presumption. For the purpose of proper administration of this Chapter and to prevent evasion of the taxes imposed by this Chapter, it shall be presumed that all gross income is subject to the tax until the contrary is established by the taxpayer.

(d) Limitation of exemptions, deductions, and credits allowed against the measure of taxes imposed by this Chapter. All exemptions, deductions, and credits set forth in this Chapter shall be limited to the specific activity or transaction described and not extended to include any other activity or transaction subject to the tax.

Sec. 7A-405. Advertising.

(a) The tax rate shall be at an amount equal to four percent (4%) 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:
   (1) the advertising of a product or service which is sold or provided both within and without the State by more than one "commonly designated business entity" within the State, and in which the advertisement names either no "commonly designated business entity" within the State or more than one "commonly designated business entity". "Commonly Designated Business Entity" means any person selling or providing any product or service to its customers under a common business name or style, even though there may be more than one legal entity conducting business functions using the same or substantially the same business name or style by virtue of a franchise, license, or similar agreement.
   (2) the advertising of a facility or of a service or activity in which neither the facility nor a business site carrying on such service or activity is located within the State.
   (3) the advertising of a product which may only be purchased from an out-of-State supplier.
   (4) political advertising for United States Presidential and Vice Presidential candidates only.
   (5) advertising by means of product purchase coupons redeemable at any retail establishment carrying such product but not product coupons redeemable only at a single commonly designated business entity.
   (6) advertising transportation services where a substantial portion of the transportation activity of the business entity advertised involves interstate or foreign carriage.

(b) (Reserved)

Sec. 7A-407. (Reserved)

Sec. 7A-410. Amusements, exhibitions, and similar activities.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of providing amusement that begins in the city or takes place entirely within the City, which includes the following type or nature of businesses:
  (1) operating or conducting theaters, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, menageries, fairs, races, contests, games, billiard or pool parlors, bowling alleys, skating rinks, tennis courts, golf courses, video games, pinball machines, public dances, dance halls, sports events, jukeboxes, batting and driving ranges, animal rides, or any other business charging admission for exhibition, amusement, or entertainment.
  (2) (Reserved)

(b) Deductions or exemptions. The gross proceeds of sales or gross income derived from the following sources is exempt from the tax imposed by this Section:
  (1) (Reserved)
  (2) Amounts retained by the Arizona Exposition and State Fair Board from ride ticket sales at the annual Arizona State Fair.
  (3) Income received from a hotel business subject to tax under Section 7A-444, if all of the following apply:
    (A) The hotel business receives gross income from a customer for the specific business activity otherwise subject to amusement tax.
    (B) The consideration received by the hotel business is equal to or greater than the amount to be deducted under this subsection.
    (C) The hotel business has provided an exemption certificate to the person engaging in business under this section.
  (4) Income that is specifically included as the gross income of a business activity upon which another Section of this Article imposes a tax, that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.
  (5) Income from arranging transportation connected to amusement activity that is separately stated to the customer, not to exceed consideration paid to the transportation business.

(c) The tax imposed by this Section shall not include arranging an amusement activity as a service to a person's customers if that person is not otherwise engaged in the business of operating or conducting an amusement themselves or through others. This exception does not apply to businesses that operate or conduct amusements pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the amusement is performed by third party independent contractors. For the purposes of this paragraph, "arranging" includes billing for or collecting amusement charges from a person's customers on behalf of the persons providing the amusement.

Sec. 7A-415. Construction contracting: construction contractors.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business upon every construction contractor engaging or continuing in the business activity of construction contracting within the City.
  (1) However, gross income from construction contracting shall not include charges related to groundwater measuring devices required by A.R.S. Section 45-604.
  (2) (Reserved)
  (3) gross income from construction contracting shall not include gross income from the sale of manufactured buildings taxable under Section 7A-427.
  (4) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this Section. For the purposes of this subsection, “direct costs” means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(b) Deductions and exemptions.

(1) Gross income derived from acting as a "subcontractor" shall be exempt from the tax imposed by this Section.

(2) All construction contracting gross income subject to the tax and not deductible herein shall be allowed a deduction of thirty-five percent (35%).

(3) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(A) Section 7A-465, subsections (g) and (p)

(B) Section 7A-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(4) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g) that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(A) to be incorporated into real property.

(B) to become so affixed to real property that it becomes part of the real property.

(C) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(5) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(6) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this Section.

(7) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this State for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(8) The gross proceeds of sales or gross income received from a post construction contract to perform post-construction treatment of real property for termite and general pest control, including wood destroying organisms, shall be exempt from tax imposed under this Section.

(9) Through December 31, 2009, the gross proceeds of sales or gross income received from a contract for constructing any lake facility development in a commercial enhancement reuse district that is designated pursuant to A.R.S. § 9-499.08 if the contractor maintains the following records in a form satisfactory to the Arizona Department of Revenue and to the City:

(A) The certificate of qualification of the lake facility development issued by the City pursuant to A.R.S. § 9-499.08, subsection D.

(B) All state and local transaction privilege tax returns for the period of time during which the contractor received gross proceeds of sales or gross income from a contract to construct a lake facility development in a designated commercial enhancement reuse district, showing the amount exempted from state and local taxation.

(C) Any other information considered to be necessary.

(10) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer. For the purposes of this paragraph:

(A) the attributable amount shall not exceed the value of the development fees actually imposed.

(B) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(C) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(11) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(c) "Subcontractor" means a construction contractor performing work for either:

(1) a construction contractor who has provided the subcontractor with a written declaration that he is liable for the tax for the project and has provided the subcontractor his City Privilege License number.

(2) an owner-builder who has provided the subcontractor with a written declaration that:

(A) the owner-builder is improving the property for sale; and

(B) the owner-builder is liable for the tax for such construction contracting activity; and

(C) the owner-builder has provided the contractor his City Privilege License number.

(3) a person selling new manufactured buildings who has provided the subcontractor with a written declaration that he is liable for the tax for the site preparation and set-up; and provided the subcontractor his City Privilege License number.

Subcontractor also includes a construction contractor performing work for another subcontractor as defined above.

Sec. 7A-416. Construction contracting: speculative builders.

(a) The tax shall be equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the City.

(1) The gross income of a speculative builder considered taxable shall include the total selling price from the sale of improved real property at the time of closing of escrow or transfer of title.

(2) "Improved Real Property" means any real property:

(A) upon which a structure has been constructed; or

(B) where improvements have been made to land containing no structure (such as paving or landscaping); or

(C) which has been reconstructed as provided by Regulation; or

(D) where water, power, and streets have been constructed to the property line.

(3) "Sale of Improved Real Property" includes any form of transaction, whether characterized as a lease or otherwise, which in substance is a transfer of title of, or equitable ownership in, improved real property and includes any lease of the property for a term of thirty (30) years or more (with all options for renewal being included as a part of the term). In the case of multiple unit projects, "sale" refers to the sale of the entire project or to the sale of any individual parcel or unit.

(4) "Partially Improved Residential Real Property", as used in this Section, means any improved real property, as defined in subsection (a)(2) above, being developed for sale to individual homeowners, where the construction of the residence upon such property is not substantially complete at the time of the sale.

(b) Exclusions.

(1) In cases involving reconstruction contracting, the speculative builder may exclude from gross income the prior value allowed for reconstruction contracting in determining his taxable gross income, as provided by Regulation.

(2) Neither the cost nor the fair market value of the land which constitutes part of the improved real property sold may be excluded or deducted from gross income subject to the tax imposed by this Section.

(3) (Reserved)

(4) A speculative builder may exclude gross income from the sale of partially improved residential real property as defined in (a)(4) above to another speculative builder only if all of the following conditions are satisfied:

(A) The speculative builder purchasing the partially improved residential real property has a valid City privilege license for construction contracting as a speculative builder; and

(B) At the time of the transaction, the purchaser provides the seller with a properly completed written declaration that the purchaser assumes liability for and will pay all privilege taxes which would otherwise be due the City at the time of sale of the partially improved residential real property; and

(C) The seller also:

(i) maintains proper records of such transactions in a manner similar to the requirements provided in this chapter relating to sales for resale; and

(ii) retains a copy of the written declaration provided by the buyer for the transaction; and

(iii) is properly licensed with the City as a speculative builder and provides the City with the written declaration attached to the City privilege tax return where he claims the exclusion.

(5) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, “direct costs” means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(c) Tax liability for speculative builders occurs at close of escrow or transfer of title, whichever occurs earlier, and is subject to the following provisions, relating to exemptions, deductions and tax credits:

(1) Exemptions.

(A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(i) Section 7A-465, subsections (g) and (p)

(ii) Section 7A-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this section.

(D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(E) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this paragraph:

(i) the attributable amount shall not exceed the value of the development fees actually imposed.

(ii) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(iii) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(2) Deductions.

(A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).

(B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(i) to be incorporated into real property.

(ii) to become so affixed to real property that it becomes part of the real property.

(iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(C) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(3) Tax credits.

The following tax credits are available to owner-builders or speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

(A) A tax credit equal to the amount of city privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

(B) A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.

(C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

Sec. 7A-417. 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 amount equal to four percent (4%) of:

(1) the gross income from the activity of construction contracting upon the real property in question which was realized by those construction contractors to whom the owner-builder provided written declaration that they were not responsible for the taxes as prescribed in Subsection 7A-415(c)(2); and

(2) the purchase of tangible personal property for incorporation into any improvement to real property, computed on the sales price.

(b) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(c) The tax liability of this Section is subject to the following provisions, relating to exemptions, deductions and tax credits:

(1) Exemptions.

(A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(i) Section 7A-465, subsections (g) and (p)

(ii) Section 7A-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this Section.

(D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(E) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this paragraph:

(i) the attributable amount shall not exceed the value of the development fees actually imposed.

(ii) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(iii) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S.Title 48 regardless of the jurisdiction to which the fees are paid.

(2) Deductions.

(A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).

(B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(i) to be incorporated into real property.

(ii) to become so affixed to real property that it becomes part of the real property.

(iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(C) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(3) Tax credits.

The following tax credits are available to owner-builders and speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

(A) A tax credit equal to the amount of city privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

(B) A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.

(C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

(d) The limitation period for the assessment of taxes imposed by this Section is measured based upon when such liability is reportable, that is, in the reporting period that encompasses the twenty-fifth (25th) month after said unit or project was substantially complete. Interest and penalties, as provided in Section 7A-540, will be based on reportable date.

(e) (Reserved)

Sec. 7A-418. (Reserved)

Sec. 7A-420. (Reserved)

Sec. 7A-425. Job printing.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.

(b) The tax imposed by this Section shall not apply to:

(1) job printing purchased for the purpose of resale by the purchaser in the form supplied by the job printer.

(2) out-of-City sales.

(3) out-of-State sales.

(4) (Reserved)

(5) sales of job printing to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(6) (Reserved)

(7) Sales of postage and freight except that the amount deducted shall not exceed the actual postage and freight expense that is paid to the United States Postal Service or a commercial delivery service and that is separately itemized by the taxpayer on the customer's invoice and in the taxpayer's records.

Sec. 7A-427. Manufactured buildings.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.

(b) Sales of used manufactured buildings are not taxable.

(c) The sale prices of furniture, furnishings, fixtures, appliances, and attachments that are not incorporated as component parts of or attached to a manufactured building are exempt from the tax imposed by this Section. Sales of such items are subject to the tax under Section 7A-460.

(d) Under this Section, a trade-in will not be allowed for the purpose of reducing the tax liability.

Sec. 7A-430. Timbering and other extraction.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the following businesses:
   (1) felling, producing, or preparing timber or any product of the forest for sale, profit, or commercial use.
   (2) extracting, refining, or producing any oil or natural gas for sale, profit, or commercial use.

(b) The rate specified in subsection (a) above shall be applied to the value of the entire product extracted, refined, produced, or prepared for sale, profit, or commercial use, when such activity occurs within the City, regardless of the place of sale of the product or the fact that delivery may be made to a point without the City or without the State.

(c) If any person engaging in any business classified in this Section ships or transports products, or any part thereof, out of the State without making sale of such products, or ships his products outside of the State in an unfinished condition, the value of the products or articles in the condition or form in which they existed when transported out-of-State and before they enter interstate commerce shall be the basis for assessment of the tax imposed by this Section.

(d) (Reserved)

Sec. 7A-432. Mining.

(a) The tax rate shall be at an amount equal to one tenth of one percent (.1%), not to exceed one tenth of one percent, of the gross income from the business activity upon every person engaging or continuing in the business of mining, smelting, or producing for sale, profit, or commercial use any copper, gold, silver, or other mineral product, compound, or combination of mineral products; but not including the extraction, removal, or production of sand, gravel, or rock from the ground for sale, profit, or commercial use.

(b) The rate specified in subsection (a) above shall be applied to the value of the entire product mined, smelted or produced for sale, profit, or commercial use, when such activity occurs within the City, regardless of the place of sale of the product or the fact that delivery may be made to a point without the City or without the State.

(c) If any person engaging in any business classified in this Section ships or transports products, or any part thereof, out of the State without making sale of such products, or ships his products outside of the State in an unfinished condition, the value of the products or articles in the condition or form in which they existed when transported out-of-State and before they enter interstate commerce shall be the basis for assessment of the tax imposed by this Section.

Sec. 7A-435. Publishing and periodicals distribution.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business activity of:
   (1) publication of newspapers, magazines, or other periodicals when published within the City, measured by the gross income derived from notices, subscriptions, and local advertising as defined in Section 7A-405. In cases where the location of publication is both within and without this State, gross income subject to the tax shall refer only to gross income derived from residents of this State or generated by permanent business locations within this State.
   (2) distribution or delivery within the City of newspapers, magazines, or other periodicals not published within the City, measured by the gross income derived from subscriptions.

(b) "Location of Publication" is determined by:
  (1) location of the editorial offices of the publisher, when the physical printing is not performed by the publisher; or
  (2) location of either the editorial offices or the printing facilities, if the publisher performs his own physical printing.

(c) "Subscription income" shall include all circulation revenue of the publisher except amounts retained by or credited to carriers or other vendors as compensation for delivery within the State by such carriers or vendors, and further except sales of published items, directly or through distributors, for the purpose of resale, to retailers subject to the Privilege Tax on such resale.

(d) "Circulation", for the purpose of measurement of gross income subject to the tax, shall be considered to occur at the place of delivery of the published items to the subscriber or intended reader irrespective of the location of the physical facilities or personnel of the publisher. However, delivery by the United States mails shall be considered to have occurred at the location of publication.

(e) Allocation of taxes between cities and towns. In cases where publication or distribution occurs in more than one city or town, the measurement of gross income subject to tax by the City shall include:
  (1) that portion of the gross income from publication which reflects the ratio of circulation within this City to circulation in all incorporated cities and towns in this State having substantially similar provisions; plus
  (2) only when publication occurs within the City, that portion of the remaining gross income from publication which reflects the ratio of circulation within this City to the total circulation of all incorporated cities or towns in this State within which cities the taxpayer maintains a location of publication.

(f) The tax imposed by this Section shall not apply to sales of newspapers, magazines or other periodicals to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

Sec. 7A-440. (Reserved)

Sec. 7A-444. Hotels.

The tax rate shall be at an amount equal to four percent (4%) 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 lodging space furnished to any:

(a) Transient.

(b) Exclusions. The tax imposed by this Section shall not include:
  (1) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility.
  (2) Gross proceeds of sales or gross income that is properly included in another business activity under this Article and that is taxable to the person engaged in that business activity, but the gross proceeds of sales or gross income to be deducted shall not exceed the consideration paid to the person conducting the activity.
  (3) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person not subject to tax under this Article.

(4) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person subject to taxation under Section 7A-410 or Section 7A-475 due to an exclusion, exemption or deduction.

(5) Gross proceeds of sales or gross income from commissions received from a person providing services or property to the customers of the hotel. However, such commissions may be subject to tax under Section 7A-445 or Section 7A-450 as rental, leasing or licensing for use of real or tangible personal property.

(6) Income from providing telephone, fax or Internet services to customers at an additional charge, that is separately stated to the customer and is separately maintained in the hotel's books and records. However, such gross proceeds of sales or gross income may be subject to tax under Section 7A-470 as telecommunication services.

Sec. 7A-445. Rental, leasing, and licensing for use of real property.

(a) The tax rate shall be at an amount equal to four percent (4%) 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:

(1) Payments made by the lessee to, or on behalf of, the lessor for property taxes, repairs, or improvements are considered to be part of the taxable gross income.

(2) Charges for such items as telecommunications, utilities, pet fees, or maintenance are considered to be part of the taxable gross income.

(3) However, if the lessor engages in telecommunication activity, as evidenced by installing individual metering equipment and by billing each tenant based upon actual usage, such activity is taxable under Section 7A-470.

(b) If individual utility meters have been installed for each tenant and the lessor separately charges each single tenant for the exact billing from the utility company, such charges are exempt.

(c) Charges by a qualifying hospital, qualifying community health center or a qualifying health care organization to patients of such facilities for use of rooms or other real property during the course of their treatment by such facilities are exempt.

(d) Charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services are exempt from the tax imposed by this Section.

(e) (Reserved)

(f) (Reserved)

(g) (Reserved)

(h) (Reserved)

(i) (Reserved)

(j) Exempt from the tax imposed by this Section is gross income derived from the activities taxable under Section 7A-444 of this code.

(k) (Reserved)

(l) (Reserved)

(m) (Reserved)

(n) Notwithstanding the provisions of Section 7A-200(b), the fair market value of one (1) apartment, in an apartment complex provided rent free to an employee of the apartment complex is not subject to the tax imposed by this Section. For an apartment complex with more than fifty (50) units, an additional apartment provided rent free to an employee for every additional fifty (50) units is not subject to the tax imposed by this Section.

(o) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this Section.

(p) Charges by any hospital, any licensed nursing care institution, or any kidney dialysis facility to patients of such facilities for the use of rooms or other real property during the course of their treatment by such facilities are exempt.

(q) Charges to patients receiving "personal care" or "directed care", by any licensed assisted living facility, licensed assisted living center or licensed assisted living home as defined and licensed pursuant to Chapter 4 Title 36 Arizona Revised Statutes and Title 9 of the Arizona Administrative Code are exempt.

(r) Income received from the rental of any “low-income unit” as established under Section 42 of the Internal Revenue Code, including the low-income housing credit provided by IRC Section 42, to the extent that the collection of tax on rental income causes the “gross rent” defined by IRC Section 42 to exceed the income limitation for the low-income unit is exempt. This exemption also applies to income received from the rental of individual rental units subject to statutory or regulatory “low-income unit” rent restrictions similar to IRC Section 42 to the extent that the collection of tax from the tenant causes the rental receipts to exceed a rent restriction for the low-income unit. This subsection also applies to rent received by a person other than the owner or lessor of the low-income unit, including a broker. This subsection does not apply unless a taxpayer maintains the documentation to support the qualification of a unit as a low-income unit, the “gross rent” limitation for the unit and the rent received from that unit.

(s) The gross proceeds of a commercial lease of real property between affiliated companies, businesses, persons, or reciprocal insurers are exempt. For the purposes of this paragraph:
(1) “Affiliated companies, business, persons or reciprocal insurers” means the lessor holds a controlling interest in the lessee, the lessee hold a controlling interest in the lessor, an affiliated entity holds a controlling interest in both the lessor and the lessee or an unrelated person holds a controlling interest in both the lessor and lessee:
(2) “Controlling interest” means direct or indirect ownership of at least eighty percent of the voting shares of a corporation or of the interests in a company, business or person other than a corporation.
(3) “Reciprocal insurer” has the same meaning as prescribed in A.R.S. Section 20-762.

Sec. 7A-446. (Reserved)

Sec. 7A-447. (Reserved)

Sec. 7A-450. Rental, leasing, and licensing for use of tangible personal property.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.

(b) Special provisions relating to long-term motor vehicle leases. A lease transaction involving a motor vehicle for a minimum period of twenty-four (24) months shall be considered to have occurred at the location of the motor vehicle dealership, rather than the location of the place of business of the lessor, even if the lessor's interest in the lease and its proceeds are sold, transferred, or otherwise assigned to a lease financing institution; provided further that the city or town where such motor vehicle dealership is located levies a Privilege Tax or an equivalent excise tax upon the transaction.

(c) Gross income derived from the following transactions shall be exempt from Privilege Taxes imposed by this Section:

(1) rental, leasing, or licensing for use of tangible personal property to persons engaged or continuing in the business of leasing, licensing for use, or rental of such property.

(2) rental, leasing, or licensing for use of tangible personal property that is semi-permanently or permanently installed within another city or town that levies an equivalent excise tax on the transaction.

(3) rental, leasing, or licensing for use of film, tape, or slides to a theater or other person taxed under Section 7A-410, or to a radio station, television station, or subscription television system.

(4) rental, leasing, or licensing for use of the following:
(A) prosthetics.
(B) income-producing capital equipment.
(C) mining and metallurgical supplies.
These exemptions include the rental, leasing, or licensing for use of tangible personal property which, if it had been purchased instead of leased, rented, or licensed by the lessee or licensee, would qualify as income-producing capital equipment or mining and metallurgical supplies.

(5) rental, leasing, or licensing for use of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property so rented, leased, or licensed is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or rental, leasing, or licensing for use of tangible personal property in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.

(6) separately billed charges for delivery, installation, repair, and/or maintenance as provided by Regulation.

(7) charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services.

(8) (Reserved)

(9) rental, leasing, or licensing of aircraft that would qualify as aircraft acquired for use outside the State, as prescribed by Regulation, if such rental, leasing, or licensing had been a sale.

(10) rental, leasing and licensing for use of an alternative fuel vehicle if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. Section 1-215.

(11) rental, leasing, and licensing for use of solar energy devices, for taxable periods beginning from and after July 1, 2008. The lessor shall register with the department of revenue as a solar energy retailer. By registering, the lessor acknowledges that it will make its books and records relating to leases of solar energy devices available to the department of revenue and City, as applicable, for examination.

(12) Leasing or renting certified ignition interlock devices installed pursuant to the requirements prescribed by A.R.S. Section 28-1461. For the purposes of this paragraph, "certified ignition interlock device" has the same meaning prescribed in A.R.S. 28-1301

Sec. 7A-452. (Reserved)

Sec. 7A-455. Restaurants and Bars.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.

(b) Caterers and other taxpayers subject to the tax who deliver food and/or serve such food off premises shall also be allowed to exclude separately charged delivery, set-up, and clean-up charges, provided that the charges are also maintained separately in the books and records. When a taxpayer delivers food and/or serves such food off premises, his regular business location shall still be deemed the location of the transaction for the purposes of the tax imposed by this Section.

(c) The tax imposed by this Section shall not apply to sales to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(d) The tax imposed by this Section shall not apply to sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)49, that serves the food and beverages to its passengers, without additional charge, for consumption in flight.

(e) The tax imposed by this Section shall not apply to sales of prepared food, beverages, condiments or accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours.

(f) For the purposes of this Section, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

Sec. 7A-460. Retail sales: measure of tax; burden of proof; exclusions.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail.

(b) The burden of proving that a sale of tangible personal property is not a taxable retail sale shall be upon the person who made the sale.

(c) Exclusions. For the purposes of this Chapter, sales of tangible personal property shall not include:
- (1) sales of stocks, bonds, options, or other similar materials.
- (2) sales of lottery tickets or shares pursuant to Article I, Chapter 5, Title 5, Arizona Revised Statutes.
- (3) sales of platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by Regulation.
- (4) gross income derived from the transfer of tangible personal property which is specifically included as the gross income of a business activity upon which another Section of this Article imposes a tax, shall be considered gross income of that business activity, and are not includable as gross income subject to the tax imposed by this Section.
- (5) sales by professional or personal service occupations where such sales are inconsequential elements of the service provided.

(6) Sales of cash equivalents. The gross proceeds of sales or gross income derived from the redemption of any cash equivalent by the holder as a means of payment for goods or services that are taxable under this article is subject to the tax. "Cash equivalents" means items or intangibles, whether or not negotiable, that are sold to one or more persons, through which a value denominated in money is purchased in advance and may be redeemed in full or in part for tangible personal property, intangibles or services. Cash equivalents include gift cards, stored value cards, gift certificates, vouchers, traveler's checks, money orders or other instruments, orders or electronic mechanisms, such as an electronic code, personal identification number or digital payment mechanism, or any other prepaid intangible right to acquire tangible personal property, intangibles or services in the future, whether from the seller of the cash equivalent or from another person. Cash equivalents do not include either of the following:

(A) Items or intangibles that are sold to one or more persons, through which a value is not denominated in money.

(B) Prepaid calling cards or prepaid authorization numbers for telecommunications services made taxable by subsection (g) of this section.

(d) Notwithstanding the provisions of subsection (a) above, when the gross income from the sale of a single item of tangible personal property exceeds two thousand five hundred dollars ($2,500.00), the four percent (4%) tax rate shall apply to the first $2,500.00. Above $2,500.00, the measure of tax shall be at a rate of one and one half percent (1.5%).

(e) When this City and another Arizona city or town with an equivalent excise tax could claim nexus for taxing a retail sale, the city or town where the permanent business location of the seller at which the order was received shall be deemed to have precedence, and for the purposes of this Chapter such city or town has sole and exclusive right to such tax.

(f) The appropriate tax liability for any retail sale where the order is received at a permanent business location of the seller located in this City or in an Arizona city or town that levies an equivalent excise tax shall be at the tax rate of the city or town of such seller's location.

(g) Retail sales of prepaid calling cards or prepaid authorization numbers for telecommunications services, including sales of reauthorization of a prepaid card or authorization number, are subject to tax under this Section.

Sec. 7A-462. Retail sales: food for home consumption

(a) Tax rate shall be at an amount equal to four percent (4.0%) of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

(b) For the purposes of this section only, the following definitions shall be applicable:

(1) "Eligible grocery business" means an establishment whose sales of food are such that it is eligible to participate in the food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 stat. 958; 7 U.S.C. section 2011 et seq.), according to regulations in effect on January 1, 1979. An establishment is deemed eligible to participate in the food stamp program if it is authorized to participate in the program by the United States Department of Agriculture Food and Nutrition Service Field Office on the effective date of this section, or if, prior to a reporting period for which the return is filed, such retailer proves to the satisfaction of the Tax Collector that the establishment, based on the nature of the retailer's food sales, could be eligible to participate in the food stamp program established by the Food Stamp Act of 1977 according to regulations in effect on January 1, 1979.

(2) "Facilities for the consumption of food" means tables, chairs, benches, booths, stools, counters, and similar conveniences, trays, glasses, dishes, or other tableware and parking areas for the convenience of in car consumption of food in or on the premises on which the retailer conducts business.

(3) “Food for consumption on the premises” means any of the following:
   (A) "Hot prepared food" as defined below.
   (B) Hot or cold sandwiches.
   (C) Food served by an attendant to be eaten at tables, chairs, benches, booths, stools, counters, and similar conveniences and within parking areas for the convenience of in-car consumption of food.
   (D) Food served with trays, glasses, dishes, or other tableware.
   (E) Beverages sold in cups, glasses, or open containers.
   (F) Food sold by caterers.
   (G) Food sold within the premises of theatres, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, fairs, races, contests, games, athletic events, rodeos, billiard and pool parlors, bowling alleys, public dances, dance halls, boxing, wrestling and other matches, and any business which charges admission, entrance, or cover fees for exhibition, amusement, entertainment, or instruction.
   (H) Any items contained in subsections (b)(3)(A) through (G) above even though they are sold on a "take-out" or "to go" basis, and whether or not the item is packaged, wrapped, or is actually taken from the premises.

(4) "Hot prepared food" means those products, items, or ingredients of food which are prepared and intended for consumption in a heated condition. "Hot prepared food" includes a combination of hot and cold food items or ingredients if a single price has been established.

(5) "Premises" means the total space and facilities in or on which a vendor conducts business and which are owned or controlled, in whole or in part, by a vendor or which are made available for the use of customers of the vendor or group of vendors, including any building or part of a building, parking lot, or grounds.

(6) "Food for home consumption" means all food, except food for consumption on the premises, if sold by any of the following:
   (A) An eligible grocery business.
   (B) A person who conducts a business whose primary business is not the sale of food but who sells food which is displayed, packaged, and sold in a similar manner as an eligible grocery business.
   (C) A person who sells food and does not provide or make available any facilities for the consumption of food on the premises.
   (D) A person who conducts a delicatessen business either from a counter which is separate from the place and cash register where taxable sales are made or from a counter which has two cash registers and which are used to record taxable and tax exempt sales, or a retailer who conducts a delicatessen business who uses a cash register which has at least two tax computing keys which are used to record taxable and tax exempt sales.
   (E) Vending machines and other types of automatic retailers.
   (F) A person’s sales of food, drink and condiment for consumption within the premises of any prison, jail or other institution under the jurisdiction of the State Department of Corrections, the Department of Public Safety, the Department of Juvenile Corrections or a county sheriff.

(c) Income derived from the following sources is exempt from the tax imposed by this section:
(1) Sales of food for home consumption to a person regularly engaged in the business of selling such property.
(2) Out-of-city sales or out-of-state sales.
(3) Charges for delivery or other “direct customer services” as prescribed by regulation.
(4) Food purchased with food stamps provided through the food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 stat. 958; 7 U.S.C. section 2011 et seq.) or purchased with food instruments issued under section 17 of the Child Nutrition Act (P.L. 95-627; 92 stat. 3603; and P.L. 99-669 section 4302; 42 U.S.C. Sec. 1786) but only to the extent that food stamps or food instruments were actually used to purchase such food.
(5) Sales of food products by producers as provided for by A.R.S. sections 3-561, 3-562 and 3-563.

(6) Sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. § 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(7) Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C. Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(d) Reporting. Such persons who sell food for home consumption shall, in conjunction with the return required pursuant to section 7A-520, report to the tax collector in a manner prescribed by the tax collector all sales of food for home consumption exempted from taxes imposed by this chapter.

(e) Recordkeeping.
(1) Retailers shall maintain accurate, verifiable, and complete records of all purchases and sales of tangible personal property in order to verify exemptions from taxes imposed by this chapter. A retailer may use any method of reporting that properly reflects all purchases and sales of food for home consumption, as well as all purchases and sales of items subject to taxes imposed by this chapter, provided that such records are maintained in accordance with Article III, and regulations of the Tax Collector.
(2) Any person who fails to maintain records as provided herein shall be deemed to have had no sales of food for home consumption, and if upon request by the tax collector, a person cannot demonstrate to the tax collector that such records and reports do properly reflect all sales of food for home consumption, the tax collector may re-compute the amount of tax to be paid as provided in sections 7A-370 and 7A-545(b).

Sec. 7A-465. Retail sales: exemptions.

Income derived from the following sources is exempt from the tax imposed by Section 7A-460:

(a) sales of tangible personal property to a person regularly engaged in the business of selling such property.

(b) out-of-City sales or out-of-State sales.

(c) charges for delivery, installation, or other direct customer services as prescribed by Regulation.

(d) charges for repair services as prescribed by Regulation, when separately charged and separately maintained in the books and records of the taxpayer.

(e) sales of warranty, maintenance, and service contracts, when separately charged and separately maintained in the books and records of the taxpayer.

(f) sales of prosthetics.

(g) sales of income-producing capital equipment.

(h) sales of rental equipment and rental supplies.

(i) sales of mining and metallurgical supplies.

(j) sales of motor vehicle fuel and use fuel which are subject to a tax imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes; or sales of use fuel to a holder of a valid single trip use fuel tax permit issued under A.R.S. Section 28-5739, or sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.

(k) sales of tangible personal property to a construction contractor who holds a valid Privilege Tax License for engaging or continuing in the business of construction contracting where the tangible personal property sold is incorporated into any structure or improvement to real property as part of construction contracting activity.

(l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.

(m) sales of tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines, or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.

(n) (Reserved)
(1) (Reserved)
(2) (Reserved)

(o) sales to hotels, bars, restaurants, dining cars, lunchrooms, boarding houses, or similar establishments of articles consumed as food, drink, or condiment, whether simple, mixed, or compounded, where such articles are customarily prepared or served to patrons for consumption on or off the premises, where the purchaser is properly licensed and paying a tax under Section 7A-455 or the equivalent excise tax upon such income.

(p) sales of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or sales of tangible personal property purchased in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.

(q) (Reserved)

(r) (Reserved)
(1) (Reserved)
(2) (Reserved)
(3) (Reserved)
(4) (Reserved)

(s) sales of groundwater measuring devices required by A.R.S. Section 45-604.

(t) (Reserved)

(u) sales of aircraft acquired for use outside the State, as prescribed by Regulation.

(v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.

(w) (Reserved)

(x) (Reserved)

(y) (Reserved)

(z) (Reserved)

(aa) the sale of tangible personal property used in remediation contracting as defined in Section 7A-100 and Regulation 7A-100.5.

(bb) sales of materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
(1) printed or photographic materials.
(2) electronic or digital media materials.

(cc) sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(dd) in computing the tax base in the case of the sale or transfer of wireless telecommunication equipment as an inducement to a customer to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470, gross proceeds of sales or gross income does not include any sales commissions or other compensation received by the retailer as a result of the customer entering into or continuing a contract for the telecommunications services.

(ee) for the purposes of this Section, a sale of wireless telecommunication equipment to a person who holds the equipment for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470 is considered to be a sale for resale in the regular course of business.

(ff) sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.

(gg) Sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title15, Arizona Revised Statutes, including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. § 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(hh) sales of personal hygiene items to a person engaged in the business of and subject to tax under Section 7A-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.

(ii) For the purposes of this Section, the diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.

(jj) Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

(ll) Sales of solar energy devices, for taxable periods beginning from and after July 1, 2008. The retailer shall register with the department of Revenue as a solar energy retailer. By registering, the retailer acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and city, as applicable, for examination.

(mm) Sales or other transfers of renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this paragraph, "renewable energy credit" means a unit created administratively by the corporation commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.

(nn) Sales of magazines or other periodicals or other publications by this state to encourage tourist travel.

(oo) Sales of paper machine clothing, such as forming fabrics and dryer felts, sold to a paper manufacturer and directly used or consumed in paper manufacturing.

(pp) Sales of overhead materials or other tangible personal property that is used in performing a contract between the United States government and a manufacturer, modifier, assembler or repairer, including property used in performing a subcontract with a government contractor who is a manufacturer, modifier, assembler or repairer, to which title passes to the government under the terms of the contract or subcontract.

(qq) Sales of coal, petroleum, coke, natural gas, virgin fuel oil and electricity sold to a qualified environmental technology manufacturer, producer or processor as defined in A.R.S. section 41-1514.02 and directly used or consumed in the generation or provision of on-site power or energy solely for environmental technology manufacturing, producing or processing or environmental protection. This paragraph shall apply for twenty full consecutive calendar or fiscal years from the date the first paper manufacturing machine is placed in service. In the case of an environmental technology manufacturer, producer or processor who does not manufacture paper, the time period shall begin with the date the first manufacturing, processing or production equipment is placed in service.

(rr) Sales or gross income derived from sales of machinery, equipment, materials and other tangible personal property used directly and predominantly to construct a qualified environmental technology manufacturing, producing or processing facility as described in A.R.S. section 41-1514.02. This subsection applies for ten full consecutive calendar or fiscal years after the start of initial construction.

Sec. 7A-470. Telecommunication services.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.
   (1) Telecommunication services shall include:
      (A) two-way voice, sound, and/or video communication over a communications channel.
      (B) one-way voice, sound, and/or video transmission or relay over a communications channel.
      (C) facsimile transmissions.
      (D) providing relay or repeater service.
      (E) providing computer interface services over a communications channel.
      (F) time-sharing activities with a computer accomplished through the use of a communications channel.
   (2) Gross income from the business activity of providing telecommunication services to consumers within this City shall include:
      (A) all fees for connection to a telecommunication system.

(B) toll charges, charges for transmissions, and charges for other telecommunications services; provided that such charges relate to transmissions originating in the City and terminating in this State.

(C) fees charged for access to or subscription to or membership in a telecommunication system or network.

(D) charges for monitoring services relating to a security or burglar alarm system located within the City where such system transmits or receives signals or data over a communications channel.

(E) charges for telephone, fax or Internet access services provided at an additional charge by a hotel business subject to taxation under Section 7A-444.

(b) Resale telecommunication services. Gross income from sales of telecommunication services to another provider of telecommunication services for the purpose of providing the purchaser's customers with such service shall be exempt from the tax imposed by this Section; provided, however, that such purchaser is properly licensed by the City to engage in such business.

(c) Interstate transmissions. Charges by a provider of telecommunication services for transmissions originating in the City and terminating outside the State are exempt from the tax imposed by this Section.

(d) Tax credit offset for franchise fees. There shall be allowed as an offset, up to the amount of tax due, any amounts paid to the City for license fees or franchise fees, but such offset shall not be allowed against taxes imposed by any other Section of this Chapter. Such offset shall not be deemed in conflict with or violation of subsection 7A-400(b).

(e) (Reserved)

(f) Prepaid calling cards. Telecommunications services purchased with a prepaid calling card that are taxable under Section 7A-460 are exempt from the tax imposed under this Section.

(g) Internet Access Services - the gross income subject to tax under this section shall not include sales of internet access services to the person's subscribers and customers. For the purposes of this subsection:

(1) "Internet" means the computer and telecommunications facilities that comprise the interconnected worldwide network of networks that employ the transmission control protocol or internet protocol, or any predecessor or successor protocol, to communicate information of all kinds by wire or radio.

(2) "Internet Access" means a service that enables users to access content, information, electronic mail or other services over the internet. Internet access does not include telecommunication services provided by a common carrier.

Sec. 7A-475. Transporting for hire.

The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of providing the following forms of transportation for hire from this City to another point within the State:

(a) transporting of persons or property by railroad; provided, however, that the tax imposed by this subsection shall not apply to transporting freight or property for hire by a railroad operating exclusively in this State if the transportation comprises a portion of a single shipment of freight or property, involving more than one railroad, either from a point in this State to a point outside this State or from a point outside this State to a point in this State. For purposes of this paragraph, “a single shipment” means the transportation that begins at the point at which one of the railroads first takes possession of the freight or property and continues until the point at which one of the railroads relinquishes possession of the freight or property to a party other than one of the railroads.

(b) transporting of oil or natural or artificial gas through pipe or conduit.

(c) transporting of property by aircraft.

(d) transporting of persons or property by motor vehicle, including towing and the operation of private car lines, as such are defined in Article VII, Chapter 14, Title 42 , Arizona Revised Statutes; provided, however, that the tax imposed by this subsection shall not apply to:
(1) gross income subject to the tax imposed by Article IV, Chapter 16, Title 28, Arizona Revised Statutes.
(2) gross income derived from the operation of a governmentally adopted and controlled program to provide urban mass transportation.
(3) (Reserved)
(4) (Reserved)

(e) (Reserved)

(f) Deductions or exemptions. The gross proceeds of sales or gross income derived from the following sources is exempt from the tax imposed by this Section:
(1) income that is specifically included as the gross income of a business activity upon which another Section of Article IV imposes a tax, that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.
(2) income from arranging amusement or transportation when the amusement or transportation is conducted by another person not to exceed consideration paid to the amusement or transportation business.

(g) The tax imposed by this Section shall not include arranging transportation as a convenience to a person's customers if that person is not otherwise engaged in the business of transporting persons, freight or property for hire. This exception does not apply to businesses that dispatch vehicles pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the transportation is performed by third party independent contractors. For the purposes of this paragraph, "arranging" includes billing for or collecting transportation charges from a person's customers on behalf of the persons providing the transportation.

Sec. 7A-480. Utility services.

(a) The tax rate shall be at an amount equal to four percent (4%) 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:
(1) consumers or ratepayers who reside within the City.
(2) (Reserved)

(b) Exclusion of certain sales of natural gas to a public utility. Notwithstanding the provisions of subsection (a) above, the gross income derived from the sale of natural gas to a public utility for the purpose of generation of power to be transferred by the utility to its ratepayers shall be considered a retail sale of tangible personal property subject to Sections 7A-460 and 7A-465, and not considered gross income taxable under this Section.

(c) Resale utility services. Sales of utility services to another provider of the same utility services for the purpose of providing such utility services either to another properly licensed utility provider or directly to such purchaser's customers or ratepayers shall be exempt and deductible from the gross income subject to the tax imposed by this Section, provided that the purchaser is properly licensed by all applicable taxing jurisdictions to engage or continue in the business of providing utility services, and further provided that the seller maintains proper documentation, in a manner similar to that for sales for resale, of such transactions.

(d) (Reserved)

(e) The tax imposed by this Section shall not apply to sales of utility services to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(f) The tax imposed by this Section shall not apply to sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.

(g) The tax imposed by this Section shall not apply to:
(1) revenues received by a municipally owned utility in the form of fees charged to persons constructing residential, commercial or industrial developments or connecting residential, commercial or industrial developments to a municipal utility system or systems if the fees are segregated and used only for capital expansion, system enlargement or debt service of the utility system or systems.
(2) revenues received by any person or persons owning a utility system in the form of reimbursement or contribution compensation for property and equipment installed to provide utility access to, on or across the land of an actual utility consumer if the property and equipment become the property of the utility. This exclusion shall not exceed the value of such property and equipment.

(h) The tax imposed by this Section shall not apply to sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.

(i) The tax imposed by this section shall not apply to the portion of gross proceeds of sales or gross income attributable to transfers of electricity by any retail electric customer owning a solar photovoltaic energy generating system to an electric distribution system, if the electricity transferred is generated by the customer's system.

(j) (Reserved)

Sec. 7A-485. Waste Water Removable Services

(a) The tax rate shall be an amount equal to zero percent (0%) of the gross income from the business activity upon every person engaging or continuing in the business of providing wastewater removal services by means of sewer lines or similar pipelines to:
(1) Consumers or rate payers who reside within the City.
(2) Consumers or ratepayers of this city, whether within the City or without, to the extent that this city provides such persons wastewater removal services, excluding consumers or ratepayers who are residents of another city or town which levies an equivalent excise tax upon this city for providing such wastewater removal services to such persons.

(b) The tax imposed by this section shall not apply to gross income relating to the providing of wastewater removal services from a qualifying hospital, qualifying community health center or a qualifying health care organization.

Article V - Administration

(Notice: Both the Department of Revenue and the City of San Luis may perform audits of local taxpayers. Although many of the administrative procedures are the same, regardless of which entity is performing the audit, some differences will apply. To identify those differences, the words "state administration and audits" or "local audits" appear following the title of the section. If the section applies to audits performed by both the state and the City, no notation appears.)

Sec. 7A-500. Administration of this Chapter; rule making. (State Administration and Audits)

(a) The administration of this Chapter is vested in and exercised by the City of San Luis, and except as otherwise provided, and all payments shall be made to the City of San Luis. The City may, pursuant to an intergovernmental agreement, contract with the State of Arizona Department of Revenue for the administration of the tax. In such cases, "Tax Collector" shall also mean the Arizona Department of Revenue, when acting as agent in administering this tax.

(b) The Tax Collector shall prescribe the forms and procedures necessary for the administration of the taxes imposed by this Chapter.

(c) Except where such Regulations would conflict with administrative regulations adopted by the City Council or with provisions of this Chapter, all regulations on the Transaction Privilege Tax adopted by the Arizona Department of Revenue under the authority of A.R.S. Section 42-1005 shall be considered Regulations of this Chapter and enforceable as such.

(d) Taxpayers shall be subject to the State taxpayer bill of rights (A.R.S. § 42-2051 et. seq).

(e) The unified audit committee shall publish uniform guidelines that interpret the model city tax code and that apply to all cities and towns that have adopted the model city tax code as provided by A.R.S. Section 42-6005.
   (1) Prior to finalization of uniform guidelines that interpret the model city tax code, the unified audit committee shall disseminate draft guidelines for public comment.
   (2) Pursuant to A.R.S. Section 42-6005(D), when the state statutes and the model city tax code are the same and where the Arizona Department of Revenue has issued written guidance, the department's interpretation is binding on cities and towns.

Sec. 7A-500. Administration Of This Chapter; Rule Making. (Local Audits)

(a) The administration of this Chapter is vested in and exercised by the City of San Luis, and except as otherwise provided, all payments shall be made to the City of San Luis. The City may, pursuant to an intergovernmental agreement, contract with the State of Arizona Department of Revenue for the administration of the tax. In such cases, "tax collector" shall also mean the Arizona Department of Revenue, when acting as agent in administering this tax.

(b) The tax collector shall prescribe the forms and procedures necessary for the administration of the taxes imposed by this Chapter.

(c) Except where such regulations would conflict with administrative regulations adopted by the City Council or with provisions of this Chapter, all regulations on the transaction privilege tax adopted by the Arizona Department of Revenue under the authority of A.R.S. Section 42-1005 shall be considered regulations of this Chapter and enforceable as such.

(d) (Reserved)

(e) The Unified Audit Committee shall publish uniform guidelines that interpret the model city tax code and that apply to all cities and towns that have adopted the model city tax code as provided by A.R.S. Section 42-6005.
   (1) prior to finalization of uniform guidelines that interpret the model city tax code, the Unified Audit Committee shall disseminate draft guidelines for public comment.

(2) pursuant to A.R.S. Section 42-6005(d), when the state statutes and the model city tax code are the same and where the Arizona Department of Revenue has issued written guidance, the department's interpretation is binding on cities and towns.

Sec. 7A-510. Divulging of information prohibited; exceptions allowing disclosure.

(a) Except as specifically provided, it shall be unlawful for any official or employee of the City to make known information obtained pursuant to this Chapter concerning the business financial affairs or operations of any person.

(b) The City Council may authorize an examination of any return or audit of a specific taxpayer made pursuant to this Chapter by authorized agents of the Federal Government, the State of Arizona, or any political subdivisions.

(c) The Tax Collector may provide to an Arizona county, city, or town any information concerning any taxes imposed in this Chapter relative to the taxing ordinances of that county, city, or town.

(d) Successors, receivers, trustees, personal representatives, executors, guardians, administrators, and assignees, if directly interested, may be given information by the Tax Collector as to the items included in the measure and amounts of any unpaid tax, interest, and penalties required to be paid.

(e) Upon a written direction by the City Attorney or other legal advisor to the City designated by the City Council, officials or employees of the City may divulge the amount and source of income, profits, leases, or expenditures disclosed in any return or report, and the amount of such delinquent and unpaid tax, penalty, or interest, to a private collection agency having a written collection agreement with the City.

(f) The Tax Collector shall provide information to appropriate representatives of any Arizona city or town to comply with the provisions of A.R.S. Section 42-6003, A.R.S. Section 42-6005, and A.R.S. Section 42-6056.

(g) The Tax Collector may provide information to authorized agents of any other Arizona governmental agency involving the allocation of taxes imposed by Section 7A-435 upon publishing and distribution of periodicals.

(h) The Tax Collector may provide information regarding the enforcement and collection of taxes imposed by this Chapter to any governmental agency with which the City has an agreement.

Sec. 7A-515. (Reserved) (State Administration And Audits)

Sec. 7A-515. Duties Of The Taxpayer Problem Resolution Officer. (Local Audits)

(a) The Taxpayer Problem Resolution Officer shall assist taxpayers in:
  (1) obtaining easily understandable tax information and information on audits, corrections and appeals procedures of the city.
  (2) answering questions regarding preparing and filing the returns required under this chapter.
  (3) locating documents filed with or payments submitted to the Tax Collector by the taxpayer.

(b) The Taxpayer Problem Resolution Officer shall also:
  (1) receive and evaluate complaints of improper, abusive or inefficient service by the Tax Collector or any of his designees, employees, or agents and recommend to the City Manager or, for a City without a City Manager, the Chief Administrative Officer appropriate action to correct such service.
  (2) identify policies and practices of the Tax Collector or any of his designees, employees, or agents that might be barriers to the equitable treatment of taxpayers and recommend alternatives to the City Manager or, for a CITY without a City Manager, the Chief Administrative Officer.

(3) provide expeditious service to taxpayers whose problems are not resolved through normal channels.
(4) negotiate with The Tax Collector, his designees, employees, or agents to resolve the most complex and sensitive taxpayer problems.
(5) take action to stop or prohibit the Tax Collector from taking an action against a taxpayer.
(6) participate and present taxpayers' interests and concerns in meetings formulating the city's policies and procedures under and interpretation of this chapter.
(7) compile data each year on the number and type of taxpayer complaints and evaluate the actions taken to resolve those complaints.
(8) survey taxpayers each year to obtain their evaluation of the quality of service provided by the Tax Collector, his designees, employees, and agents.
(9) perform other functions which relate to taxpayer assistance as prescribed by the City Manager or, for a City without a City Manager, the Chief Administrative Officer.

(c) Actions taken by the Taxpayer Problem Resolution Officer may be reviewed and/or modified only by the City Manager or, for A City without a City Manager, the Chief Administrative Officer upon request of the Tax Collector or a taxpayer.

(d) The Mayor and Council of the City shall be provided with a report quarterly which identifies:
(1) any complaints of improper, abusive or inefficient service received by the Taxpayer Problem Resolution Officer since the date of the last report.
(2) any recommendations made, action taken or surveys obtained by Taxpayer Problem Resolution Officer pursuant to subsection (b)(1)-(9), above, since the date of the last report.

Sec. 7A-516. (Reserved) (State Administration And Audits)

Sec. 7A-516. Taxpayer Assistance Orders. (Local Audits)

(a) The Taxpayer Problem Resolution Officer, with or without a formal written request from a taxpayer, may issue a taxpayer assistance order that suspends or stays an action or proposed action by the Tax Collector if, in the problem resolution officer's determination, a taxpayer is suffering or will suffer a significant hardship due to the manner in which the tax collector is administering the tax laws.

(b) A taxpayer assistance order may require the tax collector to release any lien perfected under this chapter, or cease any action or refrain from taking any action to enforce against the taxpayer any section of this chapter pending resolution of the issue giving rise to the taxpayer assistance order.

(c) The Taxpayer Problem Resolution Officer, City Manager or, for a City without a City Manager, the Chief Administrative Officer may modify, reverse or rescind a taxpayer assistance order. A taxpayer assistance order is binding on the Tax Collector until it is reversed or rescinded.

(d) The running of the applicable statute of limitations for any action that is the subject of a taxpayer assistance order is suspended from the date the taxpayer applies for the order or the date the order is issued, whichever is earlier, until the order's expiration date, modification date or recision date, if any. Interest that would otherwise accrue on an outstanding tax obligation is not affected by the issuance of a taxpayer assistance order.

(e) A taxpayer assistance order may not be used:
(1) to contest the merits of a tax liability.
(2) to substitute for informal protest procedures or administrative or judicial proceedings to review a deficiency assessment, collection action or denial of a refund claim.

Sec. 7A-517. (Reserved) (State Administration And Audits)

Sec. 7A-517. Basis For Evaluating Employee Performance. (Local Audits)

(a) The Tax Collector shall solicit evaluations from taxpayers and include such evaluations in the performance appraisals of his employees, where applicable.

(b) The Tax Collector shall not evaluate an employee on the basis of taxes assessed or collected by that employee.

Sec. 7A-520. Reporting and payment of tax.

(a) The taxpayer shall be required to use the report form authorized by the Tax Collector and shall mail or deliver the same, together with remittance for the amount of tax due, payable to the City of San Luis, to the Tax Collector or any City representative or agent authorized to receive such payment. The tax return shall be signed by the taxpayer or his authorized agent, and such signature shall be evidence that the person signing the return verifies the accuracy of the information supplied in the return.

(b) Payment. If payment is made in any form other than United States legal tender, the tax obligation shall not be satisfied until the payment has been honored in funds.

(c) Requirement of Security. If a taxpayer has remitted payment in the form of a check or other form of draw upon a bank or third party and such remittance has not been honored in funds, the Tax Collector may demand security for future payments.

(d) Method of Reporting. Each taxpayer shall elect to report on either a cash receipts basis or an accrual basis and shall indicate the choice on the Privilege License application. A taxpayer shall not change his reporting method without receiving prior written approval by the Tax Collector.
   (1) Taxpayers must report all gross income subject to the tax using the same basis of reporting.
   (2) Taxes imposed upon construction contracting shall be reported as follows:
      (A) Construction contractors shall report on either a progressive billing ("accrual") basis or cash receipts basis.
      (B) Speculative builders shall report the gross income derived from sale of improved real property at close of escrow or at transfer of title or possession, whichever occurs earlier.
      (C) Owner-builders who are not speculative builders shall report taxable amounts as provided in Section 7A-417.

Sec. 7A-530. When tax due; when delinquent; verification of return; extensions.

(a) Except as otherwise specified in this Section, the taxes levied under this Chapter shall be due, payable, and delinquent on the dates specified for the State Transaction Privilege Taxes in A.R.S. Section 42-5014. The taxpayer shall report on the taxes imposed by this Chapter at such frequency to be identical to the taxpayer's reporting frequency for the reporting of State Transaction Privilege Taxes.

(b) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) The Tax Collector may for good cause extend the date for making any return required under the provisions of this Section as prescribed by A.R.S. Section 42-1107.

Sec. 7A-540. Interest and civil penalties.

Any taxpayer who shall have failed to timely pay any taxes imposed by this Chapter, or file a report for the same in a timely manner, or fail or refuse to allow examination of records by the Tax Collector, shall be subject to any interest or civil penalties on such tax in like manner as such interest and penalties are provided in A.R.S. Sections 42-1123 and 42-1125 for the State Transaction Privilege Tax.

(a) (Reserved)

(b) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) (Reserved)

(f) (Reserved)

(g) (Reserved)

(h) (Reserved)

(i) (Reserved)

Sec. 7A-541. (Reserved) (State Administration And Audits)

Sec. 7A-541. Erroneous Advice Or Misleading Statements By The Tax Collector; Abatement Of Penalties And Interest; Definition. (Local Audits)

(a) Notwithstanding Section 7A-540(a), no interest or penalty may be assessed on an amount assessed as a deficiency if either:
   (1) the deficiency assessed is directly attributable to erroneous written advice furnished to the taxpayer by an employee of the City acting in an official capacity in response to a specific request from the taxpayer and not from the taxpayer's failure to provide adequate or accurate information.
   (2) all of the following are true:
      (a) a tax return form prepared by the Tax Collector contains a statement that, if followed by a taxpayer, would cause the taxpayer to misapply this Chapter.
      (b) the taxpayer reasonably relies on the statement.
      (c) the taxpayer's underpayment directly results from this reliance.

(b) Each employee of the Tax Collector, at the time any oral advice is given to any person, shall inform the person that the Tax Collector is not bound by such oral advice.

(c) For purposes of this Section "tax return form" includes the instructions that the Tax Collector prepares for use with the tax return form.

Sec. 7A-542. Prospective application of new law or interpretation or application of law.

(a) Unless expressly authorized by law, the Tax Collector shall not apply any newly enacted legislation retroactively or in a manner that will penalize a taxpayer for complying with prior law.

(b) If the Tax Collector adopts a new interpretation or application of any provision of this Chapter or determines that any provision applies to a new or additional category or type of business and the change in interpretation or application is not due to a change in the law:
(1) the change in interpretation or application applies prospectively only unless it is favorable to taxpayers.
(2) the Tax Collector shall not assess any tax, penalty or interest retroactively based on the change in interpretation or application.

(c) For purposes of subsection (b), "new interpretation or application" includes policies and procedures which differ from established interpretations of this Chapter.

(d) (Reserved)

Sec. 7A-545. Deficiencies; when inaccurate return is filed; when no return is filed; estimates.

(a) If a taxpayer has failed to file a return or if the Tax Collector is not satisfied with the return or payment of tax required, the Tax Collector may re-determine the tax due, plus penalties and interest, and notify the taxpayer, as provided and prescribed by A.R.S. Sections 42-1108 and 42-1109.
(1) (Reserved)
(2) (Reserved)

(b) Estimates by the Tax Collector. Any estimate made by the Tax Collector is to be made on a reasonable basis. The existence of another reasonable basis of estimation does not, in any way, invalidate the Tax Collector's estimate. It is the responsibility of the taxpayer to prove that the Tax Collector's estimate is not reasonable and correct, by providing sufficient documentation of the type and form required by this Chapter or satisfactory to the Tax Collector.

Sec. 7A-546. (Reserved) (State Administration And Audits)

Sec. 7A-546. Closing Agreements In Cases Of Extensive Taxpayer Misunderstanding Or Misapplication; Approval; Rules. (Local Audits)

(a) If the Tax Collector determines that noncompliance with tax obligations results from extensive misunderstanding or misapplication of provisions of this Chapter it may enter into closing agreements with those taxpayers under the following terms and conditions:
(1) Extensive misunderstanding or misapplication of the tax laws occurs if the tax collector determines that more than sixty percent (60%) of the persons in the affected class have failed to properly account for their taxes owing to the same misunderstanding or misapplication of the tax laws.
(2) The Tax Collector shall publicly declare the nature of the possible misapplication and the proposed definition of the class of affected taxpayers and shall conduct a public hearing to hear testimony regarding the extent of the misapplication and the definition of the affected class.
(3) If, after the public hearing, the Tax Collector determines that a class of affected taxpayers has failed to comply with their tax obligations because of extensive misunderstanding or misapplication of the tax laws it shall issue a tax ruling announcing that finding and publish the ruling in a newspaper of general circulation in the City and through the next two model city tax code updates.

(4) A closing agreement under this Section may abate some or all of the penalties, interest and tax that taxpayers have failed to remit, or the agreement may provide for the prospective treatment of the matter as to the class of affected taxpayers. All taxpayers in the class shall be offered the opportunity to enter into a similar agreement for the same tax periods.

(5) Taxpayers in the affected class who have properly accounted for their tax obligations for these tax periods shall be offered the opportunity to enter into an equivalent closing agreement providing for a pro rata credit or refund of their taxes previously paid.

(6) The closing agreement shall require the taxpayers to properly account for and pay such taxes in the future. If a taxpayer fails to adhere to such a requirement, the closing agreement is voidable by the Tax Collector and he may assess the taxpayer for the delinquent taxes. The Tax Collector may issue such a proposed assessment within six months after the date that he declares that closing agreement void or within the period prescribed by section 7A-550 of this Chapter.

(b) Before entering into closing agreements pursuant to this section, the tax collector shall secure such approval as required by charter, ordinance or administrative regulation.

(c) After a closing agreement has been signed pursuant to this Section, it is final and conclusive except on a showing of fraud, malfeasance or misrepresentation of a material fact. The case shall not be reopened as to the matters agreed upon or the agreement shall not be modified by any officer, employee or agent of the City. The agreement or any determination, assessment, collection, payment abatement, refund or credit made pursuant to the agreement shall not be annulled, modified, set aside or disregarded in any suit, action or proceeding.

(d) The Tax Collector shall report in writing its activities under this Section to the Mayor and City Council on or before February 1 of each year.

Sec. 7A-550. Limitation periods.

(a) Except as provided elsewhere in this Chapter, deficiency assessments for the taxes imposed by this Chapter must be issued within the limitation periods prescribed in A.R.S. Section 42-1104, and must meet the provisions of A.R.S. Section 42-1108.

(b) (Reserved)

(c) In cases of failure to file a return or a false or fraudulent return, the limitation period shall be as prescribed in A.R.S. Section 42-1109.

(d) Special provisions relating to owner-builders. The limitation for an owner-builder subject to the tax as prescribed in Section 7A-417 shall be based upon the date such tax liability is reportable or was reported, as provided in Section 7A-417.

Sec. 7A-553. (Reserved) (State Administration And Audits)

Sec. 7A-553. Examination Of Taxpayer Records; Joint Audits. (Local Audits)

(a) Waiver of joint audit. A taxpayer that does not authorize a joint audit to be conducted for a tax jurisdiction is subject to audit by that tax jurisdiction at any time subject to the limitation provisions provided in section 7A-550.

(b) Tax jurisdiction acceptance of joint audit. If the Arizona Department Of Revenue intends to conduct an audit of a taxpayer, the cities or towns for whom a joint audit is being conducted may accept the audit by the Arizona Department Of Revenue or may elect to have a representative participate, provided that no more than two city or town representatives in total may participate.

(1) If a city or town does not accept the audit as a joint audit, the city or town may not conduct an audit of the taxpayer for forty-two months from the close of the last tax period covered by the audit unless an exception applies to that taxpayer pursuant to A.R.S. Section 42-2059.

(2) If a joint audit is performed by a city or town, the Arizona Department Of Revenue is not prohibited from conducting an audit that does not violate the provisions of A.R.S. Section 42-2059.

Sec. 7A-555. Tax Collector may examine books and other records; failure to provide records.

(a) The Tax Collector may require the taxpayer to provide and may examine any books, records, or other documents of any person who, in the opinion of the Tax Collector, might be liable for any tax under this Chapter, for any periods available to him under Section 7A-550.

(b) (Reserved)

(c) (Reserved)

(d) The Tax Collector may use any generally accepted auditing procedures, including sampling techniques, to determine the correct tax liability of any taxpayer. The Tax Collector shall ensure that the procedures used are in accordance with generally accepted auditing standards.

(e) The fact that the taxpayer has not maintained or provided such books and records which the Tax Collector considers necessary to determine the tax liability of any person does not preclude the Tax Collector from making any assessment. In such cases, the Tax Collector is authorized to use estimates, projections, or samplings, to determine the correct tax. The provisions of Section 7A-545(b), concerning estimates, shall apply.

(f) (Reserved)

Sec. 7A-556. (Reserved) (State Administration And Audits)

Sec. 7A-556. No Additional Audits Or Proposed Assessments; Exceptions. (Local Audits)

(a) Once the Tax Collector completes an examination authorized by section 7A-555 and a written notice of the determination of a deficiency has been issued to the taxpayer pursuant to Section 7A-545(a) or 7A-555(f), the taxpayer's liability for the time period subjected to the examination is fixed and determined, and no additional audit or examination may be conducted by the tax collector with respect to such time period except under the following circumstances.
   (1) If a taxpayer files a claim for refund under section 7A-560, the Tax Collector may conduct an examination limited to the issues presented in the refund claim.
   (2) If the taxpayer failed to disclose material information during the initial examination, falsified books or records, or otherwise engaged in conduct which prevented the Tax Collector from conducting an accurate examination. The applicability of this subsection, and the Tax Collector's right to proceed thereunder, may be raised and contested by the taxpayer in a subsequent administrative review brought pursuant to section 7A-570.

(b) An audit or examination conducted by any other taxing jurisdiction will not preclude the Tax Collector from conducting an audit or examination for the same time period.

(c) If the Tax Collector issues a notice of deficiency pursuant to either section 7A-545(a) or section 7A-555(f), the tax collector may not increase the proposed deficiency except in one or more of the following circumstances:
   (1) the taxpayer made a material misrepresentation of fact.
   (2) the taxpayer failed to disclose a material fact.
   (3) the Tax Collector submitted a written request for information and the taxpayer, despite possessing or having access to such information, failed to provide it within 60 days as required by section 7A-555(c).
   (4) after issuing the notice of determination of deficiency but before the deficiency became final, the Arizona Tax Court, Court Of Appeals or Supreme Court issued a decision, the applicability of which causes the deficiency initially proposed to increase.

Sec. 7A-560. Erroneous payment of tax; credits and refunds; limitations.

(a) Except as provided in Section 7A-565, the period within which a claim, meeting the requirements of subsection (c) of this Section, for credit may be filed, or refund allowed or made if no claim is filed, shall be as provided in A.R.S. Sections 42-1106 and 42-1118. For purposes of this Section, "claimant" means a taxpayer that has paid a tax imposed under this article and has submitted a credit or refund claim under this Section. Except where the taxpayer has granted a customer a power of attorney to pursue a credit or refund claim on the taxpayer's behalf, claimant does not include any customer of such taxpayer, whether or not the claimant collected the tax from customers by separately stated itemization.

(b) (Reserved)

(c) A credit or refund claim submitted by a claimant for credit or refund of any taxes, penalties, or interest paid must be in writing and:
(1) Identify the name, address and city tax identification number of the taxpayer; and
(2) Identify the dollar amount of the credit or refund requested; and
(3) Identify the specific tax period involved; and
(4) Identify the specific grounds upon which the claim is based.

(d) (Reserved)

(e) (Reserved)

(f) Interest shall be allowed on the overpayment of tax for any credit or refund authorized pursuant to this Section at the rate and in the manner set forth in Section 7A-540(a). Interest shall be calculated from the date the Tax Collector receives the claimant's written claim meeting the requirements of subsection (c) of this Section.

(g) The denial of a refund by the Tax Collector is subject to the provisions of A.R.S. Section 42-1119.

(h) Claimants shall be subject to the State taxpayer bill of rights (A.R.S. Section 42-2051 et. seq.), except that reasonable fees and other costs may be awarded and are not subject to the monetary limitations of A.R.S. Section 42-2064 if the Tax Collector's position was not substantially justified or was brought for the purpose of harassing the claimant, frustrating the credit or refund process or delaying the credit or refund. For the purposes of this Section, "reasonable fees and other costs" means fees and other costs that are based on prevailing market rates for the kind and quality of the furnished services, not to exceed the amounts actually paid for expert witnesses, the cost of any study, analysis, report, test, project or computer program that is found to be necessary to prepare the claimant's case and necessary fees for attorneys or other representatives.

(i) (Reserved)

(j) Any refund paid under the provisions of this Section shall be paid from the Privilege Tax revenue accounts.

Sec. 7A-565. Payment of tax by the incorrect taxpayer or to the incorrect Arizona city or town.

(a) When it is determined that taxes have been reported and paid to the City by the wrong taxpayer, any taxes erroneously paid shall be transferred by the City to the privilege tax account of the person who actually owes and should have paid such taxes, provided that the City receives an assignment and waiver signed by both the person who actually paid the tax and the person who should have paid the tax.

(b) An assignment and waiver provided under this Section must:

(1) identify the name and City privilege license number of the person who erroneously paid the tax and the person who should have paid the tax.
(2) provide that the person who erroneously paid the tax waives any right such person may have to a refund of the taxes erroneously paid.
(3) authorize the City Treasurer to transfer the erroneously paid tax to the privilege tax account of the person who should have paid the tax.

(c) When it is determined that taxes have been reported and paid to the wrong Arizona city or town, such taxes shall be remitted to the correct city or town, provided that the city or town to whom the taxes were erroneously paid receives an assignment and waiver signed by both the person who actually paid the tax and the person who should have paid the tax. Where the person who actually paid the tax and the person who should have paid the tax are one and the same, no assignment and waiver need be provided. The City shall neither pay nor charge any interest or penalty on any overpayment or underpayment except such interest and penalty actually paid by the taxpayer relating to such tax.

(d) This Section in no way limits or restricts the applicability of any remedies which may otherwise be available under A.R.S. Section 42-6003. The limitations and procedures set forth in A.R.S. Section 42-6003 shall apply to all payments under this Section.

(e) When reference is made in this Section to this City or an Arizona city or town, and payments made to or requested from this City or an Arizona city or town, the provisions shall be applicable to the Arizona Department of Revenue when it is acting for or on behalf of this City or an Arizona city or town.

Sec. 7A-567. (Reserved)

Sec. 7A-570. Administrative review; petition for hearing or for redetermination; finality of order. (State Administration And Audits)

(a) Closing agreements between the Tax Collector and a taxpayer have no force of law unless made in accordance with the provisions of A.R.S. Section 42-1113.

(b) Administrative review.
(1) Petitions of appeal shall be made to, and hearings shall be conducted by, the Arizona Department of Revenue, in accordance with the provisions of A.R.S. Section 42-1251, as modified by Section 7A-571.
(2) Extension to file a petition. In all cases, the taxpayer may request an extension from the Tax Collector. Such request must be in writing, state the reasons for the requested delay, and must be filed with the Tax Collector within the period allowed above for originally filing a petition. The Tax Collector shall allow a forty-five day extension to file a petition, when such written request has been properly and timely made by the taxpayer. The Tax Collector may grant an additional extension and may determine the corresponding time of any such
(3) (Reserved)
(4) (Reserved)
(5) Hearings shall be held by the Arizona Department of Revenue in accordance with the provisions of A.R.S. Section 42-1251. The Department's decision may be appealed to the State Board of Tax Appeals, in accordance with the provisions of A.R.S. Section 42-1253.
(6) (Reserved)
(7) (Reserved)
(8) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) Taxpayers shall be subject to the state taxpayer bill of rights (A.R.S. § 42-2051 et. Seq.).

Sec. 7A-570. Administrative Review; Petition For Hearing Or For Redetermination; Finality Of Order. (Local Audits)

For the purposes of this Section, "Municipal Tax Hearing Office" means the administrative offices of the municipal tax hearing officer.

(a) Informal Conference. A taxpayer shall have the right to discuss any proposed assessment with the auditor prior to the issuance of any assessment, but any such informal conference is not required for the taxpayer to file a petition for administrative review.

(b) Administrative Review.

(1) Filing a Petition. Other than in the case of a jeopardy assessment, a taxpayer may contest the applicability or amount of tax, penalty, or interest imposed upon or paid by him pursuant to this Chapter by filing a petition for a hearing or for redetermination with the Tax Collector as set forth below:

(A) within forty-five (45) days of receipt by the taxpayer of notice of a determination by the tax collector that a tax, penalty, or interest amount is due, or that a request for refund or credit has been denied; or

(B) by voluntary payment of any contested amount when accompanied by a timely filed return and a petition requesting a refund of the protested portion of said payment; or

(C) by petition accompanying a timely filed return contesting an amount reported but not paid; or

(D) by petition requesting review of denial of waiver of penalty as provided in subsection 7A-540(g).

(2) Extension to file a petition. In all cases, the taxpayer may request only one (1) extension from the Tax Collector. Such request must be in writing, state the reasons for the requested delay and time of delay requested, and must be filed with the Tax Collector within the period allowed above for originally filing a petition. The Tax Collector shall allow such extension to file a petition, when such written request has been properly and timely made by the taxpayer, but such extension shall not exceed forty-five (45) days beyond the time provided for originally filing a petition.

(3) Requirements for petition.

(A) The petition shall be in writing and shall set forth the reasons why any correction, abatement, or refund should be granted, and the amount of reduction or refund requested. The petition may be amended at any time prior to the time the taxpayer rests his case at the hearing or such time as the Hearing Officer allows for submitting of amendments in cases of redeterminations without hearings. The Hearing Officer may require that amendments be in writing, and in that case, he shall provide a reasonable period of time to file the amendment. The Hearing Officer shall provide a reasonable period of time for the Tax Collector to review and respond to the petition and to any written amendments.

(B) The taxpayer, as part of the petition, may request a hearing which shall be granted by the Hearing Officer. If no request for hearing is made the petition shall be considered to be submitted for decision by the Hearing Officer on the matters contained in the petition and in any reply made by the Tax Collector.

(C) The provisions of this Section are exclusive, and no petition seeking any correction, abatement, or refund shall be considered unless the petition is timely and properly filed under the Section.

(4) Transmittal to Hearing Officer. The City shall designate a Hearing Officer, who may be other than an employee of the city. The Tax Collector, if designated to receive petitions, shall forward any petition to the Municipal Tax Hearing Officer (MTHO) within twenty (20) days after receipt, accompanied by documentation as to timeliness. In cases where the Hearing Officer determines that the petition is not timely or not in proper form, he shall notify both the taxpayer and the Tax Collector; and in cases of petitions not in proper form only, the Hearing Officer shall provide the taxpayer with an extension up to forty-five (45) days to correct the petition.

(5) Hearings shall be conducted by a hearing officer and shall be continuous until the Hearing Officer closes the record. The taxpayer may be heard in person or by his authorized representative at such hearing. Hearings shall be conducted informally as to the order of proceeding and presentation of evidence. The Hearing Officer shall admit evidence over hearsay objections where the offered evidence has substantial probative value and reliability. Further, copies of records and documents prepared in the ordinary course of business may be admitted, without objection as to foundation, but subject to argument as to weight, admissibility, and authenticity. Summary accounting records may be admitted subject to satisfactory proof of the reliability of the summaries. In all cases, the decision of the Hearing Officer shall be made solely upon substantial and reliable evidence. All expenses incurred in the hearing shall be paid by the party incurring the same.

(6) Redeterminations upon a "petition for redetermination" shall follow the same conditions, except that no oral hearing shall be held.

(7) Hearing Ruling. In either case, the hearing officer shall issue his ruling not later than forty-five (45) days after the close of the record by the Hearing Officer.

(8) Notice of refund or adjusted assessment. Within sixty (60) days of the issuance of the Hearing Officer's decision, the Tax Collector shall issue to the taxpayer either a notice of refund or an adjusted assessment recalculated to conform to the Hearing Officer's decision.

(c) Stipulations that future tax is also protested. A taxpayer may enter into a stipulation with the Tax Collector that future taxes of similar nature are also at issue in any protest or appeal. However, unless such stipulation is made, it is presumed that the protest or appeal deals solely and exclusively with the tax specifically protested and no other. When a taxpayer enters into such a stipulation with the Tax Collector that future taxes of similar nature will be included in any redetermination, hearing, or court case, it is the burden of that taxpayer to identify, segregate, and keep record of such income or protested taxable amount in his books and records in the same manner as the taxpayer is required to segregate exempt income.

(d) When an assessment is final.

(1) If a request for administrative review and petition for hearing or redetermination of an assessment made by the tax collector is not filed within the period required by subsection (b) above, such person shall be deemed to have waived and abandoned the right to question the amount determined to be due and any tax, interest, or penalty determined to be due shall be final as provided in subsections 7A-545(a) and 7A-555(f).

(2) The decision made by the Hearing Officer upon administrative review by hearing or redetermination shall become final thirty (30) days after the taxpayer receives the notice of refund or adjusted assessment required by subsection (b)(8) above, unless the taxpayer appeals the order or decision in the manner provided in section 7A-575.

(e) The provisions of the State taxpayer bill of rights (A.R.S. Section 42-2051 et. seq.) shall not apply.

Sec. 7A-571. Jeopardy assessments. (State Administration And Audits)

(a) If the Tax Collector believes that collection of any amounts imposed by this Chapter will be jeopardized by delay, he shall issue notice to the taxpayer in accordance with the provisions of A.R.S. Section 42-1111.

(b) In cases where such jeopardy notice has been issued, the taxpayer must meet the provisions of A.R.S. Section 42-1111, concerning appeals of jeopardy assessments, before any request for administrative review shall be honored. Any bond or collateral that may be required shall meet the provisions of A.R.S. Section 42-1102.

(c) (Reserved)

(d) (Reserved)

(e) (Reserved)

Sec. 7A-571. Jeopardy Assessments. (Local Audits)

(a) If the Tax Collector believes that the collection of any assessment or deficiency of any amounts imposed by this Chapter will be jeopardized by delay, he shall deliver to the taxpayer a notice of such finding and demand immediate payment of the tax or deficiency declared to be in jeopardy, including interest, penalties, and additions.

(b) Jeopardy assessments are immediately due and payable, and the Tax Collector may immediately begin proceedings for collection. The taxpayer, however, may stay collection by filing, within ten (10) days after receipt of notice of jeopardy assessment, or within such additional time as the Tax Collector may allow, by bond or collateral in favor of the City in the amount Tax Collector declared to be in jeopardy in his notice.

(c) "Bond or Collateral", as required by this Section,
  (1) shall mean either:
    (A) a bond issued in favor of the City by a surety company authorized to transact business in this State and approved by the Director of Insurance as to solvency and responsibility, or
    (b) collateral composed of securities or cash which are deposited with, and kept in the custody of, the Tax Collector.
  (2) shall be of such form that it may, at any time without notice, be applied to any tax, penalties, or interest due and payable for the purposes of this Chapter. Securities held as collateral by the Tax Collector must be of a nature that they may be sold at public or private sale without notice to the taxpayer.

(d) If bond or collateral is not filed within the period prescribed by subsection (b) above, the Tax Collector may treat the assessment as final for purposes of any collection proceedings. The taxpayer nevertheless shall be afforded the appeal rights provided in Sections 7A-570 and 7A-575. The filing of a petition by the taxpayer under section 7A-570, however, shall not stay the Tax Collector's rights to pursue any collection proceedings.

(e) If the taxpayer timely files sufficient bond or collateral, the jeopardy requirements are deemed satisfied, and the taxpayer may avail himself of the provisions of section 7A-570, including requests for additional time to file a petition.

Sec. 7A-572. (Reserved) (State Administration And Audits)

Sec. 7A-572. Expedited Review Of Jeopardy Assessments. (Local Audits)

(a) Within thirty (30) days after the day on which the Tax Collector furnishes the written notice required by section 7A-571(a), the taxpayer, pursuant to section 7A-570, may request the Tax Collector to review the action taken. Within fifteen (15) days after the request for review, the Tax Collector shall determine whether both the jeopardy determination and the amount assessed are reasonable.

(b) Within thirty (30) days after the Tax Collector notifies the taxpayer of the determination he reached pursuant to subsection (a) above, the taxpayer may bring a civil action in the appropriate court. If the taxpayer so requests, the City shall stipulate to an accelerated and expedited resolution of the civil action. If the court determines that either the jeopardy determination or the amount assessed is unreasonable, the court may order the Tax Collector to abate the assessment, to re-determine any part of the amount assessed or to take such other action as the court finds to be appropriate. a determination made by the court under this subsection is final except as provided in Arizona Revised Statutes § 12-170.

Sec. 7A-575. Judicial review. (State Administration And Audits)

(a) Appeal of a State Board of Tax Appeals decision to the courts is valid only if all the provisions of A.R.S. Section 42-1254 are met.

(b) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) The City has the burden of proof by a preponderance of the evidence in any court proceeding regarding any factual issue relevant to ascertaining the tax liability of a taxpayer. This subsection does not abrogate any requirement of this Chapter that requires a taxpayer to substantiate an item of gross income, exclusion, exemption, deduction, or credit. This subsection applies to a factual issue if a preponderance of the evidence demonstrates that:
   (1) the taxpayer asserts a reasonable dispute regarding the issue.
   (2) the taxpayer has fully cooperated with the tax collector regarding the issue, including providing within a reasonable period of time, access to and inspection of all witnesses, information and documents within the taxpayer's control, as reasonably requested by the tax collector.
   (3) the taxpayer has kept and maintained records as required by the City.

(f) The issuance of an adjusted or corrected assessment or notice of refund due to the taxpayer, where made by the Tax Collector pursuant to the decision of the Hearing Officer, shall not be deemed an acquiescence by the City or the Tax Collector in said decision, nor shall it constitute a bar or estoppel to the institution of an action or counterclaim by the City to recover any amounts claimed to be due to it by virtue of the original assessment.

(g) After the initiation of any action in the appropriate court by either party, the opposite party may file such counterclaim as would be allowed pursuant to the Arizona Rules of Civil Procedure.

Sec. 7A-575. Judicial Review. (Local Audits)

(a) A taxpayer may seek judicial review of all or any part of a Hearing Officer's decision by initiating an action against the City in the appropriate Court of this County. A taxpayer is not required to pay any tax, penalty, or interest upheld by the Hearing Officer before seeking such judicial review.

(b) The Tax Collector may seek judicial review of all or any part of a Hearing Officer's decision by initiating an action in the appropriate Court of this County.

(c) An action for judicial review cannot be commenced by either the taxpayer or the Tax Collector more than thirty (30) days after receipt by the taxpayer of notice of any refund or assessment recalculated or reduced to conform to the Hearing Officer's decision, unless the time to commence such an action is extended in writing signed by both the taxpayer and the Tax Collector. Failure to bring the action within thirty (30) days or such other time as is agreed upon in writing shall constitute a waiver of any right to judicial review, except as provided in subsection (f) below.

(d) The court shall hear and determine the appeal as a trial de novo; however, the Tax Collector cannot raise in the court any grounds or basis for the assessment not asserted before the Hearing Officer. Nothing in this subsection, however, shall preclude the Tax Collector from responding to any arguments which are raised by the taxpayer in the appeal.

(e) The city has the burden of proof by a preponderance of the evidence in any court proceeding regarding any factual issue relevant to ascertaining the tax liability of a taxpayer. This subsection does not abrogate any requirement of this Chapter that requires a taxpayer to substantiate an item of gross income, exclusion, exemption, deduction, or credit. This subsection applies to a factual issue if a preponderance of the evidence demonstrates that:

(1) the taxpayer asserts a reasonable dispute regarding the issue.
(2) the taxpayer has fully cooperated with the Tax Collector regarding the issue, including providing within a reasonable period of time, access to and inspection of all witnesses, information and documents within the taxpayer's control, as reasonably requested by the Tax Collector.
(3) the taxpayer has kept and maintained records as required by the City.

(f) The issuance of an adjusted or corrected assessment or notice of refund due to the taxpayer, where made by the Tax Collector pursuant to the decision of the Hearing Officer, shall not be deemed an acquiescence by the City or Tax Collector in said decision, nor shall it constitute a bar or estoppel to the institution of an action or counterclaim by the City to recover any amounts claimed to be due to it by virtue of the original assessment.

(g) After the initiation of any action in the appropriate court by either party, the opposite party may file such counterclaim as would be allowed pursuant to the Arizona Rules of Civil Procedure.

Sec. 7A-577. (Reserved)

Sec. 7A-578. (Reserved) (State Administration And Audits)

Sec. 7A-578. Reimbursement Of Fees And Other Costs; Definitions. (Local Audits)

(a) A taxpayer who is a prevailing party may be reimbursed for reasonable fees and other costs related to any administrative proceeding brought by the taxpayer pursuant to section 7A-570(b). For purposes of this Section, a taxpayer is considered to be the prevailing party only if both of the following are true:
(1) the Tax Collector's position was not substantially justified.
(2) the taxpayer prevails as to the most significant issue or set of issues.

(b) Reimbursement under this Section may be denied if any of the following circumstances apply:
(1) during the course of the proceeding the taxpayer unduly and unreasonably protracted the final resolution of the matter.
(2) the reason that the taxpayer prevailed is due to an intervening change in the applicable law.

(c) The taxpayer shall present an itemization of the reasonable fees and other costs to the Taxpayer Problem Resolution Officer within thirty (30) days after receipt by the taxpayer of a notice of refund or recalculated assessment issued by the Tax Collector pursuant to section 7A-570(b)(8). The Taxpayer Problem Resolution Officer shall determine the validity of the fees and other costs within thirty (30) days after receiving the itemization. The Taxpayer Problem Resolution Officer's decision is considered a final decision. Either the taxpayer or The Tax Collector may seek judicial review of the Taxpayer Problem Resolution Officer's decision. An action for judicial review, however, shall not be commenced more than thirty (30) days after receipt of the resolution officer's decision.

(d) In the event judicial review is not sought pursuant to subsection (c) above, the City shall pay the fees and other costs awarded as provided in this Section within thirty days after demand by a person who has received an award pursuant to this Section.

(e) Reimbursement to a taxpayer under this Section shall not exceed twenty thousand dollars or actual monies spent, whichever is less. The reimbursable attorney or representative fees shall not exceed one hundred dollars per hour or actual monies spent, whichever is less, unless the Taxpayer Problem Resolution Officer determines that an increase in the cost of living or a special factor such as the limited availability of qualified attorneys or representatives for the proceeding involved justifies a higher fee.

(f) For purposes of this Section "reasonable fees and other costs" means fees and other costs that are based on prevailing market rates for the kind and quality of the furnished services, but not exceeding the amounts actually spent for expert witnesses, the cost of any study, analysis, report, test or project that is found to be necessary to prepare the party's case and necessary fees for attorneys or other representatives.

Sec. 7A-580. Criminal penalties.

(a) It is unlawful for any person to knowingly or willfully:
- (1) fail or refuse to make any return required by this Chapter.
- (2) fail to remit as and when due the full amount of any tax or additional tax or penalty and interest thereon.
- (3) make or cause to be made a false or fraudulent return.
- (4) make or cause to be made a false or fraudulent statement in a return, in written support of a return, or to demonstrate or support entitlement to a deduction, exclusion, or credit or to entitle the person to an allocation or apportionment or receipts subject to tax.
- (5) fail or refuse to permit any lawful examination of any book, account, record, or other memorandum by the Tax Collector.
- (6) fail or refuse to remit any tax collected by such person from his customer to the Tax Collector before the delinquency date next following such collection.
- (7) advertise or hold out to the public in any manner, directly or indirectly, that any tax imposed by this Chapter, as provided in this Chapter, is not considered as an element in the price to the consumer.
- (8) fail or refuse to obtain a Privilege License or to aid or abet another in any attempt to intentionally refuse to obtain such a license or evade the license fee.
- (9) reproduce, forge, falsify, fraudulently obtain or secure, or aid or abet another in any attempt to reproduce, forge, falsify, or fraudulently obtain or secure, an exemption from taxes imposed by this Chapter.

(b) The violation of any provision of subsection (a) above shall constitute a Class One Misdemeanor.

(c) In addition to the foregoing penalties, any person who shall knowingly swear to or verify any false or fraudulent statement, with the intent aforesaid, shall be guilty of the offense of perjury and on conviction thereof shall be punished in the manner provided by law.

Sec. 7A-590. Civil actions. (State Administration And Audits)

(a) Liens.
- (1) Any tax, penalty, or interest imposed under this Chapter which has become final, as provided in this Chapter, shall become a lien when the City perfects a notice and claim of lien setting forth the name of the taxpayer, the amount of the tax, penalty, and interest, the period or periods for which the same is due, and the date of accrual thereof, the amount of the recording costs by the county recorder in any county in which the taxpayer owns real property and the documentation and lien processing fees imposed by the City council and further, stating that the City claims a lien therefor.
- (2) The notice of claim of lien shall be signed by the city clerk under his official seal or the official seal of the City, and, with respect to real property, shall be recorded in the office of the County Recorder of any county in which the taxpayer owns real property, and, with respect to personal property shall be filed in the office of the Secretary of State. After the notice and claim of lien is recorded or filed, the taxes, penalties, interest and recording costs and lien processing fees referred to above in the amounts specified therein shall be a lien on all real property of the taxpayer located in such county where recorded, and all tangible personal property of the taxpayer within the State, superior to all other liens and assessments recorded or filed subsequent to the recording or filing of the notice and claim of lien.

(3) Every tax and any increases, interest, penalties, and recording costs and lien processing fees referred to above, shall become from the time the same is due and payable a personal debt from the person liable to the City, but shall be payable to and recoverable by the Tax Collector and which may be collected in the manner set forth in subsection (b) below.

(4) Any lien perfected pursuant to this Section shall, upon payment of the taxes, penalties, interest, recording costs and lien processing fees referred to above and lien release fees imposed by the county recorder in any county in which the lien was recorded, thereby, be released by the Tax Collector in the same manner as mortgages and judgments are released. The Tax Collector may, at his sole discretion, release a lien in part, that is, against only specified property, for partial payment of moneys due the City.

(b) Actions to recover tax. The Arizona Department of Revenue, or any agent or representative authorized by that Department, may bring action, in the name of the City, to recover taxes as provided in A.R.S. Section 42-1114.

Sec. 7A-590. Civil Actions. (Local Audits)

(a) Liens.

(1) Any tax, penalty, or interest imposed under this Chapter which has become final, as provided in this Chapter, shall become a lien when the City perfects a notice and claim of lien setting forth the name of the taxpayer, the amount of the tax, penalty, and interest, the period or periods for which the same is due, and the date of accrual thereof, the amount of the recording costs by the county recorder in any county in which the taxpayer owns real property and the documentation and lien processing fees imposed by the City Council and further, stating that the City claims a lien therefor.

(2) The notice of claim of lien shall be signed by the City Clerk under his official seal or the official seal of the City, and, with respect to real property, shall be recorded in the office of the county recorder of any county in which the taxpayer owns real property, and, with respect to personal property shall be filed in the office of the Secretary Of State. After the notice and claim of lien is recorded or filed, the taxes, penalties, interest and recording costs and lien processing fees referred to above in the amounts specified therein shall be a lien on all real property of the taxpayer located in such county where recorded, and all tangible personal property of the taxpayer within the state, superior to all other liens and assessments recorded or filed subsequent to the recording or filing of the notice and claim of lien.

(3) Every tax and any increases, interest, penalties, and recording costs and lien processing fees referred to above, shall become from the time the same is due and payable a personal debt from the person liable to the City, but shall be payable to and recoverable by the Tax Collector and which may be collected in the manner set forth in subsection (b) below.

(4) Any lien perfected pursuant to this Section shall, upon payment of the taxes, penalties, interest, recording costs and lien processing fees referred to above and lien release fees imposed by the county recorder in any county in which the lien was recorded, thereby, be released by the Tax Collector in the same manner as mortgages and judgments are released. The Tax Collector may, at his sole discretion, release a lien in part, that is, against only specified property, for partial payment of moneys due the city.

(b) Actions to recover tax. An action may be brought by the City Attorney or other legal advisor to the City designated by the City Council, at the request of the Tax Collector, in the name of the City, to recover the amount of any taxes, penalties, interest, recording costs, lien processing fees and lien release fees due under this Chapter; provided that:

(1) no action or proceeding may be taken or commenced to collect any taxes levied by this Chapter until the amount thereof has been established by assessment, correction, or reassessment; and

(2) such collection effort is made or the proceedings begun:

(a) within six (6) years after the assessment of the tax; or

(b) prior to the expiration of any period of collection agreed upon in writing by the Tax Collector and the taxpayer before the expiration of such six (6) year period, or any extensions thereof; or

(c) at any time for the collection of tax arising by reason of a tax lien perfected, recorded, or possessed by the City under this Section.

Sec. 7A-595. Collection of taxes when there is succession in and/or cessation of business.

(a) In addition to any remedy provided elsewhere in this City Code that may apply, the Tax Collector may apply the provisions of subsections (b) through (d) below concerning the collection of taxes when there is succession in and/or cessation of business.

(b) The taxes imposed by this Chapter are a lien on the property of any person subject to this Chapter who sells his business or stock of goods, or quits his business, if the person fails to make a final return and payment of the tax within fifteen (15) days after selling or quitting his business.

(c) Any person who purchases, or who acquires by foreclosure, by sale under trust deed or warranty deed in lieu of foreclosure, or by any other method, improved real property or a portion of improved real property for which the Privilege Tax imposed by this Chapter has not been paid shall be responsible for payment of such tax as a speculative builder or owner builder, as provided in Sections 7A-416 and 7A-417.

(1) Any person who is a creditor or an affiliate of creditor, who acquires improved real property directly or indirectly from the creditor's debtor by any means set forth in this subsection, shall pay the tax based on the amount received by the creditor or its affiliate in a subsequent sale of such improved real property to a party unrelated to the creditor, regardless of when such subsequent sale takes place. Such tax shall be due in the month following the month in which the sale of the improved real property by the creditor or its affiliate occurs. Notwithstanding the foregoing, if the real property meets the definition of partially improved residential real property in Section 7A-416(a)(4) and all of the requirements of Section 7A-416(b)(4) are met by the parties to the subsequent sale transaction, then the tax shall not apply to the subsequent sale.

(2) In the event a creditor or its affiliate uses the acquired improved real property for any business purpose, other than operating the property in the manner in which it was operated, or was intended to be operated, before the acquisition or in any other manner unrelated to selling the property, the tax shall be due. The gross income upon which the tax shall be determined pursuant to Sections 7A-416 and 7A-417 shall be the fair market value of the improved real property as of the date of acquisition. The tax shall be due in the month following the month in which such first business use occurs. When applicable, the credit bid shall be deemed to be the fair market value of the property as of the date of acquisition.

(3) Once the subsequent sale by the creditor or its affiliate has occurred and the creditor or its affiliate has paid the tax due from it pursuant to this subsection, neither the creditor nor its affiliate, nor any future owner, shall be liable for any outstanding tax, penalties or interest that may continue to be due from the debtor based on the transfer from the debtor to the creditor or its affiliate.

(4) If the tax liability imposed by either Section 7A-416 or Section 7A-417 on the transfer of the improved real property to the creditor or its affiliate, or any part thereof, is paid to the tax collector by the debtor subsequent to payment of the tax by the creditor or its affiliate, the amount so paid may constitute a credit, as equitably determined by the tax collector in good faith, against the tax imposed on the creditor or its affiliate by either paragraph 1 or paragraph 2 of this subsection.

(5) Notwithstanding anything in this chapter to the contrary, if a creditor or its affiliate is subject to tax as described in paragraph 1 or paragraph 2 of this subsection and such creditor or affiliate has not previously been required to be licensed, such creditor or affiliate shall become licensed no later than the date on which the tax is due.

(d) A person's successors or assignees shall withhold from the purchase money an amount sufficient to cover the taxes required to be paid, and interest or penalties due and payable, until the former owner produces a receipt from the Tax Collector showing that all City tax has been paid or a certificate stating that no amount is due as then shown by the records of the Tax Collector. The Tax Collector shall respond to a request from the seller for a certificate within fifteen (15) days by either providing the certificate or a written notice stating why the certificate cannot be issued.

(1) If a subsequent audit shows a deficiency arising before the sale of the business, the deficiency is an obligation of the seller and does not constitute a liability against a buyer who has received a certificate from the Tax Collector.

(2) If the purchaser of a business or stock of goods fails to obtain a certificate as provided by this Section, he is personally liable for payment of the amount of taxes required to be paid by the former owner on account of the business so purchased, with interest and penalties accrued by the former owner or assignees.

Sec. 7A-596. (Reserved) (State Administration And Audits)

Sec. 7A-596. Agreement For Installment Payments Of Tax. (Local Audits)

(a) The City may enter into an agreement with a taxpayer to allow the taxpayer to satisfy a liability for any tax imposed by this Chapter by means of installment payments. The Tax Collector may require a taxpayer who requests an installment payment agreement to complete a financial report in such form and manner as the tax collector may prescribe.

(b) The Tax Collector, without notice, may alter, modify or terminate an installment payment agreement if the taxpayer:
(1) fails to pay an installment at the time the installment payment is due under the agreement.
(2) fails to pay any other tax liability at the time the liability is due.
(3) fails to file any tax report or return at the time the report or return is due.
(4) fails to furnish any information requested by the Tax Collector within thirty days after receiving a written request for such information.
(5) fails to notify the Tax Collector of a material improvement in the taxpayer's financial condition above the income previously reported in the most recent income statement within thirty days after the material improvement.
(6) provides inaccurate, false or incomplete information to the Tax Collector.

(c) Notwithstanding any installment payment agreement, the Tax Collector may offset any tax refunds against the liabilities provided for in the installment payment agreement, may file and perfect any tax liens and, in the event the taxpayer breaches any term or provision of the installment payment agreement, may engage in collection activities.

(d) The Tax Collector, without notice, may terminate an installment payment agreement if the Tax Collector believes that the collection of tax to which the payment agreement pertains is in jeopardy.

(e) If the Tax Collector determines that the financial condition of a taxpayer has improved, the Tax Collector may alter, modify or terminate the agreement by providing notice to the taxpayer at least thirty days before the effective date of the action. The notice shall include the reasons why the Tax Collector believes the alteration, modification or termination is appropriate.

(f) An installment payment agreement shall remain in effect for the term of the agreement except as otherwise provided in this Section.

(g) A taxpayer who is aggrieved by a decision of the Tax Collector to refuse to enter into an installment payment agreement or to alter, modify or terminate an agreement entered into pursuant to this Section may petition the Taxpayer Problem Resolution Officer to review that determination. The Taxpayer Problem Resolution Officer may stay such alteration, modification or termination pending its review and may modify or nullify the determination.

(h) The City and the taxpayer may modify any installment payment agreement at any time by entering into a new or modified agreement.

Sec. 7A-597. (Reserved) (State Administration And Audits)

Sec. 7A-597. Private Taxpayer Rulings; Request; Revocation Or Modification; Definition. (Local Audits)

(a) The Tax Collector shall issue private taxpayer rulings to taxpayers and potential taxpayers on request. Each request shall be in writing and shall:
   (1) state the name, address and, if applicable, taxpayer identifying number of the taxpayer or potential taxpayer who requests the ruling.
   (2) describe all facts that are relevant to the requested ruling.
   (3) state whether, to the best knowledge of the taxpayer or potential taxpayer, the issue or related issues are being considered by the Tax Collector or any other taxing jurisdiction in connection with an active audit, protest or appeal that involves the taxpayer or potential taxpayer and whether the same request has been or is being submitted to another taxing jurisdiction for a ruling.
   (4) be signed by the taxpayer or potential taxpayer who makes the request or by an authorized representative of the taxpayer or potential taxpayer.

(b) A private taxpayer ruling may be revoked or modified by either:
   (1) a change or clarification in the law that was applicable at the time the ruling was issued, including changes or clarifications caused by regulations and court decisions.
   (2) actual written notice by the Tax Collector to the last known address of the taxpayer or potential taxpayer of the revocation or modification of the private taxpayer ruling.

(c) With respect to the taxpayer or prospective taxpayer to whom a private taxpayer ruling is issued, the revocation or modification of a private taxpayer ruling shall not be applied retroactively to tax periods or tax years before the effective date of the revocation or modification and the Tax Collector shall not assess any penalty or tax attributable to erroneous advice that is furnished to the taxpayer or potential taxpayer in the private taxpayer ruling if:
   (1) the taxpayer reasonably relied on the private taxpayer ruling.
   (2) the penalty or tax did not result either from a failure by the taxpayer to provide adequate or accurate information or from a change in the information.

(d) A private taxpayer ruling may not be relied upon, cited nor introduced into evidence in any proceeding by any taxpayer other than the taxpayer who received the ruling.

(e) A taxpayer may appeal the propriety of a retroactive application of a revoked or modified private taxpayer ruling by filing a written petition with the Tax Collector pursuant to section 7A-570 within forty-five (45) days after receiving written notice of the intent to retroactively apply a revoked or modified private taxpayer ruling.

(f) A private taxpayer ruling constitutes the tax collector's interpretation of the Sections of this Chapter only as they apply to the taxpayer making, and the particular facts contained in, the request.

(g) A private taxpayer ruling which addresses a taxpayer's ongoing business activities will apply only to transactions that occur or tax liabilities that accrue from and after the date of the taxpayer's ruling request.

(h) The Tax Collector shall attempt to issue private taxpayer rulings within forty-five (45) days after receiving the written request and on receiving the facts that are relevant to the ruling. If the ruling is expected to be delayed beyond the forty-five (45) days, the Tax Collector shall notify the requestor of the delay and the proposed date of issuance.

(i) Within thirty (30) days after being issued, the Tax Collector shall maintain the private taxpayer ruling as a public record and make it available at a reasonable cost for public inspection and copying. The text of private taxpayer rulings are open to public inspection subject to the confidentiality requirements prescribed by section 7A-510.

(j) In this Section, "private taxpayer ruling" means a written determination by the Tax Collector issued pursuant to this Section that interprets and applies one or more Sections contained in this Chapter and any applicable regulations.

(k) A private taxpayer ruling issued by the Arizona Department Of Revenue pursuant to A.R.S. Section 42-2101 may be relied upon by the taxpayer to whom the ruling was issued and must be recognized and followed by any City in which such taxpayer has obtained a privilege license if the City has not issued a ruling addressing the facts described in the taxpayer's ruling request and the statute at issue in the taxpayer's ruling request is, in essence, worded and written the same as the applicable section hereunder.

Article VI - USE TAX

Sec. 7A-600. Use tax: definitions.

For the purposes of this article only, the following definitions shall apply, in addition to the definitions provided in Article I:

"Acquire (for storage or use)" means purchase, rent, lease, or license for storage or use.

"Retailer" also means any person selling, renting, licensing for use, or leasing tangible personal property under circumstances which would render such transactions subject to the taxes imposed in article iv, if such transactions had occurred within this City.

"Storage (within the City)" means the keeping or retaining of tangible personal property at a place within the City for any purpose, except for those items acquired specifically and solely for the purpose of sale, rental, lease, or license for use in the regular course of business or for the purpose of subsequent use solely outside the City.

"Use (of tangible personal property)" means consumption or exercise of any other right or power over tangible personal property incident to the ownership thereof except the holding for the sale, rental, lease, or license for use of such property in the regular course of business.

Sec. 7A-601. (Reserved)

Sec. 7A-602. (Reserved)

Sec. 7A-610. Use tax: imposition of tax; presumption.

(a) There is hereby levied and imposed, subject to all other provisions of this chapter, an excise tax on the storage or use in the City of tangible personal property, for the purpose of raising revenue to be used in defraying the necessary expenses of the City, such taxes to be collected by the tax collector.

(b) The tax rate shall be at an amount equal to four percent (4%) of the:
   (1) Cost of tangible personal property acquired from a retailer, upon every person storing or using such property in this City.
   (2) Gross income from the business activity upon every person meeting the requirements of subsection 7A-620(b) or (c) who is engaged or continuing in the business activity of sales, rentals, leases, or licenses of tangible personal property to persons within the City for storage or use within the City, to the extent that tax has been collected upon such transaction.
   (3) Cost of the tangible personal property provided under the conditions of a warranty, maintenance, or service contract.
   (4) Cost of complimentary items provided to patrons without itemized charge by a restaurant, hotel, or other business.
   (5) Cost of food consumed by the owner or by employees or agents of the owner of a restaurant or bar subject to the provisions of Section 7A-455 of this chapter.

(c) It shall be presumed that all tangible personal property acquired by any person who at the time of such acquisition resides in the City is acquired for storage or use in this City, until the contrary is established by the taxpayer.

(d) Exclusions. For the purposes of this article, the acquisition of the following shall not be deemed to be the purchase, rental, lease, or license of tangible personal property for storage or use within the City:
(1) stocks, bonds, options, or other similar materials.
(2) lottery tickets or shares sold pursuant to Article I, Chapter 5, Title 5, Arizona Revised Statutes.
(3) platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by regulation.

(e) Notwithstanding the provisions of subsection (a) above, when the amount subject to tax for any single item of tangible personal property exceeds two thousand five hundred dollars ($2,500.00), the four percent (4%) tax rate shall apply to the first $2,500.00. Above $2,500.00, the measure of tax shall be at a rate of one and one half percent (1.5%).

(f) (Reserved)

Sec. 7A-620. Use tax: liability for tax.

The following persons shall be deemed liable for the tax imposed by this article; and such liability shall not be extinguished until the tax has been paid to this City, except that a receipt from a retailer separately charging the tax imposed by this chapter is sufficient to relieve the person acquiring such property from further liability for the tax to which the receipt refers:

(a) Any person who acquires tangible personal property from a retailer, whether or not such retailer is located in this City, when such person stores or uses said property within the City.

(b) Any retailer not located within the City, selling, renting, leasing, or licensing tangible personal property for storage or use of such property within the City, may obtain a license from the tax collector and collect the use tax on such transactions. Such retailer shall be liable for the use tax to the extent such use tax is collected from his customers.

(c) Every agent within the City of any retailer not maintaining an office or place of business in this City, when such person sells, rents, leases, or licenses tangible personal property for storage or use in this City shall, at the time of such transaction, collect and be liable for the tax imposed by this article upon the storage or use of the property so transferred, unless such retailer or agent is liable for an equivalent excise tax upon the transaction.

(d) Any person who acquires tangible personal property from a retailer located in the City and such person claims to be exempt from the City privilege or use tax at the time of the transaction, and upon which no City privilege tax was charged or paid, when such claim is not sustainable.

(e) Every person storing or using tangible personal property under the conditions of a warranty, maintenance, or service contract.

Sec. 7A-630. Use tax: recordkeeping requirements.

All deductions, exclusions, exemptions, and credits provided in this article are conditional upon adequate proof of documentation as required by Article III or elsewhere in this chapter.

Sec. 7A-640. Use tax: credit for equivalent excise taxes paid another jurisdiction.

In the event that an equivalent excise tax has been levied and paid upon tangible personal property which is acquired to be stored or used within this City, full credit for any and all such taxes so paid shall be allowed by the tax collector but only to the extent use tax is imposed upon that transaction by this article.

Sec. 7A-650. Use tax: exclusion when acquisition subject to use tax is taxed or taxable elsewhere in this chapter; limitation.

The tax levied by this article does not apply to the storage or use in this City of tangible personal property acquired in this City, the gross income from the sale, rental, lease, or license of which were included in the measure of the tax imposed by Article IV of this chapter; provided, however, that any person who has acquired tangible personal property from a vendor in this City without paying the City privilege tax because of a representation to the vendor that the property was not subject to such tax, when such claim is not sustainable, may not claim the exclusion from such use tax provided by this section.

Sec. 7A-660. Use tax: exemptions.

The storage or use in this City of the following tangible personal property is exempt from the use tax imposed by this article:

(a) tangible personal property brought into the City by an individual who was not a resident of the City at the time the property was acquired for his own use, if the first actual use of such property was outside the City, unless such property is used in conducting a business in this City.

(b) tangible personal property, the value of which does not exceed the amount of one thousand dollars ($1,000) per item, acquired by an individual outside the limits of the City for his personal use and enjoyment.

(c) charges for delivery, installation, or other customer services, as prescribed by regulation.

(d) charges for repair services, as prescribed by regulation.

(e) separately itemized charges for warranty, maintenance, and service contracts.

(f) prosthetics.

(g) income-producing capital equipment.

(h) rental equipment and rental supplies.

(i) mining and metallurgical supplies.

(j) motor vehicle fuel and use fuel which are used upon the highways of this state and upon which a tax has been imposed under the provisions of article I or II, Chapter 16, Title 28, Arizona Revised Statutes.

(k) tangible personal property purchased by a construction contractor, but not an owner-builder, when such person holds a valid privilege license for engaging or continuing in the business of construction contracting, and where the property acquired is incorporated into any structure or improvement to real property in fulfillment of a construction contract.

(l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.

(m) tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.

(n) rental, leasing, or licensing for use of film, tape, or slides by a theater or other person taxed under Section 7A-410, or by a radio station, television station, or subscription television system.

(o) food served to patrons for a consideration by any person engaged in a business properly licensed and taxed under Section 7A-455, but not food consumed by owners, agents, or employees of such business.

(p) tangible personal property acquired by a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property is in fact used in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(q) (Reserved)

(r) (Reserved)
(1) (Reserved)
(2) (Reserved)
(3) (Reserved)
(4) (Reserved)

(s) groundwater measuring devices required by A.R.S. Section 45-604.

(t) (Reserved)

(u) aircraft acquired for use outside the State, as prescribed by Regulation.

(v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.

(w) (Reserved)

(x) (Reserved)

(y) (Reserved)

(z) (Reserved)

(aa) tangible personal property used in remediation contracting as defined in Section 7A-100 and Regulation 7A-100.5.

(bb) materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
(1) printed or photographic materials.
(2) electronic or digital media materials.

(cc) food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, “accessories” means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(dd) wireless telecommunication equipment that is held for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470.

(ee) (Reserved)

(ff) alternative fuel as defined in A.R.S. § 1-215, by a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.

(gg) Food, beverages, condiments and accessories purchased by or for a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes; including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, “accessories” means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(hh) personal hygiene items purchased by a person engaged in the business of and subject to tax under Section 7A-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.

(ii) The diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.

(jj) Food, beverages, condiments and accessories purchased by or for a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, “accessories” means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

(ll) the storage, use or consumption of tangible personal property in the city or town by a school district or charter school.

(mm) Renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this paragraph, "renewable energy credit" means a unit created administratively by the corporation commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.

(nn) Magazines or other periodicals or other publications by this state to encourage tourist travel.

(oo) Paper machine clothing, such as forming fabrics and dryer felts, sold to a paper manufacturer and directly used or consumed in paper manufacturing.

(pp) Overhead materials or other tangible personal property that is used in performing a contract between the united states government and a manufacturer, modifier, assembler or repairer, including property used in performing a subcontract with a government contractor who is a manufacturer, modifier, assembler or repairer, to which title passes to the government under the terms of the contract or subcontract.

(qq) Coal, petroleum, coke, natural gas, virgin fuel oil and electricity sold to a qualified environmental technology manufacturer, producer or processor as defined in A.R.S. section 41-1514.02 and directly used or consumed in the generation or provision of on-site power or energy solely for environmental technology manufacturing, producing or processing or environmental protection. This paragraph shall apply for twenty full consecutive calendar or fiscal years from the date the first paper manufacturing machine is placed in service. In the case of an environmental technology manufacturer, producer or processor who does not manufacture paper, the time period shall begin with the date the first manufacturing, processing or production equipment is placed in service.

(rr) Machinery, equipment, materials and other tangible personal property used directly and predominantly to construct a qualified environmental technology manufacturing, producing or processing facility as described in A.R.S. section 41-1514.02. This subsection applies for ten full consecutive calendar or fiscal years after the start of initial construction.

(ss) (Reserved)

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6.A.**

Meeting Date: 11/08/2017

Department Head: Tadeo A. De La Hoya, City Manager, Administration

Submitted By: Laura Herrrera, Assistant to Council/Public Information Officer, City Council

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the proposed agreement with Portable Practical Education Preparation, Inc. (PPEP) for Fiscal Year 2017-2018. **(Tadeo A. De La Hoya, City Manager)**

SUMMARY:

Achievements due to City Support: Because of the continued support from the City of San Luis, Portable Practical Education Preparation, Inc (PPEP) has been able to impact the lives of youth through educational opportunities. Eight (8) of Twelve (12) of last year's class enrolled in AWC. Thirteen (13) of the fifteen (15) in this year's class enrolled in AWC. These students have been given the opportunity to earn AmeriCorps post-secondary education awards because of the dollars that the City of San Luis provides for the match requirements of that grant. In return, the youth give back to the City of San Luis in their volunteer work and affordable housing building projects.

Service: The Youth Build Program of Portable Practical Education Preparation, Inc. (PPEP) provides low-income youth, ages 17-24, education to obtain their GED, learn job skills, and leadership development, while serving their communities; by building affordable housing and providing community services. Under the contract with the City, 80% of their graduates are residents of the City of San Luis.

Amount: The City has entered into an agreement with PPEP in the past and has already budgeted funds in the amount of **$26,000.00** for the Youth Build Program until the end of the Fiscal Year 2017-2018 on June 30, 2018.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND RATIFY THE CONTRACT WITH PPEP, INC, FOR THE FISCAL YEAR 2017-2018 IN THE AMOUNT OF $26,000.00.

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	City
TOTAL:	$26,000.00
BUDGETED AMOUNT:	Yes

AVAILABLE AMOUNT TO TRANSFER: No Transfer Required

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: Account # 100-110-80000 Contracted Services/$401,665.34

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Account # 100-110-80000, City Council Contracted Services. Contracted amount of $26,000.00 is budgeted for Fiscal Year 2016-2017.

Attachments

Funding Agreement

FUNDING AGREEMENT

Agreement (the "AGREEMENT") made this _____ day of November, 2017, between Portable Practical Education Preparation, Inc. ("PPEP") (herein after referred to as "CONTRACTOR") of having its main administrative address at 802 E. 46th Street, Tucson, Arizona and the City of San Luis, a municipal corporation organized under the laws of Arizona, having its administrative offices at 1090 East Union Street, San Luis, Arizona (herein after referred to as CITY"). CONTRACTOR and CITY may be referred to singularly as the "Party" and collectively as the "Parties."

RECITALS

WHEREAS, CITY has allocated certain funds for a YouthBuild Program for young adults in the CITY of San Luis, Arizona; and

WHEREAS, the CITY wishes to engage the CONTRACTOR to utilize such funds in the CONTRACTOR's existing YouthBuild Program; and

WHEREAS, the CITY wishes the YouthBuild Program to serve and graduate at least 80% of San Luis students enrolled per cohort.

A. STATEMENT OF WORK

1. Name of Activity: YouthBuild Program

2. Description: (see ATTACHMENT I)

3. Funding AGREEMENT Total: $26,000

4. Period of Coverage under this agreement: July 1, 2017 to June 30, 2018

5. Number served: 80% of YouthBuild enrollees from San Luis will graduate from the program

B. PERFORMANCE MONITORING

The city will monitor the performance of the CONTRACTOR against goals and performance standards herein. Substandard performance as determined by the CITY will constitute noncompliance with the AGREEMENT. If action to correct such substandard performance is not taken by the CONTRACTOR within a reasonable period of time after being notified by the CITY, contract suspension or termination procedures will be initiated.

C. NOTICES

All notices, approvals and communications provided for herein, or given in connection, shall be validly given, made, delivered or served if in writing and delivered personally by process server or sent by a nationally recognized courier (e.g., Federal Express, UPS) or by United States Postal Service certified with return receipt requested and postage prepaid to:

If to the CITY

Tadeo A. De La Hoya, City Manager
City of San Luis
P.O. Box 1170 (by United States Postal Service)
1090 East Union Street (by personal process or courier)
San Luis, Arizona 85349
928-341-8520

With a copy to:

San Luis City Attorney
City of San Luis
P.O. Box 1170
San Luis, Arizona 85349

If to the CONTRACTOR

Kari Hogan
Chief Administrative Officer
802 E. 46th Street
Tucson, Arizona 85713
520-770-2500

or such other addresses as either Party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective. Notices, approvals, changes of addresses and other communications provided for herein shall be effective upon receipt as hereinabove provided, prepaid and addressed as set forth above.

D. SPECIAL CONDITIONS

None

E. CONTRACTOR RECOGNITION

The CONTRACTOR shall recognize the CITY's contribution in the contract. CONTRACTOR shall mention the CITY in CONTRACTOR's publications regarding YouthBuild.

F. NO AGENCY CREATED and NO THIRD-PARTY BENEFICIARIES

1. No Agency Created. It is not intended by this Agreement to, and nothing contained in this agreement shall, create any employer-employee, partnership, joint venture or other similar arrangement between the CONTRACTOR and the CITY.

2. No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, no person or entity not a Party shall have any right or cause of action under this Agreement.

G. WORKERS COMPENSATION

The CONTRACTOR shall provide Workers' Compensation Insurance or a comparable insurance coverage for all of its employees/participants involved in the performance of this contract.

H. GENERAL CONDITIONS

1. Payment: It is expressly agreed and understood by the CITY that the total amount to be paid to the CONTRACTOR under this contract by the CITY shall not exceed $26,000.

2. Time of Performance: **This AGREEMENT shall take effect on the 1st day of July 2017 through and including the 30th day of June 2018.**

3. Insurance and Bonding: The CONTRACTOR shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond cover all employees in an amount equal to cash advances from the CITY.

4. Subcontracting: None of the services covered by this AGREEMENT shall be subcontracted without prior approval by the CITY.

5. Maintenance and Availability of Records: In connection with the AGREEMENT, the CONTRACTOR shall maintain all accounting, client records, papers, maps, photographs, other documentary materials, and any evidence pertaining to costs incurred.

6. Such records shall be furnished and available for inspection by the CITY.

7. Such records shall be available at the CONTRACTORs offices at all reasonable times during the contract period. If it is a claim, investigation, or litigation that is pending after what is assumed to be final payment that in effect cancels the final payment date. The retention period will not begin until final settlement of the claim, investigation, or litigation.

8. Contract Amendments/Revisions: Any changes to the Scope of Work or dollar amount of this AGREEMENT require prior written approval from the CITY.

9. Suspension and Termination: With notification to CONTRACTOR, CITY may terminate this AGREEMENT and such additional supplemental agreements hereafter executed, in whole or in part, and may recover any funds at its discretion if the CONTRACTOR:

a. Violates any provision of this AGREEMENT; OR

b. Fails to complete performance in a timely manner

The CITY may also terminate this AGREEMENT and such additional supplemental agreements hereafter executed, in whole or in part, by giving the CONTRACTOR 30 days' written notice.

10. Audits: The CONTRACTOR shall comply with the audit requirements set forth in Office of Management and Budget (OMB) Circular A-133.

I. PROVISIONS REQUIRED BY ARIZONA LAW

1 Conflict of Interest. Under Arizona law, rules and regulations, no member, official or employee of the City shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official or employee participate in any decision relating this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This Agreement is subject to the cancelation provisions of A.R.S. §38-511.

2 Employment Eligibility. CONTRACTOR warrants that it is in compliance with all federal immigration laws and regulations that relate to its employees and with A.R.S. § 23-214 relating to verification of employment eligibility. A breach of this warranty shall be deemed a material breach of this Agreement. City retains the legal right to inspect the papers of Developer to ensure that Developer complies with this warranty.

3 Boycott. CONTRACTOR certifies that it does not participate in, and agrees not to participate in during the term of this Agreement a boycott of Israel under A.R.S. § 35-393.01. The undersigned understands this certification will become public record under A.A.C. R2-7-C317.

[Intentionally left blank, signature page follows]

The CONTRACTOR and the CITY have executed this AGREEMENT the day and year set forth above which is the day the last Party approved this AGREEMENT.

City of San Luis, Arizona

_____
Gerardo Sanchez, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

_____
Kay Marion Macuil, City Attorney

Portable Practical Education Preparation, Inc.

_____
Signature

_____
Print Name

_____
Print Title

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6.B.**

Meeting Date: 11/08/2017

Department Head: Sonia Cornelio, City Clerk, Office of the City Clerk

Submitted By: Sonia Cornelio, City Clerk, City Clerk's Office

Action Requested: Motion
Public Hearing

ITEM:

Public hearing followed by discussion and possible action on any and all matters regarding recommendation on the Agent Change, Acquisition of Control and/or Restructure application submitted to the Arizona Department of Liquor Licenses and Control by Michael Joseph Basha on behalf of Food City #127, located at 579 S. Main Street, San Luis, Arizona. (**Sonia Cornelio, City Clerk)**

A. Open public hearing
   1. Presentation by Staff and/or Applicant
   2. Call to the Public on this Item
B. Close public hearing
C. Action on the recommendation of the Agent Change, Acquisition of Control, and/or Restructure application to the Arizona Department of Liquor Licenses and Control.

SUMMARY:

Mr. Michael Joseph Basha submitted an application for Agent Change, Acquisition of Control, and/or Restructure to the Arizona Department of Liquor Licenses & Control. The notice and application were posted in a conspicuous place at the premises proposed to be licensed by the above applicant and said notice and application were posted for at least twenty (20) days pursuant to A.R.S. §4-201. The Office of the City Clerk has not received any comments in favor of or against it. Staff recommends approval of the recommendation to the Arizona Department of Liquor Licenses and Control.

RECOMMENDATION / SUGGESTED MOTION:

A. I MOVE TO OPEN PUBLIC HEARING
1. Presentation by Staff and/or Applicant
2. Call to the Public on this Item.
B. I MOVE TO CLOSE PUBLIC HEARING
C. I MOVE TO RECOMMEND APPROVAL OF THE APPLICATION AS PRESENTED TO THE ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	N/A
CITY/STATE/FEDERAL FUNDS:	N/A

TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

There is no fiscal impact associated with this item.

Attachments

Food City No. 127

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

AFFIDAVIT OF POSTING

Date of Posting: October 2, 2017 Date of Posting Removal: October 26, 2017

Applicant's Name: Basha (Last) Michael (First) Joseph (Middle)

Business Address: 23413 S. Main Street (Street) San Luis (City) 85349 (Zip)

License #: 09140046

I hereby certify that pursuant to A.R.S. 4-201, I posted notice in a conspicuous place on the premises proposed to be licensed by the above applicant and said notice was posted for at least twenty (20) days.

Sonia Cornelio	City Clerk	928.341.8520
Print Name of City/County Official	Title	Phone Number

Signature	10/26/2017
	Date Signed

Return this affidavit with your recommendations (i.e., Minutes of Meeting, Verbatim, etc.) or any other related documents.
If you have any questions please call (602) 542-5141 and ask for the Licensing Division.

Individuals requiring ADA accommodations please call (602)542-9027

NOTICE

APPLICATION TO SELL ALCOHOLIC BEVERAGES

DATE POSTED: 10/2/2017

A HEARING ON A LIQUOR LICENSE APPLICATION SHALL BE HELD BEFORE THE

City of San Luis City Council

PLACE 1090 E. Union St., SLAZ **DATE/TIME** 11/8/2017 @ 7:00 PM

HEARING DATES SUBJECT TO CHANGE, TO VERIFY CALL: 928-341-8520

THE LOCAL GOVERNING BODY WILL RECOMMEND TO THE STATE LIQUOR BOARD WHETHER THE BOARD SHOULD GRANT OR DENY THE LICENSE. THE STATE LIQUOR BOARD MAY HOLD A HEARING TO CONSIDER THE RECOMMENDATION OF THE LOCAL GOVERNING BODY. ANY PERSON RESIDING OR OWNING OR LEASING PROPERTY WITHIN A ONE-MILE RADIUS MAY CONTACT THE STATE LIQUOR BOARD IN WRITING TO REGISTER AS A PROTESTER. TO REQUEST INFORMATION REGARDING PROCEDURES BEFORE THE BOARD AND NOTICE OF ANY BOARD HEARINGS REGARDING THIS APPLICATION, CONTACT THE **STATE LIQUOR BOARD**: **800 W. WASHINGTON, 5TH FLOOR, PHOENIX, AZ. 85007 (602) 542-9789**

UALS REQUIRING ADA ACCOMMODATIONS CALL - LOCAL GOVERNING BODY: 928.341.8520 STATE LIQUOR DEPT: (602) 542-9789

POST ONE COPY OF THE APPLICATION FORM BELOW THIS NOTICE.

Amendment

State of Arizona
Department of Liquor Licenses and Control
800 W. Washington 5th Floor
Phoenix, AZ 85007
(602) 542-5141

RECEIVED
SEP 27 2017

AZ DLLC
SEP 18 2017

Office of the City Clerk
Chandler, Arizona

DLLC USE ONLY	
Date Processed:	9-15-17
CSR:	SG
60th Day:	11-14-17

APPLICATION FOR AGENT CHANGE – ACQUISITION OF CONTROL – RESTRUCTURE

NOTE: 1) The fee for an agent change MUST be submitted with this application: $100.00 for the first application and $50.00 for each additional application, not to exceed $1,000.00. (A.R.S. 4-209.H) NOTE 2) the $100.00 fee for restructure/acquisition of control MUST be submitted with this application. (A.R.S. 4-209.A)

SECTION 1

Check the appropriate boxes

☐ Agent Change	☑ Acquisition of Control	☐ Restructure
Complete Sections 1,2,3,4,5 & 7	Complete Sections 1,2, 3 & 7	Complete Sections 1,2,3,6 & 7

SECTION 2 (COMPLETE THIS SECTION FOR AGENT CHANGE, ACQUISITION OF CONTROL OR RESTRUCTURE)

1. Name: (EXISTING AGENT OR NEW AGENT) Basha (Last) Michael (First) Joseph (Middle) 09140046 (Liquor License #)
2. Owner Name: _____ (Exactly as it appears on Liquor License) Corp File #: _____ (If applicable)
3. Business Name: _____ (Exactly as it appears on Liquor License) Email: _____
4. Business Location Address: _____ (Do not use P.O. Box Number) City COUNTY Zip
5. Is the Business located within the incorporated limits of the above City or Town? ☐ Yes ☐ No
6. Does the Business location address have a street address for a City or Town but is actually in the boundaries of another City, Town or Tribal Reservation? ☐ Yes ☐ No If Yes, what City, Town or Tribal Reservation is this Business located in: _____
7. Mailing Address: _____ City State Zip
8. Business Phone: _____ Daytime Contact Phone _____
9. Does this transaction involve the sale of any portion of the percentage of ownership or corporate stock? ☑ Yes ☐ No If yes, submit a certified copy of minutes.
10. Has there been any change of Controlling Persons? ☐ Yes ☐ No if yes, submit a copy of the minutes, amended articles of organization and/or amended operating agreement showing change

SECTION 3 (COMPLETE THIS SECTION FOR AGENT CHANGE, ACQUISITION OF CONTROL OR RESTRUCTURE)

Each new person listed in section III must submit a questionnaire (form LIC0101) and a Department approved fingerprint card which may be obtained at the Department of Liquor. A Controlling Person already disclosed to the Department is not required to submit a questionnaire.

1. List all Controlling Persons to be disclosed, current and new.

New	Last	First	Middle	Title	Address	City	State	Zip
☐								
☐								
☐								
☐								

(ATTACH ADDITIONAL SHEET(S) IF NECESSARY)

2. List stockholders, percentage owners and/or Controlling Members owning 10% or more

New	Last	First	Middle	% Owned	Address	City	State	Zip
☐	BASHA, EDWARD NAJEEB TRUST - NADINE KAY MATHIS, TRUSTEE			16.49	15 BULLMOOSE DR., CHANDLER, AZ 85244			
☑	VITALE, CONSTANCE TRUST - AZEZ NAJEEB BASHA - TRUSTEE			12.37	8827 E SHANNON DRIVE., TEMPE, AZ 85284			
☐	RISHWAIN, KAREN SYLVIA			10.31	3287 W. MOREING CT., STOCKTON, CA 95204			
☐								

(ATTACH ADDITIONAL SHEET(S) IF NECESSARY)

If the ownership is owned by another entity, ATTACH AN OWNERSHIP FLOWCHART SHOWING THE OFFICERS, MEMBERS, CONTROLLING PERSON AND 10% OR MORE OWNERS FOR THE ENTITIES. Attach additional sheets as necessary in order to disclose all persons.

SECTION 4 **(COMPLETE THIS SECTION FOR AGENT CHANGE)**

1. As an Agent, will you be physically present and operating the licensed premises? ☐ Yes ☐ No

If you answered YES, you must provide a copy of your Basic and Management Training Certificate obtained from a Department approved Liquor Law training provider BEFORE YOUR APPLICATION FOR AGENT ACQUISITION OF CONTROL OR RESTRUCTURE CAN BE SUBMITTED. If you answered NO, go to question 2.

2. Is there a current Manager at this license premises disclosed to the Department with the current Basic and Management Training Certificate? ☐ Yes ☐ No

If yes, Name of current Manager: _____ (Last) _____ (First) _____ (Middle)

Basic Training ☐ **Yes** ☐ **No** **Management Training** ☐ **Yes** ☐ **No**

If "NO" for 1 and 2, a Manager with a current Basic and Management Training Certificate obtained from a Department approved Liquor Law training provider must be submitted within 30 days after filing the application for Agent Change, Acquisition of Control or Restructure.

SECTION 5 **(COMPLETE THIS SECTION FOR AGENT CHANGE)**

To be completed by the INDIVIDUAL OR EXISTING AGENT OR CORPORATE OFFICER OR L.L.C. CONTROLLING MEMBER:

1. License # _____

2. Current Agent Name: _____ (Exactly as it appears on license) Last _____ First _____ Middle

I, (Print full name) _____, hereby consent to the appointment of Agent for this license. I agree to immediately assign a new Agent in the event that I am unable to discharge the duties of Agent for this license. I have not been convicted of a felony in the last five (5) years.

X _____
(Controlling Person/Existing Agent)

State of _____ County of _____
The foregoing instrument was acknowledged before me this

_____ of _____, _____
Day Month Year

My commission expires on: _____

_____
Signature of NOTARY PUBLIC

SECTION 6 **(COMPLETE THIS SECTION FOR RESTRUCTURE)**

Is there more than one licensed premises involved? ☐ YES ☐ NO

If YES, **SEPARATE APPLICATIONS** must be filed and fees paid for each license/location.

Type of current ownership:

- ☐ J.T.W.R.O.S.
- ☐ INDIVIDUAL
- ☐ PARTNERSHIP
- ☐ CORPORATION
- ☐ LIMITED LIABILITY CO.
- ☐ MANAGEMENT CO.
- ☐ TRIBE
- ☐ TRUST
- ☐ OTHER **(Explain)** _____

Type of new ownership:

- ☐ J.T.W.R.O.S.
- ☐ INDIVIDUAL
- ☐ PARTNERSHIP
- ☐ CORPORATION
- ☐ LIMITED LIABILITY CO.
- ☐ MANAGEMENT CO.
- ☐ TRIBE
- ☐ TRUST
- ☐ OTHER **(Explain)** _____

SECTION 7 **(COMPLETE THIS SECTION FOR AGENT CHANGE, ACQUISITION OF CONTROL OR RESTRUCTURE)**

To be completed by Controlling Person or existing Agent (if no agent changes) OR NEW Agent if applying for Agent change as listed in Section 2 Question 1.

I, (Print full name) _____, hereby declare that I am the APPLICANT filing this application. I have read the application and the contents and all statements are true, correct and complete.

X _____
(Controlling Person/Existing Agent)

State of _____ County of _____
The foregoing instrument was acknowledged before me this

_____ of _____, _____
Day Month Year

My commission expires on: _____

_____
Signature of NOTARY PUBLIC

State of Arizona
Department of Liquor Licenses and Control
800 W. Washington 5th Floor
Phoenix, AZ 85007
(602) 542-5141

AZ DLLC
SEP 18 2017

DLLC USE ONLY

Date Processed:	9-15-17
CSR:	SG
60th Day:	11-14-17

APPLICATION FOR AGENT CHANGE – ACQUISITION OF CONTROL – RESTRUCTURE

NOTE: 1) The fee for an agent change MUST be submitted with this application: $100.00 for the first application and $50.00 for each additional application, not to exceed $1,000.00. (A.R.S. 4-209.H) NOTE 2) the $100.00 fee for restructure/acquisition of control MUST be submitted with this application. (A.R.S. 4-209.A)

SECTION 1

Check the appropriate boxes

☐ Agent Change	☑ Acquisition of Control	☐ Restructure
Complete Sections 1,2,3,4,5 & 7	Complete Sections 1,2, 3 & 7	Complete Sections 1,2,3,6 & 7

SECTION 2 (COMPLETE THIS SECTION FOR AGENT CHANGE, ACQUISITION OF CONTROL OR RESTRUCTURE)

1. Name: BASHA, MICHAEL JOSEPH - AGENT (EXISTING AGENT OR NEW AGENT) Last First Middle — 0914.0046 Liquor License #
2. Owner Name: BASHAS' INC (Exactly as it appears on Liquor License) — Corp File #: 0044605-4 (If applicable)
3. Business Name: Food City #127 (Exactly as it appears on Liquor License) — Email: Store127@bashas.com
4. Business Location Address: 2341 S. Main St. San Luis Yuma 85349 (Do not use P.O. Box Number) City COUNTY Zip
5. Is the Business located within the incorporated limits of the above City or Town? ☑ Yes ☐ No
6. Does the Business location address have a street address for a City or Town but is actually in the boundaries of another City, Town or Tribal Reservation? ☐ Yes ☑ No If Yes, what City, Town or Tribal Reservation is this Business located in: _____
7. Mailing Address: PO BOX 488 CHANDLER, AZ ~~85244~~ 85244
8. Business Phone: 928-627-7700 Daytime Contact Phone 480-940-2224 (City State Zip)
9. Does this transaction involve the sale of any portion of the percentage of ownership or corporate stock? ☐ Yes ☑ No If yes, submit a certified copy of minutes.
10. Has there been any change of Controlling Persons? ☐ Yes ☑ No if yes, submit a copy of the minutes, amended articles of organization and/or amended operating agreement showing change

SECTION 3 (COMPLETE THIS SECTION FOR AGENT CHANGE, ACQUISITION OF CONTROL OR RESTRUCTURE)

Each new person listed in section III must submit a questionnaire (form LIC0101) and a Department approved fingerprint card which may be obtained at the Department of Liquor. A Controlling Person already disclosed to the Department is not required to submit a questionnaire.

1. List all Controlling Persons to be disclosed, current and new.

New	Last	First	Middle	Title	Address	City	State	Zip
☐	BASHA, EDWARD NAJEEB, III			PRESIDENT	2618 E. VIRGO PLACE,	CHANDLER,	AZ	85249
☐	BASHA, MICHAEL JOSEPH			VP	16213 S. 29TH DRIVE,	PHOENIX,	AZ	85045
☐								
☐								

(ATTACH ADDITIONAL SHEET(S) IF NECESSARY)

2. List stockholders, percentage owners and/or Controlling Members owning 10% or more

New	Last	First	Middle	% Owned	Address	City	State	Zip
☐	TRUST			16.49	15 BULLMOOSE DRIVE,	CHANDLER,	AZ	85224
☐	TRUST			12.37	8827 E. SHANNON DRIVE,	TEMPE,	AZ	85284
☐	RISHWAIN, KAREN SYLVIA			10.31	3287 W. MOREING CT,	STOCKTON,	CA	95204
☐	NO ON ELSE OWNS 10% OR MORE							

(ATTACH ADDITIONAL SHEET(S) IF NECESSARY)

If the ownership is owned by another entity, ATTACH AN OWNERSHIP FLOWCHART SHOWING THE OFFICERS, MEMBERS, CONTROLLING PERSON AND 10% OR MORE OWNERS FOR THE ENTITIES. Attach additional sheets as necessary in order to disclose all persons.

SECTION 4 **(COMPLETE THIS SECTION FOR AGENT CHANGE)**

1. As an Agent, will you be physically present and operating the licensed premise? ☐ Yes ☑ No

If you answered YES, you must provide a copy of your Basic and Management Training Certificate obtained from a Department approved Liquor Law training provider BEFORE YOUR APPLICATION FOR AGENT ACQUISITION OF CONTROL OR RESTRUCTURE CAN BE SUBMITTED. If you answered NO, go to question 2.

2. Is there a current Manager at this license premises disclosed to the Department with the current Basic and Management Training Certificate? ☑ Yes ☐ No

If yes, Name of current Manager: Vargas (Last) Carlo (First) Trapwood (Middle)

Basic Training ☑ Yes ☐ No **Management Training** ☑ Yes ☐ No

If "NO" for 1 and 2, a Manager with a current Basic and Management Training Certificate obtained from a Department approved Liquor Law training provider must be submitted within 30 days after filing the application for Agent Change, Acquisition of Control or Restructure.

SECTION 5 **(COMPLETE THIS SECTION FOR AGENT CHANGE)**
To be completed by the INDIVIDUAL OR EXISTING AGENT OR CORPORATE OFFICER OR L.L.C. CONTROLLING MEMBER:

1. License # _____

2. Current Agent Name: _____ (Exactly as it appears on license) Last First Middle

I, (Print full name) _____, hereby consent to the appointment of Agent for this license. I agree to immediately assign a new Agent in the event that I am unable to discharge the duties of Agent for this license. I have not been convicted of a felony in the last five (5) years.

X _____ (Controlling Person/Existing Agent)

State of _____ County of _____ The foregoing instrument was acknowledged before me this

_____ (Day) of _____ (Month), _____ (Year)

My commission expires on: _____

_____ Signature of NOTARY PUBLIC

SECTION 6 **(COMPLETE THIS SECTION FOR RESTRUCTURE)**

Is there more than one licensed premises involved? ☑ YES ☐ NO

If YES, **SEPARATE APPLICATIONS** must be filed and fees paid for each license/location.

Type of current ownership:	**Type of new ownership:**
☐ J.T.W.R.O.S.	☐ J.T.W.R.O.S.
☐ INDIVIDUAL	☐ INDIVIDUAL
☐ PARTNERSHIP	☐ PARTNERSHIP
☑ CORPORATION	☑ CORPORATION
☐ LIMITED LIABILITY CO.	☐ LIMITED LIABILITY CO.
☐ MANAGEMENT CO.	☐ MANAGEMENT CO.
☐ TRIBE	☐ TRIBE
☐ TRUST	☐ TRUST
☐ OTHER **(Explain)** _____	☑ OTHER **(Explain)** AOC

SECTION 7 **(COMPLETE THIS SECTION FOR AGENT CHANGE, ACQUISITION OF CONTROL OR RESTRUCTURE)**
To be completed by Controlling Person or existing Agent (if no agent changes) OR NEW Agent if applying for Agent change as listed in Section 2 Question 1.

I, (Print full name) MICHAEL JOSEPH BASHA, hereby declare that I am the APPLICANT filing this application. I have read the application and the contents and all statements are true, correct and complete.

X _____ (Controlling Person/Existing Agent)

State of AZ County of Maricopa The foregoing instrument was acknowledged before me this

1st (Day) of August (Month), 2017 (Year)

My commission expires on: 6/24/20

MARILYN CHAPMAN
Notary Public - State of Arizona
MARICOPA COUNTY
My Commission Expires
June 24, 2020

Marilyn Chapman Signature of NOTARY PUBLIC

Individuals requiring ADA accommodations please call (602)542-9027

BASHAS' INC. OFFICERS

TITLE	*NAME*	*ADDRESS*	*CITY-STATE-ZIP*
PRESIDENT CHIEF OPERATING OFFICER	Edward Najeeb Basha, III	2618 E. VIRGO PLACE	CHANDLER, AZ 85249
VICE PRESIDENT	Michael Joseph Basha	16213S. 29th DRIVE	PHOENIX, AZ 85045

STOCKHOLDERS

STOCKHOLDERS	*ADDRESS*	*CITY/STATE/ZIP*	*% OF OWNERSHIP*
Edward Najeeb Basha Trust – Nadine Kay Mathis, Trustee	15 BULLMOOSE DRIVE	CHANDLER, AZ 85224	16.49
Constance Vitale Trust – Azez Najeeb Basha, Trustee	8827 E. SHANNON DRIVE	TEMPE, AZ 85284	12.37
Karen Sylvia Rishwain - Stockholder	3287 W. MOREING CT.	STOCKTON, CA 95204	10.31

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6.C.**

Meeting Date: 11/08/2017

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion
Ordinance - 1st Reading

ITEM:

Discussion and possible action on any and all matters regarding First Reading of Ordinance No. 370. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, enacting and adopting the Third Supplement to the Code of Ordinances for the City of San Luis, Arizona; providing for penalties; repealing any conflicting provisions, providing for severability. **(Sonia Cornelio, City Clerk)**

A. Approval of First Reading of Ordinance No. 370 by title only
(City Clerk to read Ordinance by title only)

SUMMARY:

The City of San Luis formally adopted a codified version of its ordinances in October of 2012 and a City Code book was published. The first Code included Ordinances #1 through #290. In February of 2015 Ordinances #293 through #328 were codified and added to the City Code book. On April 27, 2016, Ordinances #329 through #341 were codified. Now, Ordinances #343 through #361 have been codified and are ready for inclusion in the City Code book. In order to be formally included in our book for the City Code, City Council must pass an adopting ordinance.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE ORDINANCE NO. 370 BY TITLE ONLY.
(CITY CLERK TO READ THE ORDINANCE BY TITLE)

Supporting information not attached to the Agenda Item Review Form:

Please see supporting documents attached.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	N/A
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

There is no fiscal impact.

Attachments

Ordinance No. 370

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Ordinance

No. 370

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, ENACTING AND ADOPTING THE THIRD SUPPLEMENT TO THE CODE OF ORDINANCES FOR THE CITY OF SAN LUIS, ARIZONA; PROVIDING FOR PENALTIES; REPEALING ANY CONFLICTING PROVISIONS, PROVIDING FOR SEVERABILITY.

WHEREAS, under Ordinance No. 318, the City of San Luis adopted the Code of Ordinances for the City of San Luis, Arizona; and

WHEREAS, American Legal Publishing Corporation of Cincinnati, Ohio, has completed the third supplement to the Code of Ordinances of the City of San Luis, which supplement contains all ordinances of a general and permanent nature enacted since the prior supplement to the Code of Ordinances; and

NOW, THEREFORE, BE IT ORDAINED BY the Mayor and Council of the City of San Luis, Arizona as follows:

Section 1. That certain document known as "2017 S-3 Supplement of the Code of Ordinances of the City of San Luis, Arizona," three copies of which are on file in the Office of the City Clerk, of the City of San Luis, Arizona, which document was made a public record by Resolution No. 2014 of the City of San Luis, Arizona is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

Section 2. By the adoption of this ordinance, the City Council hereby reaffirms the provisions for penalties as may be contained within the previously adopted San Luis City Code and this "2017 S-D Supplement of the of the Code of Ordinances of the City of San Luis Arizona"

Section 3. By the adoption of this ordinance, the City Council hereby reaffirms that Ordinance Nos. 228, 362, 363, 364, 365, 366, 367, 368 and 369 have been, and continue to be the law of the City of San Luis from the date of their adoption. Save and except Ordinance Nos. 228,362, 363, 364, 365, 366, 367, 368 and 369 the provisions of which shall continue to govern from and after the date of the adoption of this ordinance, in the event of a conflict between the provisions of this Ordinance and any other ordinance, code resolution, regulation, or policy of the City of San Luis, the conflicting provisions are hereby repealed, superseded, and replaced.

[Intentionally left blank, Section 4 and signature page follow]

Section 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of City of San Luis, Arizona, on this _____ day of November 2017.

_____
Gerardo Sanchez, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil
Kay Marion Macuil, City Attorney

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6.D.**

Meeting Date: 11/08/2017

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion
Ordinance - 1st Reading

ITEM:

Discussion and possible action on any and all matters regarding First Reading of Ordinance No. 371. An ordinance of the Mayor and City Council of the City of San Luis, Arizona relating to adopting the "2012-2014 Amendments and 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code " by reference; establishing effective dates; providing for severability; and providing penalties for violations. **(Kay Marion Macuil, City Attorney)**

A. Action on First Reading of Ordinance No. 371 by title only
(City Clerk reads Ordinance by title only)

SUMMARY:

The attached Ordinance No. 371 is the city's adoption which is the so-called "rubber stamp" on the tax code amendments passed and approved by the Municipal Tax Code Commission. Under A.R.S. §42-6053(A) (attachment 5 to this Agenda), the taxes are valid once they are posted on the Arizona Department of Revenues website which was done. (Please see attachment 4, the City of San Luis tax profile on the ADOR website). The purpose of this system of a Model Tax Code on a central state website is to make it easier for businesses to comply with paying taxes while doing business around the state. The amendments that Ordinance No. 371 "rubber stamps" are all of the Model City Tax Code changes approved by the Municipal Tax Code Commission since the last approval ("rubber stamp") in the 2014 City of San Luis Ordinance No. 328. The amendments cover 2012 through 2014 plus the Municipal Tax Code Commission's approved Tier Tax for the City of San Luis that became effective June 1, 2016.

There was a lag time for all the cities in receiving the amendments because the law passed in 2012 ending the League of Cities and Towns involvement in updating each cities amendments. There were only a few people in the state qualified to do the detailed work of going through each tax code for each city and town to be sure no valid ordinances were left out of the individual codes.

Cities and Towns propose modifications to the Municipal Tax which the Municipal Tax Code Commission approves or rejects. There is some flexibility in the Model Tax Code because there are local options which the cities may adopt if they choose. (A.R.S.§42-6053(B) and (C) spell out the requirements).

In the 2012-2014 amendments, the City of San Luis exercised an option, Section 485, which created a new classification that imposes a tax on wastewater removal services and was put into effect in the Model City Tax Code after July 1, 2013. San Luis has chosen to maintain its previous exemption in this area through the application of a zero percent tax rate for this classification. In 2016, the City of San Luis exercised option V allowing for a tiered tax.

The rest of the amendments are summarized in the second attachment to this agenda item, which was

prepared by the consultant tax expert, Albert Holler. The amendments are copied in full in attachment 3.

Staff recommends approval of Ordinance No. 371 in compliance with A.R.S. §42-6053(D).

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE FIRST READING OF ORDINANCE NO. 371 BY TITLE ONLY.
(City Clerk reads Ordinance No. 371 by title only)

Supporting information not attached to the Agenda Item Review Form:

N/a

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	No
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

There is no fiscal impact to this item.

Attachments

Ordinance No. 371
Summary of Amendments
2012-2014 & 2016 Amendments
ADOR Web Site San Luis Profile
ARS 42-6053

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Ordinance

No. 371

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA ADOPTING THE "2012-2014 AMENDMENTS AND 2016 AMENDMENT OF LOCAL OPTION V (TIER TAX) TO THE SAN LUIS TAX CODE" BY REFERENCE; ESTABLISHING EFFECTIVE DATES; PROVIDING FOR SEVERABILITY; AND PROVIDING PENALTIES FOR VIOLATIONS.

WHEREAS, the City Council has adopted the Model City Tax Code as defined by A.R.S. §42-6051; and

WHEREAS, the Municipal Tax Code Commission has approved the "201-014 Amendments and 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code"; and

WHEREAS, A.R.S. §42-6053(D) requires that the city shall adopt changes to the Model City Tax Code approved by the Municipal Tax Code Commission; and

WHEREAS, the City Council finds that the amendments to the San Luis Tax Code addressed by this ordinance are in the best interests of the community;

THEREFOR BE IT ORDAINED by the Mayor and City Council of the City of San Luis, Arizona, as follows:

Section 1. That certain document known as "The 2012-2014 Amendments and 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code", three (3) copies of which are on file in the office of the City Clerk of the City of San Luis, Arizona, which document was made a public record by and attached as Exhibit A to Resolution No. 2015 of the City of San Luis, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

Section 2. Any person found guilty of violating any provision of these amendments to the tax code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as provided by law.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this

ordinance or any part of these amendments to the tax code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 4. The provisions of this ordinance conform this local code to the Model City Tax Code, which is controlling. The provisions of each section are effective as stated in each section and are as provided by the Municipal Tax Code Commission upon approval of the stated change to the Model City Tax Code. Provisions subject to a retroactive effective date at the time of approval by the Municipal Tax Code Commission favor taxpayers by reducing an imposition of the tax or increasing an allowable deduction, exemption, or exclusion. Provisions that increase the imposition of the tax or decrease the application of a deduction, exemption, or exclusion had a prospective effective date at the time of approval by the Municipal Tax Code Commission. Provisions creating a new Option state the first effective date the new Option is available for selection. Provisions eliminating an existing Option state the last effective date of the eliminated Option.

Section 5. The Mayor, the City Manager, the City Clerk, the Finance Department and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Ordinance.

PASSED, ADOPTED and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this ____day of November, 2017.

_____
Gerardo Sanchez, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil

_____
Kay Marion Macuil, City Attorney

SUMMARY OF CHANGES TO MODEL CITY TAX CODE
AND AMENDMENTS TO THE TAX CODE OF THE CITY OF SAN LUIS

The amendments to the Tax Code of the City of San Luis incorporate all of the Model City Tax Code changes approved by the Municipal Tax Code Commission from 2012 through 2014.

Section 100 adds language to the existing definitions of "Business" and "Prosthetic". This change excludes the sale of electricity generated by consumer equipment from the definition of "Business". Adding this exclusion means persons that make such sales (e.g. residential solar energy sales) are not deemed to be in the business of providing Utilities, and thus are not required to have a Privilege Tax License to make such sales. The additional language that adds Orthodontics to the definition of "Prosthetic" is a change intended to conform the Code to State statute. These changes are effective retroactively from and after January 1, 2007 for "Business," and October 1, 2007 for "Prosthetic."

Section 120 is repealed, eliminating the definition of "Food for Home Consumption." The elements of this definition are incorporated in new Section 462, creating a separate "Food for Home Consumption" tax classification apart from the Retail classification. This section is effective from and after July 1, 2013.

Section 200 is amended to add conforming language under the determination of gross income that is related to nuclear fuel sales as found in State statute. This section is effective from and after July 1, 2013.

This section repeals and replaces all of Article III – Licensing and Recordkeeping. This is a critical step in Transaction Privilege Tax Simplification that has the effect of making licensing as uniform as possible across all cities and towns. Note that this section completely replaces the entirety of Article III in every city and town's tax code. This change also eliminates all Regulations numbered in the 300's, as well as eliminating all Green Sheet items related to tax licensing. This section also eliminates the use of the tax license as a means to regulate business for any purpose other than tax collection. From now on, all licensing and enforcement of a regulatory nature such as zoning, use permits, special events, inspections, etc., must be accomplished by a separate business license. This section is effective from and after January 1, 2015.

Section 422 is amended to remove an obsolete code reference related to Jet Fuel Sales. This section is effective retroactively from and after September 21, 2006.

Section 425 is amended to add an exemption from tax on Job Printing for sales of postage and freight in conformity with State statute. This element is effective retroactively from and after September 21, 2006. Also, Local Option #MM is eliminated effective July 1, 2012, also in conformity with State statute.

Section 445 is amended to adopt the final version of a new exemption for Real Property Leases between Affiliated Entities. This section is effective retroactively from and after July 1, 2013.

Section 450 is amended to conform to the new State exemption and city preemption that makes the leasing of certified ignition interlock devices required under Driving Under the Influence (DUI) laws exempt from tax under Tangible Personal Property Rental. This section is effective retroactively from and after September 1, 2004.

Section 460 is amended in conformity with a new clarifying State exemption and matching city preemption that makes the retail sale of gift cards and other cash equivalents exempt from the tax under the Retail classification. This section is effective retroactively from and after October 1, 2007.

Section 462, Retail Sales: Food for Home Consumption is added to the standard Model Code language. This section incorporates all of the definitions and Regulations related to grocery sales that were previously included only in those communities that selected Model Option #2. With this change and standardization, Model Option #2 is eliminated from the Code. Cities and towns are now free to set a distinct tax rate for grocery sales, which can by higher, lower, or zero, as the community sees fit. This section is effective from and after July 1, 2013.

Section 465, Retail Sales: Exemptions has undergone significant changes, largely in name of conformity with State statute. A major goal of Transaction Privilege Tax Simplification was making conforming changes to the Retail classification of the Model City Tax Code that aligned with State statute wherever possible, with the intention of preparing for passage of the Marketplace Fairness Act. On the State tax side, the only change enacted was elimination of an exemption for in-store sales to non-residents that are shipped out of State (excluding vehicles). On the City side, this movement resulted in the elimination of Model Option #2, related to food for home consumption creating a

separate classification; and adding charter schools to the list that qualify for a food sale exemption. Also, wholly new conforming exemptions were adopted, including one for the sale of "renewable energy credits"; sale of periodicals to encourage tourism; sale of paper machine clothing to a paper manufacturer; sales of overhead materials used in performing government contracts; and the sale of fuels and sale of equipment to qualified environmental technology manufacturers. All of these changes are effective July 1, 2013, with the exception of the sale of "renewable energy credits" which is effective retroactively from and after January 1, 2007.

Changes to this section include adding in a specific exemption from the Utilities classification for sales of excess energy produced by a consumer's photovoltaic system to a utility distributor, along with language that removes the sale of Renewable Energy Credits from the Utilities classification. This provides the exemption under the Utilities classification to clarify that when the meter spins backward, the taxable measure is the net charge to the consumer, and that Renewable Energy Credit sales are not part of the gross receipts under Utilities. This section shall be effective from and after January 1, 2007.

Section 485 is added to the standard code language, creating a new classification that imposes tax on wastewater removal services. This section was formerly a Green Page in several cities. This conversion to standard code language is part of the ongoing effort to eliminate the Green Pages by either eliminating or adopting exception items. This section shall be effective from and after July 1, 2013. ***San Luis*** has chosen to maintain its previous exemption in this area through the application of a zero percent tax rate for this classification.

Section 570 is amended to grant the Tax Collector greater latitude in allowing extensions to taxpayers that are making a good faith effort to produce additional information during the audit protest process. Previously the code technically allowed only one 45-day extension to taxpayers protesting audit results, so actual practice resulted in many "unofficial" extensions. This change allows the Tax Collector to grant additional extension at their discretion. This section is deemed effective from and after July 1, 2008.

Section 660, Use Tax: Exemptions has undergone significant changes which mirror the changes to the Retail Exemptions noted above in Code Section 465. Again, these are being done in the name of conformity with State statute. This movement resulted in the elimination of the food for home consumption exemption; adding an exemption for employee drinks and meals; and adding charter schools to the list that qualify for a food exemption. Also, wholly new conforming exemptions were adopted, including one for the purchase of Renewable Energy Credits; periodicals to encourage tourism; paper machine clothing to a paper manufacturer; overhead materials used in performing government contracts; and the purchase of fuels and sale of equipment to qualified environmental technology manufacturers. All of these changes are effective July 1, 2013, with the exception of Renewable Energy Credits which is effective retroactively from and after January 1, 2007.

This section repeals Regulation 120.1 related to the definition of Food for Home Consumption, which has been incorporated in the text of new Section 462 noted above. This section shall be effective from and after July 1, 2013.

This section amends Regulation 270.1, adding the provision of wastewater removal services to the list of activities that are considered proprietary and therefore taxable when engaged in by a city or town. This section shall be effective from and after July 1, 2013.

This section amends Regulation 460.1, adding the distinction from Retail for activities that fall under the two new classifications: Food for Home Consumption in Section 462, and Wastewater Removal Services in Section 485.This means that an exchange of tangible personal property that occurs under the activity described in Sections 462 or 485, is specifically NOT considered a Retail transaction. This section shall be effective from and after July 1, 2013.

CHAPTER 7A - PRIVILEGE AND EXCISE TAXES

Article I - General Conditions and Definitions

Sec. 7A-1. Words of tense, number and gender; code references.

(a) For the purposes of this Chapter, all words of tense, number, and gender shall comply with A.R.S. Section 1-214 as amended.

(b) For the purposes of this Chapter, all code references, unless specified otherwise, shall:
(1) refer to this City Code.
(2) be deemed to include all amendments to such code references.

Sec. 7A-100. General definitions.

For the purposes of this Chapter, the following definitions apply:

"Assembler" means a person who unites or combines products, wares, or articles of manufacture so as to produce a change in form or substance of such items without changing or altering component parts.

"Broker" means any person engaged or continuing in business who acts for another for a consideration in the conduct of a business activity taxable under this Chapter, and who receives for his principal all or part of the gross income from the taxable activity.

"Business" includes all activities or acts, personal or corporate, engaged in or caused to be engaged in with the object of gain, benefit, or advantage, either directly or indirectly, but do not include either casual activities or sales; or the transfer of electricity from a solar photovoltaic generation system to an electrical distribution system.

"Business Day" means any day of the week when the Tax Collector's office is open for the public to conduct the Tax Collector's business.

"Casual Activity or Sale" means a transaction of an isolated nature made by a person who neither represents himself to be nor is engaged in a business subject to a tax imposed by this Chapter. However, no sale, rental, license for use, or lease transaction concerning real property nor any activity entered into by a business taxable by this Chapter shall be treated, or be exempt, as casual. This definition shall include sales of used capital assets, provided that the volume and frequency of such sales do not indicate that the seller regularly engages in selling such property.

"Combined Taxes" means the sum of all applicable Arizona Transaction Privilege and Use Taxes; all applicable transportation taxes imposed upon gross income by this County as authorized by Article III, Chapter 6, Title 42, Arizona Revised Statutes; and all applicable taxes imposed by this Chapter.

"Commercial Property" is any real property, or portion of such property, used for any purpose other than lodging or lodging space, including structures built for lodging but used otherwise, such as model homes, apartments used as offices, etc.

"Communications Channel" means any line, wire, cable, microwave, radio signal, light beam, telephone, telegraph, or any other electromagnetic means of moving a message.

"Construction Contracting" refers to the activity of a construction contractor.

"Construction Contractor" means a person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development, or improvement to real property, or to do any part thereof. "Construction contractor" includes subcontractors, specialty contractors, prime contractors, and any person receiving consideration for the general supervision and/or coordination of such a construction project except for remediation contracting. This definition shall govern without regard to whether or not the construction contractor is acting in fulfillment of a contract.

"Delivery (of Notice) by the Tax Collector" means "receipt (of notice) by the taxpayer".

"Delivery, Installation, or Other Direct Customer Services" means services or labor, excluding repair labor, provided by a taxpayer to or for his customer at the time of transfer of tangible personal property; provided further that the charge for such labor or service is separately billed to the customer and maintained separately in the taxpayer's books and records.

"Engaging", when used with reference to engaging or continuing in business, includes the exercise of corporate or franchise powers.

"Equivalent Excise Tax" means either:

(1) a Privilege or Use Tax levied by another Arizona municipality upon the transaction in question, and paid either to such Arizona municipality directly or to the vendor; or

(2) an excise tax levied by a political subdivision of a state other than Arizona upon the transaction in question, and paid either to such jurisdiction directly or to the vendor; or

(3) an excise tax levied by a Native American Government organized under the laws of the federal government upon the transaction in question, and paid either to such jurisdiction directly or to the vendor.

"Federal Government" means the United States Government, its departments and agencies; but not including national banks or federally chartered or insured banks, savings and loan institutions, or credit unions.

"Food" means any items intended for human consumption as defined by rules and regulations adopted by the Department of Revenue, State of Arizona, pursuant to A.R.S. Section 42-5106. Under no circumstances shall "food" include alcoholic beverages or tobacco, or food items purchased for use in conversion to any form of alcohol by distillation, fermentation, brewing, or other process. Under no circumstances shall “food” include an edible product, beverage, or ingredient infused, mixed, or in any way combined with medical marijuana or an active ingredient of medical marijuana.

"Hotel" means any public or private hotel, inn, hostelry, tourist home, house, motel, rooming house, apartment house, trailer, or other lodging place within the City offering lodging, wherein the owner thereof, for compensation, furnishes lodging to any transient, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facilities.

"Jet Fuel" means jet fuel as defined in A.R.S. Section 42-5351.

"Job Printing" means the activity of copying or reproducing an article by any means, process, or method. "Job printing" includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

"Lessee" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Lessor" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Licensing (for Use)" means any agreement between the user ("licensee") and the owner or the owner's agent ("licensor") for the use of the licensor's property whereby the licensor receives consideration, where such agreement does not qualify as a "sale" or "lease" or "rental" agreement.

"Lodging (Lodging Space)" means any room or apartment in a hotel or any other provider of rooms, trailer spaces, or other residential dwelling spaces; or the furnishings or services and accommodations accompanying the use and possession of said dwelling space, including storage or parking space for the property of said tenant.

"Manufactured Buildings" means a manufactured home, mobile home or factory built building, as defined in A.R.S. Section 41-2142.

"Manufacturer" means a person engaged or continuing in the business of fabricating, producing, or manufacturing products, wares, or articles for use from other forms of tangible personal property, imparting to such new forms, qualities, properties, and combinations.
"Medical Marijuana" means "marijuana" used for a "medical use" as those terms are defined in A.R.S. Section 36-2801.

"Mining and Metallurgical Supplies" means all tangible personal property acquired by persons engaged in activities defined in Section 7A-432 for such use. This definition shall not include:

(1) janitorial equipment and supplies.
(2) office equipment, office furniture, and office supplies.
(3) motor vehicles licensed for use upon the highways of the State.

"Modifier" means a person who reworks, changes, or adds to products, wares, or articles of manufacture.

"Nonprofit Entity" means any entity organized and operated exclusively for charitable purposes, or operated by the Federal Government, the State, or any political subdivision of the State.

"Occupancy (of Real Property)" means any occupancy or use, or any right to occupy or use, real property including any improvements, rights, or interests in such property.

"Out-of-City Sale" means the sale of tangible personal property and job printing if all of the following occur:

(1) transference of title and possession occur without the City; and
(2) the stock from which such personal property was taken was not within the corporate limits of the City; and
(3) the order is received at a permanent business location of the seller located outside the City; which location is used for the substantial and regular conduct of such business sales activity. In no event shall the place of business of the buyer be determinative of the situs of the receipt of the order.

For the purpose of this definition it does not matter that all other indicia of business occur within the City, including, but not limited to, accounting, invoicing, payments, centralized purchasing, and supply to out-of-City storehouses and out-of-City retail branch outlets from a primary storehouse within the City.

"Out-of-State Sale" means the sale of tangible personal property and job printing if all of the following occur:

(1) The order is placed from without the State of Arizona; and
(2) the property is delivered to the buyer at a location outside the State; and
(3) the property is purchased for use outside the State.

"Owner-Builder" means an owner or lessor of real property who, by himself or by or through others, constructs or has constructed or reconstructs or has reconstructed any improvement to real property.

"Person" means an individual, firm, partnership, joint venture, association, corporation, estate, trust, receiver, syndicate, broker, the Federal Government, this State, or any political subdivision or agency of this State. For the purposes of this Chapter, a person shall be considered a distinct and separate person from any general or limited partnership or joint venture or other association with which such person is affiliated. A subsidiary corporation shall be considered a separate person from its parent corporation for purposes of taxation of transactions with its parent corporation.

"Prosthetic" means any of the following tangible personal property if such items are prescribed or recommended by a licensed podiatrist, chiropractor, dentist, physician or surgeon, naturopath, optometrist, osteopathic physician or surgeon, psychologist, hearing aid dispenser, physician assistant, nurse practitioner or veterinarian:

(1) any man-made device for support or replacement of a part of the body, or to increase acuity of one of the senses. Such items include: prescription eyeglasses; contact lenses; hearing aids; artificial limbs or teeth; neck, back, arm, leg, or similar braces.
(2) insulin, insulin syringes, and glucose test strips sold with or without a prescription.
(3) hospital beds, crutches, wheelchairs, similar home health aids, or corrective shoes.
(4) drugs or medicine, including oxygen.
(5) equipment used to generate, monitor, or provide health support systems, such as respiratory equipment, oxygen concentrator, dialysis machine.
(6) durable medical equipment which has a federal health care financing administration common procedure code, is designated reimbursable by Medicare, can withstand repeated use, is primarily and customarily used to serve a medical purpose, is generally not useful to a person in the absence of illness or injury and is appropriate for use in the home.
(7) under no circumstances shall "prosthetic" include medical marijuana regardless of whether it is sold or dispensed pursuant to a prescription, recommendation, or written certification by any authorized person.

"Qualifying Community Health Center"

(1) means an entity that is recognized as nonprofit under Section 501(c)(3) of the United States Internal Revenue Code, that is a community-based, primary care clinic that has a community-based board of directors and that is either:
    (a) the sole provider of primary care in the community.
    (b) a nonhospital affiliated clinic that is located in a federally designated medically underserved area in this State.
(2) includes clinics that are being constructed as qualifying community health centers.

"Qualifying Health Care Organization" means an entity that is recognized as nonprofit under Section 501(c) of the United States Internal Revenue Code and that uses, saves or invests at least eighty percent (80%) of all monies that it receives from all sources each year only for health and medical related educational and charitable services, as documented by annual financial audits prepared by an independent certified public accountant, performed according to generally accepted accounting standards and filed annually with the Arizona Department of Revenue. Monies that are used, saved or invested to lease, purchase or construct a facility for health and medical related education and charitable services are included in the eighty percent (80%) requirement.

"Qualifying Hospital" means any of the following:

(1) a licensed hospital which is organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
(2) a licensed nursing care institution or a licensed residential care institution or a residential care facility operated in conjunction with a licensed nursing care institution or a licensed kidney dialysis center, which provides medical services, nursing services or health related services and is not used or held for profit.
(3) a hospital, nursing care institution or residential care institution which is operated by the federal government, this State or a political subdivision of this State.
(4) a facility that is under construction and that on completion will be a facility under subdivision (1), (2) or (3) of this paragraph.

"Receipt (of Notice) by the Taxpayer" means the earlier of actual receipt or the first attempted delivery by certified United States mail to the taxpayer's address of record with the Tax Collector.

"Remediation" means those actions that are reasonable, necessary, cost-effective and technically feasible in the event of the release or threat of release of hazardous substances into the environment such that the waters of the State are or may be affected, such actions as may be necessary to monitor, assess and evaluate such release or threat of release, actions of remediation, removal or disposal of hazardous substances or taking such other actions as may be necessary to prevent, minimize or mitigate damage to the public health or welfare or to the waters of the State which may otherwise result from a release or threat of release of a hazardous substance that will or may affect the waters of the State. Remediation activities include the use of biostimulation with indigenous microbes and bioaugmentation using microbes that are nonpathogenic, nonopportunistic and that are naturally occurring. Remediation activities may include community information and participation costs and providing an alternative drinking water supply.

"Rental Equipment" means tangible personal property sold, rented, leased, or licensed to customers to the extent that the item is actually used by the customer for rental, lease, or license to others; provided that:

(1) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
(2) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Rental Supply" means an expendable or nonexpendable repair or replacement part sold to become part of "rental equipment", provided that:

(1) the documentation relating to each purchased item so claimed specifically itemizes to the vendor the actual item of "rental equipment" to which the purchased item is intended to be attached as a repair or replacement part; and
(2) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
(3) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Repairer" means a person who restores or renews products, wares, or articles of manufacture.

"Resides within the City" means in cases other than individuals, whose legal addresses are determinative of residence, the engaging, continuing, or conducting of regular business activity within the City.

"Restaurant" means any business activity where articles of food, drink, or condiment are customarily prepared or served to patrons for consumption on or off the premises, also including bars, cocktail lounges, the dining rooms of hotels, and all caterers. For the purposes of this Chapter, a "fast food" business, which includes street vendors and mobile vendors selling in public areas or at entertainment or sports or similar events, who prepares or sells food or drink for consumption on or off the premises is considered a "restaurant", and not a "retailer".

"Retail Sale (Sale at Retail)" means the sale of tangible personal property, except the sale of tangible personal property to a person regularly engaged in the business of selling such property.

"Retailer" means any person engaged or continuing in the business of sales of tangible personal property at retail.

"Sale" means any transfer of title or possession, or both, exchange, barter, conditional or otherwise, in any manner or by any means whatsoever, including consignment transactions and auctions, of property for a consideration. "Sale" includes any transaction whereby the possession of such property is transferred but the seller retains the title as security for the payment of the price. "Sale" also includes the fabrication of tangible personal property for consumers who, in whole or in part, furnish either directly or indirectly the materials used in such fabrication work.

"Solar Daylighting" means a device that is specifically designed to capture and redirect the visible portion of the solar beam, while controlling the infrared portion, for use in illuminating interior building spaces in lieu of artificial lighting.

"Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination of the foregoing by means of collecting and transferring solar generated energy into such uses either by active or passive means, including wind generator systems that produce electricity. Solar energy systems may also have the capability of storing solar energy for future use. Passive systems shall clearly be designed as a solar energy device, such as a trombe wall, and not merely as a part of a normal structure, such as a window.

"Speculative Builder" means either:

(1) an owner-builder who sells or contracts to sell, at any time, improved real property (as provided in Section 7A-416) consisting of:
    (a) custom, model, or inventory homes, regardless of the stage of completion of such homes; or
    (b) improved residential or commercial lots without a structure; or
(2) an owner-builder who sells or contracts to sell improved real property, other than improved real property specified in subsection (1) above:
    (a) prior to completion; or
    (b) before the expiration of twenty-four (24) months after the improvements of the real property sold are substantially complete.

"Substantially Complete" means the construction contracting or reconstruction contracting:

(1) has passed final inspection or its equivalent; or
(2) certificate of occupancy or its equivalent has been issued; or
(3) is ready for immediate occupancy or use.

"Supplier" means any person who rents, leases, licenses, or makes sales of tangible personal property within the City, either directly to the consumer or customer or to wholesalers, jobbers, fabricators, manufacturers, modifiers, assemblers, repairers, or those engaged in the business of providing services which involve the use, sale, rental, lease, or license of tangible personal property.

"Tax Collector" means the City Council or its designee or agent for all purposes under this Chapter.

"Taxpayer" means any person liable for any tax under this Chapter.

"Taxpayer Problem Resolution Officer" means the individual designated by the City to perform the duties identified in Sections 3.14-515 and 3.14-516. In cities with a population of 50,000 or more, the Taxpayer Problem Resolution Officer shall be an employee of the City. In cities with a population of less than 50,000, the Taxpayer Problem Resolution Officer need not be an employee of the City. Regardless of whether the Taxpayer Problem Resolution Officer is or is not an employee of the City, the Taxpayer Problem Resolution Officer shall have substantive knowledge of taxation. The identity of and telephone number for the Taxpayer Problem Resolution Officer can be obtained from the Tax Collector.

"Telecommunication Service" means any service or activity connected with the transmission or relay of sound, visual image, data, information, images, or material over a communications channel or any combination of communications channels.

"Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days.

"Utility Service" means the producing, providing, or furnishing of electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.

Sec. 7A-110. Definitions: Income-producing capital equipment.

(a) The following tangible personal property, other than items excluded in subsection (d) below, shall be deemed "income-producing capital equipment" for the purposes of this Chapter:

(1) machinery or equipment used directly in manufacturing, processing, fabricating, job printing, refining or metallurgical operations. The terms "manufacturing", "processing", "fabricating", "job printing", "refining", and "metallurgical" as used in this paragraph refer to and include those operations commonly understood within their ordinary meaning. "Metallurgical operations" includes leaching, milling, precipitating, smelting and refining.

(2) mining machinery, or equipment, used directly in the process of extracting ores or minerals from the earth for commercial purposes, including equipment required to prepare the materials for extraction and handling, loading or transporting such extracted material to the surface. "Mining" includes underground, surface and open pit operations for extracting ores and minerals.

(3) tangible personal property, sold to persons engaged in business classified under the telecommunications classification, consisting of central office switching equipment; switchboards; private branch exchange equipment; microwave radio equipment, and carrier equipment including optical fiber, coaxial cable, and other transmission media which are components of carrier systems.

(4) machinery, equipment, or transmission lines used directly in producing or transmitting electrical power, but not including distribution. Transformers and control equipment used at transmission substation sites constitute equipment used in producing or transmitting electrical power.

(5) pipes or valves four inches (4") in diameter or larger and related equipment, used to transport oil, natural gas, artificial gas, water, or coal slurry. For the purpose of this section, related equipment includes: compressor units, regulators, machinery and equipment, fittings, seals and any other parts that are used in operating the pipes or valves.

(6) aircraft, navigational and communication instruments, and other accessories and related equipment sold to:

(A) a person holding a federal certificate of public convenience and necessity or foreign air carrier permit for air transportation for use as or in conjunction with or becoming a part of aircraft to be used to transport persons, property or united states mail in intrastate, interstate or foreign commerce.

(B) any foreign government for use by such government outside of this State.

(C) persons who are not residents of this State and who will not use such property in this State other than in removing such property from this State. This subdivision also applies to corporations that are not incorporated in this State, regardless of maintaining a place of business in this State, if the principal corporate office is located outside this State and the property will not be used in this State other than in removing the property from this State.

(7) machinery, tools, equipment and related supplies used or consumed directly in repairing, remodeling or maintaining aircraft, aircraft engines or aircraft component parts by or on behalf of a certificated or licensed carrier of persons or property.

(8) railroad rolling stock, rails, ties and signal control equipment used directly to transport persons or property.

(9) machinery or equipment used directly to drill for oil or gas or used directly in the process of extracting oil or gas from the earth for commercial purposes.

(10) buses or other urban mass transit vehicles which are used directly to transport persons or property for hire or pursuant to a governmentally adopted and controlled urban mass transportation program and which are sold to bus companies holding a federal certificate of convenience and necessity or operated by a city, town or other governmental entity or by any person contracting with such governmental entity as part of a governmentally adopted and controlled program to provide urban mass transportation.

(11) metering, monitoring, receiving, and transmitting equipment acquired by persons engaged in the business of providing utility services or telecommunications services; but only to the extent that such equipment is to be used by the customers of such persons and such persons separately charge or bill their customers for use of such equipment.

(12) groundwater measuring devices required under A.R.S. § 45-604.

(13) machinery or equipment used in research and development. In this paragraph, "research and development" means basic and applied research in the sciences and engineering, and designing, developing or testing prototypes, processes or new products, including research and development of computer software that is embedded in or an integral part of the prototype or new product or that is required for machinery or equipment otherwise exempt under this section to function effectively. Research and development do not include manufacturing quality control, routine consumer product testing, market research, sales promotion, sales service, research in social sciences or psychology, computer software research that is not included in the definition of research and development, or other non-technological activities or technical services.

(14) (Reserved)

(15) included in income producing capital equipment are liquid, solid or gaseous chemicals used in manufacturing, processing, fabricating, mining, refining, metallurgical operations, research and development or job printing, if using or consuming the chemicals, alone or as part of an integrated system of chemicals, involving direct contact with the materials from which the product is produced for the purpose of causing or permitting a chemical or physical change to occur in the materials as part of the production process. This subsection does not include chemicals that are used or consumed in activities such as packaging, storage or transportation but does not affect any deduction for such chemicals that is otherwise provided by this Code. Chemicals meeting the requirements of this subsection are deemed not to be expendable under subsection (d) of this Section.

(16) cleanrooms that are used for manufacturing, processing, fabrication or research and development, as defined in paragraph (13) of this subsection, of semiconductor products. For purposes of this paragraph, “cleanroom” means all property that comprises or creates an environment where humidity, temperature, particulate matter and contamination are precisely controlled within specified parameters, without regard to whether the property is actually contained within that environment or whether any of the property is affixed to or incorporated into real property. Cleanroom:

(A) includes the integrated systems, fixtures, piping, movable partitions, lighting and all property that is necessary or adapted to reduce contamination or to control airflow, temperature, humidity, chemical purity or other environmental conditions or manufacturing tolerances, as well as the production machinery and equipment operating in conjunction with the cleanroom environment.

(B) does not include the building or other permanent, nonremovable component of the building that houses the cleanroom environment.

(17) machinery and equipment that are purchased by or on behalf of the owners of a soundstage complex and primarily used for motion picture, multimedia or interactive video production in the complex. This paragraph applies only if the initial construction of the soundstage complex begins after June 30, 1996 and before January 1, 2002 and the machinery and equipment are purchased before the expiration of five years after the start of initial construction. For purposes of this paragraph:

(A) “motion picture, multimedia or interactive video production” includes products for theatrical and television release, educational presentations, electronic retailing, documentaries, music videos, industrial films, cd-rom, video game production, commercial advertising and television episode production and other genres that are introduced through developing technology.

(B) “soundstage complex” means a facility of multiple stages including production offices, construction shops and related areas, prop and costume shops, storage areas, parking for production vehicles and areas that are leased to businesses that complement the production needs and orientation of the overall facility.

(18) tangible personal property that is used by either of the following to receive, store, convert, produce, generate, decode, encode, control or transmit telecommunications information:

(A) any direct broadcast satellite television or data transmission service that operates pursuant to 47 Code of Federal Regulations parts 25 and 100.

(B) any satellite television or data transmission facility, if both of the following conditions are met:

(i) over two-thirds of the transmissions, measured in megabytes, transmitted by the facility during the test period were transmitted to or on behalf of one or more direct broadcast satellite television or data transmission services that operate pursuant to 47 Code of Federal Regulations parts 25 and 100.

(ii) over two-thirds of the transmissions, measured in megabytes, transmitted by or on behalf of those direct broadcast television or data transmission services during the test period were transmitted by the facility to or on behalf of those services.

For purposes of subdivision (B) of this paragraph, "test period" means the three hundred sixty-five day period beginning on the later of the date on which the tangible personal property is purchased or the date on which the direct broadcast satellite television or data transmission service first transmits information to its customers.

(19) machinery and equipment that is used directly in the feeding of poultry, the environmental control of housing for poultry, the movement of eggs within a production and packaging facility or the sorting or cooling of eggs. This exemption does not apply to vehicles used for transporting eggs.

(20) machinery or equipment, including related structural components, that is employed in connection with manufacturing, processing, fabricating, job printing, refining, mining, natural gas pipelines, metallurgical operations, telecommunications, producing or transmitting electricity or research and development that is used directly to meet or exceed rules or regulations adopted by the Federal Energy Regulatory Commission, the United States Environmental Protection Agency, the United States Nuclear Regulatory Commission, the Arizona Department of Environmental Quality or a political subdivision of this state to prevent, monitor, control or reduce land, water or air pollution.

(21) machinery or equipment that enables a television station to originate and broadcast or to receive and broadcast digital television signals and that was purchased to facilitate compliance with the Telecommunications Act of 1996 (P.L. 104-104; 110 Stat. 56; 47 United States Code Section 336) and the Federal Communications Commission Order issued April 21, 1997, 47 Code of Federal Regulations Part 73. This paragraph does not exempt any of the following:

(A) repair or replacement parts purchased for the machinery or equipment described in this paragraph.

(B) machinery or equipment purchased to replace machinery or equipment for which an exemption was previously claimed and taken under this paragraph.

(C) any machinery or equipment purchased after the television station has ceased analog broadcasting, or purchased after November 1, 2009, whichever occurs first.

(b) The term "income-producing capital equipment" shall further include ancillary machinery and equipment used for the treatment of waste products created by the business activities which are allowed to purchase "income-producing capital equipment" defined in subsection (a) above.

(c) The term "income-producing capital equipment" shall further include repair and replacement parts, other than the items in subsection (d) below, where the property is acquired to become an integral part of another item itemized in subsections (a) or (b) above.

(d) The tangible personal property defined as income-producing capital equipment in this Section shall <u>not</u> include:

(1) expendable materials. For purposes of this paragraph, expendable materials do not include any of the categories of tangible personal property specified in subsections (a), (b) or (c) of this Section regardless of the cost or useful life of that property.

(2) janitorial equipment and hand tools.

(3) office equipment, furniture, and supplies.

(4) tangible personal property used in selling or distributing activities.

(5) motor vehicles required to be licensed by the State of Arizona, except buses or other urban mass transit vehicles specifically exempted pursuant to subsection (a)(10) above without regard to the use of such motor vehicles.

(6) shops, buildings, docks, depots, and all other materials of whatever kind or character not specifically included as exempt.

(7) motors and pumps used in drip irrigation systems.

(e) For the purposes of this Section:
(1) "aircraft" includes:
(A) an airplane flight simulator that is approved by the Federal Aviation Administration for use as a Phase II or higher flight simulator under Appendix H, 14 Code of Federal Regulations Part 121.
(B) tangible personal property that is permanently affixed or attached as a component part of an aircraft that is owned or operated by a certificated or licensed carrier of persons or property.
(2) "other accessories and related equipment" includes aircraft accessories and equipment such as ground service equipment that physically contact aircraft at some point during the overall carrier operation.

Sec. 7A-115. Definitions: computer software; custom computer programming.

(a) "Computer Software" means any computer program, part of such a program, or any sequence of instructions for automatic data processing equipment. Computer software which is not "custom computer programming" is deemed to be tangible personal property for the purposes of this Chapter, regardless of the method by which title, possession, or right to use the software is transferred to the user.

(b) "Custom Computer Programming" means any computer software which is written or prepared exclusively for a customer and includes those services represented by separately stated charges for the modification of existing prewritten programs when the modifications are written or prepared exclusively for a customer.
(1) The term does not include a prewritten program which is held or existing for general or repeated sale, lease, or license, even if the program was initially developed on a custom basis for in-house, or for a single customer's, use.
(2) Modification to an existing prewritten program to meet the customer's needs is custom computer programming only to the extent of the modification, and only to the extent that the actual amount charged for the modification is separately stated on invoices, statements, and other billing documents supplied to the customer.

Article II - Determination of Gross Income

Sec. 7A-200. Determination of gross income: in general.

(a) Gross income includes:
  (1) the value proceeding or accruing from the sale of property, the providing of service, or both.
  (2) the total amount of the sale, lease, license for use, or rental price at the time of such sale, rental, lease, or license.
  (3) all receipts, cash, credits, barter, exchange, reduction of or forgiveness of indebtedness, and property of every kind or nature derived from a sale, lease, license for use, rental, or other taxable activity.
  (4) all other receipts whether payment is advanced prior to, contemporaneous with, or deferred in whole or in part subsequent to the activity or transaction.

(b) Barter, exchange, trade-outs, or similar transactions are includable in gross income at the fair market value of the service rendered or property transferred, whichever is higher, as they represent consideration given for consideration received.

(c) No deduction or exclusion is allowed from gross income on account of the cost of the property sold, the time value of money, expense of any kind or nature, losses, materials used, labor or service performed, interest paid, or credits granted.

(d) For the purposes of this chapter the total amount of gross income, gross receipts or gross proceeds of sales for nuclear fuel shall be deemed to be the value of the purchase price of uranium oxide used in producing the fuel. The tax imposed by this chapter may be imposed only once for any one quantity or batch of nuclear fuel regardless of the number of transactions or financing arrangements which may occur with respect to that nuclear fuel.

Sec. 7A-210. Determination of gross income: transactions between affiliated companies or persons.

In transactions between affiliated companies or persons, or in other circumstances where the relationship between the parties is such that the gross income from the transaction is not indicative of the market value of the subject matter of the transaction, the Tax Collector shall determine the "market value" upon which the City Privilege and Use Taxes shall be levied. "Market value" shall correspond as nearly as possible to the gross income from similar transactions of like quality or character by other taxpayers where no common interest exists between the parties, but otherwise under similar circumstances and conditions.

Sec. 7A-220. Determination of gross income: artificially contrived transactions.

The Tax Collector may examine any transaction, reported or unreported, if, in his opinion, there has been or may be an evasion of the taxes imposed by this Chapter and to estimate the amount subject to tax in cases where such evasion has occurred. The Tax Collector shall disregard any transaction which has been undertaken in an artificial manner in order to evade the taxes imposed by this Chapter.

Sec. 7A-230. Determination of gross income based upon method of reporting.

The method of reporting chosen by a taxpayer, as provided in Section 7A-520, necessitates the following adjustments to gross income for all purposes under this Chapter:

(a) Cash basis - When a person elects to report and pay taxes on a cash basis, gross income for the reporting period shall include:
  (1) the total amounts received on "paid in full" transactions, against which are allowed all applicable deductions and exclusions; and

(2) all amounts received on accounts receivable, conditional sales contract, or other similar transactions, against which no deductions and no exclusions from gross income are allowed. Interest on finance contracts may be deducted if separately itemized on all books and records.

(b) Accrual basis - When a person elects to report and pay taxes on an accrual basis, gross income shall include all gross income for the applicable period regardless of whether receipts are for cash, credit, conditional, or partially deferred transactions, and regardless of whether or not any security document or instrument is sold, assigned, or otherwise transferred to another. Persons reporting on the accrual basis may deduct bad debts, provided that:

(1) the amount deducted for the bad debt must be deducted from gross income of the month in which the actual charge-off was made, and only to the extent that such amount was actually charged-off, and also only to the extent that such amount is or was included as taxable gross income; and

(2) if any amount is subsequently collected on such charged-off account, it shall be included in gross income for the month in which it was collected, without deduction for expense of collection.

Sec. 7A-240. Exclusion of cash discounts, returns, refunds, trade-in values, vendor-issued coupons, and rebates from gross income.

(a) The following items are not included in gross income:

(1) Cash discounts allowed by the vendor for timely payment, but only discounts allowed against taxable gross income.

(2) The value of property returned by customers to the extent of the amount actually refunded either in cash or by credit and the amount refunded was included in taxable gross income.

(3) The trade-in allowance for tangible personal property accepted as payment, not to exceed the full sales price for any tangible personal property sold, when the full sales price is included in taxable gross income. Trade-in allowances are not allowed for manufactured buildings taxable under Section 7A-427.

(4) When coupons issued by a vendor are later accepted by the vendor as a discount against the transaction, the discount may be excluded from gross income as a cash discount. Amounts credited or refunded by a vendor for redemption of coupons issued by any person other than the vendor may not be excluded from gross income.

(5) Rebates issued by the vendor to a customer as a discount against the transaction may be excluded from gross income as a cash discount. Rebates issued by a person other than the vendor may not be excluded from gross income, even when the vendee assigns his right to the rebate to the vendor.

(6) In computing the tax base, gross proceeds of sales or gross income does not include a manufacturer's cash rebate on the sales price of a motor vehicle if the buyer assigns the buyer's right in the rebate to the retailer.

(b) If the amount specified in subsection (a) above is credited by a vendor subsequent to the reporting period in which the original transaction occurs, such amount may be excluded from the taxable gross income of that subsequent reporting period, but only to the extent that the excludable amount was reported as taxable gross income in that prior reporting period.

Sec. 7A-250. Exclusion of combined taxes from gross income; itemization; notice; limitations.

(a) When tax is separately charged and/or collected. The total amount of gross income shall be exclusive of combined taxes only when the person upon whom the tax is imposed shall establish to the satisfaction of the Tax Collector that such tax has been added to the total price of the transaction. The taxpayer must provide to his customer and also keep a reliable record of the actual tax charged or collected, shown by cash register tapes, sales tickets, or other accurate record, separating net transaction price and combined tax. If at any time the Tax Collector cannot ascertain from the records kept by the taxpayer the total or amounts billed or collected on account of combined taxes, the claimed taxes collected may not be excluded from gross income, unless such records are completed and/or clarified to the satisfaction of the Tax Collector.

(1) Remittance of all tax charged and/or collected. When an added charge is made to cover City (or combined) Privilege and Use Taxes, the person upon whom the tax is imposed shall pay the full amount of the City taxes due, whether collected by him or not, and in the event he collects more than the amount due he shall remit the excess to the Tax Collector. In the event the Tax Collector cannot ascertain from the records kept by the taxpayer the total or amounts of taxes collected by him, and the Tax Collector is satisfied that the taxpayer has collected taxes in an amount in excess of the tax assessed under this Chapter, the Tax Collector may determine the amount collected and collect the tax so determined in the manner provided in this Chapter.

(2) Itemization. A taxpayer, in order to be entitled to exclude from his gross income any amounts paid to him by customers for combined taxes passed on to the customer, must prove that he has provided his customer with a written record of the transaction showing at a minimum the price before the tax, the combined taxes, and the total cost. This shall be addition to the record required to be kept under subsection (a) above.

(b) When tax has been neither separately charged nor separately collected. When the person upon whom the tax is imposed shall establish by means of invoices, sales tickets, or other reliable evidence, that no added charge was made to cover combined taxes, the taxpayer may exclude tax collected from such income by dividing such taxable gross income by 1.00 plus a decimal figure representing the effective combined tax rate expressed as a fraction of 1.00.

Sec. 7A-260. Exclusion of fees and taxes from gross income; limitations.

(a) There shall be excluded from gross income of vendors of motor vehicles those motor vehicle registration fees, license fees and taxes, and lieu taxes imposed pursuant to Title 28, Arizona Revised Statutes in connection with the initial purchase of a motor vehicle, but only to the extent that such taxes or fees or both have been separately itemized and collected from the purchaser of the motor vehicle by the vendor, actually remitted to the proper registering, licensing, and taxing authorities, and the provisions of Article III, regarding recordkeeping, are met. For the purpose of the exclusion provided by this subsection only, the terms vendor and vendee shall also apply to a lessor and lessee respectively, of a motor vehicle if, in addition to all other requirements of this subsection, the lease agreement specifically requires the lessee to pay such fees or taxes, and such amounts are separately itemized in the documentation provided to the lessee.

(b) There shall be excluded from gross income of vendors at retail of heavy trucks and trailers, the amount attributable to Federal Excise Taxes imposed by 26 U.S.C. Section 4051, but only to the extent that the provisions of Article III, relating to recordkeeping, have been met.

(c) There shall be excluded from gross income the following fees, taxes, and lieu taxes, but only to the extent that such taxes or fees or both have been separately itemized and collected from the purchaser by the vendor, actually remitted to the proper registering, licensing, and taxing authorities, and the provisions of Article III, regarding recordkeeping, are met:

(1) emergency telecommunication services excise tax imposed pursuant to A.R.S. Section 42-5252. "Emergency telecommunication services" means telecommunication services or systems that use number 911 or a similarly designated telephone number for emergency calls;
(2) the telecommunication devices for the deaf and the severely hearing and speech impaired excise tax imposed pursuant to A.R.S. Section 42-5252;
(3) federal excise taxes on communications services as imposed by 26 U.S.C. § 4251;
(4) car rental surcharge imposed pursuant to A.R.S. Section 48-4234;
(5) federal excise taxes on passenger vehicles as imposed by 26 U.S.C. §4001(.01);
(6) waste tire disposal fees, imposed pursuant to A.R.S. Section 44-1302.

(d) There shall be excluded from gross income of vendors of motor vehicles dealer documentation fees, but only to the extent that such fees have been separately itemized and collected from the purchaser of the motor vehicle by the vendor.

Sec. 7A-265. (Reserved)

Sec. 7A-266. Exclusion of motor carrier revenues from gross income.

There shall be excluded from gross income the gross proceeds of sale or gross income derived from any of the following:

(a) a motor carrier's use on the public highways in this State if the motor carrier is subject to a fee prescribed in A.R.S. Title 28, Chapter 15, Article 4 or A.R.S. Title 28, Chapter 16, Article 4.

(b) Leasing, renting or licensing a motor vehicle subject to and upon which the fee has been paid under A.R.S. Title 28, Chapter 16.

(c) The sale of a motor vehicle and any repair and replacement parts and tangible personal property becoming a part of such motor vehicle, to a motor carrier who is subject to a fee prescribed in A.R.S. Title 28, Chapter 16 and who is engaged in the business of leasing, renting or licensing such property.

(d) for the purposes of these exclusions, "motor carrier" includes a motor vehicle weighing 26,000 pounds or more, a lightweight motor vehicle which weighs 12,001 pounds to 26,000 pounds and a light motor vehicle weighing 12,000 pounds or less, which pay the fee prescribed in A.R.S. Title 28, Chapter 15 or A.R.S. Title 28, Chapter 16.

Sec. 7A-270. Exclusion of gross income of persons deemed not engaged in business.

(a) For the purposes of this Section, the following definitions shall apply:
(1) "Federally Exempt Organization" means an organization which has received a determination of exemption, or qualifies for such exemption, under 26 U.S.C. Section 501(c) and rules and regulations of the Commissioner of Internal Revenue pertaining to same, but not including a "governmental entity", "non-licensed business", or "public educational entity".
(2) "Governmental Entity" means the Federal Government, the State of Arizona, any other state, or any political subdivision, department, or agency of any of the foregoing; provided further that persons contracting with such a governmental entity to operate any part of a governmentally adopted and controlled program to provide urban mass transportation shall be deemed a governmental entity in all activities such person performs when engaged in said contract.
(3) "Non-Licensed Business" means any person conducting any business activity for gain or profit, whether or not actually realized, which person is not required to be licensed for the conduct or transaction of activities subject to the tax imposed under this Chapter.

(4) "Proprietary Club" means any club which has qualified or would otherwise qualify as an exempt club under the provisions of 26 U.S.C. Section 501(c)(7), (8), and (9), notwithstanding the fact that some or all of the members may own a proprietary interest in the property and assets of the club.

(5) "Public Educational Entity" means any educational entity operated pursuant to any provisions of Title 15, Arizona Revised Statutes.

(b) Transactions which, if conducted by any other person, would produce gross income subject to tax under this Chapter shall not be subject to the imposition of such tax if conducted entirely by a public educational entity; governmental entity, except "proprietary activities" of municipalities as provided by Regulation; or non-licensed business.

(c) Transactions which, if conducted by any other person, would produce gross income subject to the tax under this Chapter shall not be subject to the imposition of such tax if conducted entirely by a federally exempt organization or proprietary club with the following exceptions:

(1) Transactions involving proprietary clubs and organizations exempt under 26 U.S.C. Section 501(c)(7), (8), and (9), where the gross revenue of the activity received from persons other than members and bona fide guests of members is in an amount in excess of fifteen percent (15%) of total gross revenue, as prescribed by Regulation. In the event this fifteen percent (15%) limit is exceeded, the entire gross income of such entity shall be subject to the applicable tax.

(2) Gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512, including all statutory definitions and determinations, the rules and regulations of the Commissioner of Internal Revenue, and his administrative interpretations and guidelines.

(3) (Reserved)

(d) Except as may be provided elsewhere in this Chapter, transactions where customers are exempt organizations, proprietary clubs, public educational entities, governmental entities, or non-licensed businesses shall be deemed taxable transactions for the purpose of the imposition of taxes under this Chapter, notwithstanding that property so acquired may in fact be resold or leased by the acquiring person to others. In the case of sales, rentals, leases, or licenses to proprietary clubs or exempt organizations, the vendor may be relieved from the responsibility for reporting and paying tax on such income only by obtaining from its vendee a verified statement that includes:

(1) a statement that when the property so acquired is resold, rented, leased, or licensed, that the otherwise exempt vendee chooses, or is required, to pay City Privilege Tax or an equivalent excise tax on its gross income from such transactions and does in fact file returns on same; and

(2) the Privilege License number of the otherwise exempt vendee; and

(3) such other information as the Tax Collector may require.

(e) Franchisees or concessionaires operating businesses for or on behalf of any exempt organization, governmental entity, public educational entity, proprietary club, or non-licensed business shall not be considered to be such an exempt organization, club, entity, or non-licensed business, but shall be deemed to be a taxpayer subject to the provisions of this Chapter, except as provided in the definition of governmental entity, regarding urban mass transit.

(f) In any case, if a federally exempt organization, proprietary club, or non-licensed business rents, leases, licenses, or purchases any tangible personal property for its own storage or use, and no city privilege or use tax or equivalent excise tax has been paid on such transaction, said organization, club, or business shall be liable for the use tax upon such acquisitions or use of such property.

Sec. 7A-280. (Reserved)

Sec. 7A-285. (Reserved)

Sec. 7A-290. (Reserved)

Article III - Licensing and Recordkeeping

Sec. 7A-300. Licensing requirements.

(a) The following persons shall make application to the Tax Collector for a Transaction Privilege and Use Tax License and no person shall engage or continue in business or engage in such activities until he shall have such a license:
  (1) Every person engaging or continuing in business activities within the city or town upon which a Transaction Privilege Tax is imposed by this Chapter.
  (2) Every person engaging or continuing in business within the city and storing or using tangible personal property in this municipality upon which a Use tax is imposed by this Chapter
  (3) (Reserved)

(b) For the purpose of determining whether a Transaction Privilege and Use Tax License is required, a person shall be deemed to be "engaging or continuing in business" within the city or town if:
  (1) engaging in any activity as a principal or broker, the gross receipts of which may be subject to Transaction Privilege Tax under Article IV of this Chapter, or
  (2) maintaining within the city or town directly, or if a corporation by a subsidiary, an office, distribution house, sales house, warehouse or other place of business; maintaining within the city or town directly, or if a corporation by a subsidiary, any real or tangible personal property; or having any agent or other representative operating within the city or town under the authority of such person, or if a corporation by a subsidiary, irrespective of whether such place of business, property, or agent or other representative is located here permanently or temporarily, or
  (3) soliciting sales, orders, contracts, leases, and other similar forms of business relationships, within the City from customers, consumers, or users located within the city or town, by means of salesmen, solicitors, agents, representatives, brokers, and other similar agents or by means of catalogs or other advertising, whether such orders are received or accepted within or without this City.
  (4) A person shall also be deemed to be "engaging or continuing in business" if engaging in any activity subject to Use Tax under Article VI of this Chapter for business purposes. Individuals who acquire items subject to Use Tax for their own personal use or their family's personal use are not required to obtain a license.
  (5) (Reserved)

(c) A person engaging in more than one activity subject to Transaction Privilege Tax at any one business location is not required to obtain a separate license for each activity, provided that, at the time such person makes application for a license, he shall list on such application each category of activity in which he is engaged.

(d) The licensee shall inform the Tax Collector of any changes in his business activities, location, or mailing address within thirty (30) days.

(e) Limitation. The issuance of a Transaction Privilege and Use Tax License by the Tax Collector shall in no way be construed as permission to operate a business activity in violation of any other law or regulation to which such activity may be subject

(f) Casual activity. For the purposes of this Chapter, individuals engaging in a “casual activity or sale” are not subject to the license requirements imposed under this Article provided that they are only engaged in private sales activities, such as the sale of a personal automobile or garage sale, on no more than three separate occasions during any calendar year.

Sec. 7A-310. Licensing; Special requirements.

(a) Partnerships. Application for a Transaction Privilege and Use Tax License for a partnership engaging or continuing in business shall provide, as a minimum, the names and addresses of all general partners. Licenses issued to persons engaging in business as partners, limited or general, shall be in the name of the partnership.

(b) Limited Liability Companies. Application for a Transaction Privilege and Use Tax License for a Limited Liability Company (LLC) engaging or continuing in business shall provide, as a minimum, the names and addresses of all members and the manager. Licenses issued to persons engaging in business as Limited Liability Companies, shall be in the name of the LLC.

(c) Corporations. Application for a Transaction Privilege and Use Tax License for a corporation engaging or continuing in business shall provide, as a minimum, the names and addresses of both the Chief Executive manager or Officer and Chief Financial Officer of the corporation. Licenses issued to persons engaging in business as corporations shall be in the name of the corporation.

(d) Multiple Locations or Multiple Business Names. A person engaging or continuing in one or more businesses at two (2) or more locations or under two (2) or more business names shall procure a license for each such location or business name. A "location" is a place of a separate business establishment.

(e) Real Property Rental, Leasing, and Licensing for Use. In all cases the Transaction Privilege and Use Tax License shall be issued only to the owner of the real property regardless of the owner engaging a property other broker to oversee the owner's business activity including filing tax returns on behalf of the owner. Each rental property that can be independently sold or transferred is deemed to be a separate business establishment. Each platted parcel of real property subject to the tax imposed by this Chapter is deemed to be a separate business establishment and requires a separate license, regardless of the number of rental units located on that platted parcel. If one structure is located on multiple parcels in a manner such that ownership of an individual parcel cannot be sold or transferred without requiring alteration to divide the structure, one license shall be required for all affected parcels.

Sec. 7A-320. License fees: annual renewal; renewal fees.

(a) The Transaction Privilege and Use Tax License shall be valid upon receipt of a non-refundable license fee of two dollars ($2.00), except for a license to engage in the business activity of residential or commercial real property rental, leasing, and licensing for use as separately identified in this Section. The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate The Transaction Privilege and Use Tax License shall be valid upon receipt of a non-refundable license fee of application for license renewal and paying an annual license renewal fee of zero dollars ($0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such annual renewal fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

(b) The Transaction Privilege and Use Tax License to engage in the business activity of residential real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of two dollars ($2.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of zero dollars ($0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

(c) The Transaction Privilege and Use Tax License to engage in the business activity of commercial real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of two dollars ($2.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of zero dollars ($0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

Sec. 7A-330. Licensing: transferability; display; penalties; penalty waiver; relicensing; fees collectable as taxes

(a) The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying the applicable license renewal fee for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January. Application and payment of the annual fee must be received in the Tax Collector's office to be deemed paid and received.

(b) The Transaction Privilege and Use Tax License shall be nontransferable between owners or locations, and shall be on display to the public in the licensee's place of business.

(c) Any person required to be licensed under this Chapter who fails to obtain a license on or before conducting any business activity requiring such license shall be subject to the license fees due for each year in business plus a penalty in the amount of fifty percent (50%) of the applicable fee for each period of time for which such fee would have been imposed, from and after the date on which such activity commenced until paid. This penalty shall be in addition to any other penalty imposed under this Chapter and must be paid prior to the issuance of any license. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 7A-540.

(d) Any licensee who fails to renew his license on or before the due date shall be deemed to be operating without a license following such due date, and shall be subject to all penalties imposed under this Chapter against persons required to be licensed and operating without a license. The non-licensed status may be removed by payment of the annual license fee for each year or portion of a year he operated without a license, plus a license fee penalty of 50% of the license fee due for each year. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 7A-540.

(e) Any licensee who permits his license to expire through cancellation as provided in Section 7A-340, by his request for cancellation, by surrender of the license, or by the cessation of the business activity for which the license was issued, and who thereafter applies for a license, shall be granted a new license as a new applicant and shall pay the current license fee imposed under Section 7A-320.

(f) Any licensee who needs a copy of his Transaction Privilege and Use Tax License which is still in effect shall be charged the current license fee for each reissuance of a license.

(g) Any person conducting a business activity subject to licensing without obtaining a Transaction Privilege and Use Tax License shall be liable to the city for all applicable fees and penalties and shall be subject to the provisions of Sections 7A-580 and 7A-590, to the same extent as if such fees and penalties were taxes and penalties under such Sections.

Sec. 7A-340. Licensing: cancellation; revocation.

(a) Cancellation. The Tax Collector may cancel the Transaction Privilege and Use Tax License of any licensee as "inactive" if the taxpayer, required to report monthly, has neither filed any return nor remitted any taxes imposed by this Chapter for a period of six (6) consecutive months; or, if required to report quarterly, has neither filed any return nor remitted any taxes imposed by this Chapter for two (2) consecutive quarters; or, if required to report annually, has neither filed any return nor remitted any taxes imposed by this Chapter when such annual report and tax are due to be filed with and remitted to the Tax Collector.

(b) Revocation. If any licensee fails to pay any tax, interest, penalty, fee, or sum required to be paid under this Chapter, or if such licensee fails to comply with any other provisions of this Chapter, the Tax Collector may revoke the Transaction Privilege and Use Tax License of said licensee.

(c) Notice and Hearing. The Tax Collector shall deliver notice to such licensee of cancellation or revocation of the Transaction Privilege and Use Tax License. If the licensee requests a hearing within twenty (20) days of receipt of such notice, he shall be granted a hearing before the Tax Collector.

(d) After cancellation or revocation of a taxpayer's license, the taxpayer shall not be issued a new license until all reports have been filed; all fees, taxes, interest, and penalties due have been paid; and he is in compliance with all provisions of this Chapter.

Sec. 7A-350. Operating without a license.

It shall be unlawful for any person who is required by this Chapter to obtain a Transaction Privilege and Use Tax License to engage in or continue in business without a license. The Tax Collector shall assess any delinquencies in tax, interest, and penalties which may apply against such person upon any transactions subject to the taxes imposed by this Chapter.

Sec. 7A-360. Recordkeeping: requirements

(a) It shall be the duty of every person subject to the tax imposed by this Chapter to keep and preserve suitable records and such other books and accounts as may be necessary to determine the amount of tax for which he is liable under this Chapter. The books and records must contain, at a minimum, such detail and summary information as may be required by this Article; or when records are maintained within an electronic data processing (EDP) system, the requirements established by the Arizona Department of Revenue for privilege tax filings will be accepted. It shall be the duty of every person to keep and preserve such books and records for a period equal to the applicable limitation period for assessment of tax, and all such books and records shall be open for inspection by the Tax Collector during any business day.

(b) The Tax Collector may direct, by letter, a specific taxpayer to keep specific other books, records, and documents. Such letter directive shall apply:
(1) only for future reporting periods, and

(2) only by express determination of the Tax Collector that such specific recordkeeping is necessary due to the inability of the taxing jurisdiction to conduct an adequate examination of the past activities of the taxpayer, which inability resulted from inaccurate or inadequate books, records, or documentation maintained by the taxpayer.

Sec. 7A-362. Recordkeeping: Income.

The minimum records required for persons having gross income subject to, or exempt or excluded from, tax by this Chapter must show:

(a) The gross income of the taxpayer attributable to any activity occurring in whole or in part in the City

(b) The gross income taxable under this Chapter, divided into categories as stated in the official City tax return.

(c) The gross income subject to Arizona Transaction Privilege Taxes, divided into categories as stated in the official State

(d) The gross income claimed to be exempt, and with respect to each activity or transaction so claimed:
  (1) If the transaction is claimed to be exempt as a sale for resale or as a sale, rental, lease, or license for use of rental equipment:
    (A) The City Privilege License number and State Transaction Privilege Tax License number of the customer (or the equivalent city, if applicable, and state tax numbers of the city and state where the customer resides), and
    (B) The business address, and business activity of the customer, and
    (C) Evidence sufficient to persuade a reasonably prudent businessman that the transaction is believed to be in good faith a purchase for resale, or a purchase, rental, lease, or license for use of rental equipment, by the vendee in the ordinary and regular course of his business activity, as provided by Regulation.
  (2) If the transaction is claimed to be exempt for any other reason:
    (A) The name, business address, and business activity of the customer, and
    (B) Evidence sufficient to persuade a reasonably prudent businessman that the transaction is believed to be in good faith a purchase for resale, or a purchase, rental, lease, or license for use of rental equipment, by the vendee in the ordinary and regular course of his business activity, as provided by Regulation.

(e) With respect to those allowed deductions or exclusions for tax collected or charges for delivery or other direct customer services, where applicable, evidence that the deductible income has been separately stated and shown on the records of the taxpayer and on invoices or receipts provided to the customer. All other deductions, exemptions, and exclusions shall be separately shown and substantiated.

(f) With respect to special classes and activities, such other books, records, and documentation as the Tax Collector, by regulation, shall deem necessary for specific classes of taxpayer by reason of the specialized business activity of any such class.

(g) In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded income defined by this Chapter

Sec. 7A-364. Recordkeeping: expenditures

The minimum records required for persons having expenditures, costs, purchases and rental or lease or License expenses subject to, or exempt or excluded from, tax by this Chapter are:

(a) The total price of all goods acquired for use or storage in the City

(b) The date of acquisition and the name and business address of the seller or lessor of all goods acquired for use or storage in the City

(c) Documentation of taxes, freight, and direct customer service labor separately charged and paid for each purchase, rental, lease, or license.

(d) The gross price of each acquisition claimed as exempt from tax, and with respect to each transaction so claimed, sufficient evidence to satisfy the Tax Collector that the exemption claimed is applicable.

(e) As applicable to each taxpayer, documentation sufficient to the Tax Collector, so that he may ascertain:

(1) All construction expenditures and all Privilege and Use Taxes claimed paid, relating to owner-builders and speculative builders.
(2) Disbursement of collected gratuities and related payroll information required of restaurants.
(3) Franchise and license fee payments and computations thereto which relate to:
(A) Utility service
(4) The validity of any claims of proof of exemption.
(5) A claimed alternative prior value for reconstruction.
(6) All claimed exemptions to the Use Tax imposed by Article VI of this Chapter.
(7) Costs used to compute the "computed charge" claimed for retail service and repair.
(8) Payments of tax to the Arizona Department of Transportation and computations therefor, when a motor-vehicle transporter claims such the exemption.
(9) Payments by tenants subject to the tax upon Rental Occupancy imposed by Section 7A-440.

(f) Any additional documentation as the Tax Collector, by Regulation, shall deem necessary for any specific class of taxpayer by reason of the specialized business activity of specific exemptions afforded to that class of taxpayer.

(g) In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded expenditures as defined by this Chapter.

Sec. 7A-366. Recordkeeping: out of City and out of State sales.

(a) Out-of-City Sales. Any person engaging or continuing in a business who claims out-of-City sales shall maintain and keep accounting records or books indicating separately the gross income from the sales of tangible personal property from such out-of-City branches or locations.

(b) Out-of-State sales. Persons engaged in a business claiming out-of-State sales shall maintain accounting records or books indicating for each out-of-State sale the following documentation:
(1) documentation of location of the buyer at the time of order placement; and
(2) shipping, delivery, or freight documents showing where the buyer took delivery; and
(3) documentation of intended location of use or storage of the property sold to such buyer.

Sec. 7A-370. Recordkeeping: claim of exclusion, exemption, deduction, or credit: documentation; liability

(a) All deductions, exclusions, exemptions, and credits provided in this Chapter are conditional upon adequate proof and documentation of such as may be required under A.R.S. Section 42-5022 or by this Chapter or Regulation.

(b) Any person who claims and receives an exemption, deduction, exclusion, or credit to which he is not entitled under this Chapter, shall be subject to, liable for, and pay the tax on the transaction as if the vendor subject to the tax had passed the burden of the payment of the tax to the person wrongfully claiming the exemption. A person who wrongfully claimed such exemption shall be treated as if he is delinquent in the payment of the tax and shall be subject to interest and penalties upon such delinquency. However, if the tax is collected from the vendor on such transaction it shall not again be collected from the person claiming the exemption, or if collected from the person claiming the exemption it shall not also be collected from the vendor

Sec. 7A-372. Proof of exemption: sale for resale; sale; rental; lease or rental equipment.

A claim of purchase for resale or of purchase, rental, lease, or license for rent, lease, or license is valid only if the evidence is sufficient to persuade a reasonably prudent businessman that the particular item is being acquired for resale or for rental, lease, or license in the ordinary course of business. The fact that the acquiring person possesses a Privilege License number, and makes a verbal claim of "sale for resale or lease" or "lease for re-lease" does not meet this burden and is insufficient to justify an exemption. The "reasonable evidence" must be evidence which exists objectively, and not merely in the mind of the vendor, that the property being acquired is normally sold, rented, leased, or licensed by the acquiring person in the ordinary course of business. Failure to obtain such reasonable evidence at the time of the transaction will be a basis for disallowance of any claimed deduction on returns filed for such transactions.

Sec. 7A-380. Inadequate or unsuitable records.

In the event the records provided by the taxpayer are considered by the Tax Collector to be inadequate or unsuitable to determine the amount of the tax for which such taxpayer is liable under the provisions of this Chapter, it is the responsibility of the taxpayer either:

(a) to provide such other records required by this Chapter or Regulation; or

(b) to correct or to reconstruct his records, to the satisfaction of the Tax Collector.

Article IV - Privilege Taxes

Sec. 7A-400. Imposition of Privilege Taxes; presumption.

(a) There are hereby levied and imposed, subject to all other provisions of this Chapter, the following Privilege Taxes for the purpose of raising revenue to be used in defraying the necessary expenses of the City, such taxes to be collected by the Tax Collector:
   (1) a Privilege Tax upon persons on account of their business activities, to the extent provided elsewhere in this Article, to be measured by the gross income of persons, whether derived from residents of the City or not, or whether derived from within the City or from without.
   (2) (Reserved)

(b) Taxes imposed by this Chapter are in addition to others. Except as specifically designated elsewhere in this Chapter, each of the taxes imposed by this Chapter shall be in addition to all other licenses, fees, and taxes levied by law, including other taxes imposed by this Chapter.

(c) Presumption. For the purpose of proper administration of this Chapter and to prevent evasion of the taxes imposed by this Chapter, it shall be presumed that all gross income is subject to the tax until the contrary is established by the taxpayer.

(d) Limitation of exemptions, deductions, and credits allowed against the measure of taxes imposed by this Chapter. All exemptions, deductions, and credits set forth in this Chapter shall be limited to the specific activity or transaction described and not extended to include any other activity or transaction subject to the tax.

Sec. 7A-405. Advertising.

(a) The tax rate shall be at an amount equal to four percent (4%) 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:
   (1) the advertising of a product or service which is sold or provided both within and without the State by more than one "commonly designated business entity" within the State, and in which the advertisement names either no "commonly designated business entity" within the State or more than one "commonly designated business entity". "Commonly Designated Business Entity" means any person selling or providing any product or service to its customers under a common business name or style, even though there may be more than one legal entity conducting business functions using the same or substantially the same business name or style by virtue of a franchise, license, or similar agreement.
   (2) the advertising of a facility or of a service or activity in which neither the facility nor a business site carrying on such service or activity is located within the State.
   (3) the advertising of a product which may only be purchased from an out-of-State supplier.
   (4) political advertising for United States Presidential and Vice Presidential candidates only.
   (5) advertising by means of product purchase coupons redeemable at any retail establishment carrying such product but not product coupons redeemable only at a single commonly designated business entity.
   (6) advertising transportation services where a substantial portion of the transportation activity of the business entity advertised involves interstate or foreign carriage.

(b) (Reserved)

Sec. 7A-407. (Reserved)

Sec. 7A-410. Amusements, exhibitions, and similar activities.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of providing amusement that begins in the city or takes place entirely within the City, which includes the following type or nature of businesses:
  (1) operating or conducting theaters, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, menageries, fairs, races, contests, games, billiard or pool parlors, bowling alleys, skating rinks, tennis courts, golf courses, video games, pinball machines, public dances, dance halls, sports events, jukeboxes, batting and driving ranges, animal rides, or any other business charging admission for exhibition, amusement, or entertainment.
  (2) (Reserved)

(b) Deductions or exemptions. The gross proceeds of sales or gross income derived from the following sources is exempt from the tax imposed by this Section:
  (1) (Reserved)
  (2) Amounts retained by the Arizona Exposition and State Fair Board from ride ticket sales at the annual Arizona State Fair.
  (3) Income received from a hotel business subject to tax under Section 7A-444, if all of the following apply:
    (A) The hotel business receives gross income from a customer for the specific business activity otherwise subject to amusement tax.
    (B) The consideration received by the hotel business is equal to or greater than the amount to be deducted under this subsection.
    (C) The hotel business has provided an exemption certificate to the person engaging in business under this section.
  (4) Income that is specifically included as the gross income of a business activity upon which another Section of this Article imposes a tax, that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.
  (5) Income from arranging transportation connected to amusement activity that is separately stated to the customer, not to exceed consideration paid to the transportation business.

(c) The tax imposed by this Section shall not include arranging an amusement activity as a service to a person's customers if that person is not otherwise engaged in the business of operating or conducting an amusement themselves or through others. This exception does not apply to businesses that operate or conduct amusements pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the amusement is performed by third party independent contractors. For the purposes of this paragraph, "arranging" includes billing for or collecting amusement charges from a person's customers on behalf of the persons providing the amusement.

Sec. 7A-415. Construction contracting: construction contractors.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business upon every construction contractor engaging or continuing in the business activity of construction contracting within the City.
  (1) However, gross income from construction contracting shall not include charges related to groundwater measuring devices required by A.R.S. Section 45-604.
  (2) (Reserved)
  (3) gross income from construction contracting shall not include gross income from the sale of manufactured buildings taxable under Section 7A-427.
  (4) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this Section. For the purposes of this subsection, “direct costs” means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(b) Deductions and exemptions.

(1) Gross income derived from acting as a "subcontractor" shall be exempt from the tax imposed by this Section.

(2) All construction contracting gross income subject to the tax and not deductible herein shall be allowed a deduction of thirty-five percent (35%).

(3) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(A) Section 7A-465, subsections (g) and (p)

(B) Section 7A-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(4) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g) that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(A) to be incorporated into real property.

(B) to become so affixed to real property that it becomes part of the real property.

(C) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(5) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(6) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this Section.

(7) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this State for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(8) The gross proceeds of sales or gross income received from a post construction contract to perform post-construction treatment of real property for termite and general pest control, including wood destroying organisms, shall be exempt from tax imposed under this Section.

(9) Through December 31, 2009, the gross proceeds of sales or gross income received from a contract for constructing any lake facility development in a commercial enhancement reuse district that is designated pursuant to A.R.S. § 9-499.08 if the contractor maintains the following records in a form satisfactory to the Arizona Department of Revenue and to the City:

(A) The certificate of qualification of the lake facility development issued by the City pursuant to A.R.S. § 9-499.08, subsection D.

(B) All state and local transaction privilege tax returns for the period of time during which the contractor received gross proceeds of sales or gross income from a contract to construct a lake facility development in a designated commercial enhancement reuse district, showing the amount exempted from state and local taxation.

(C) Any other information considered to be necessary.

(10) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer. For the purposes of this paragraph:

(A) the attributable amount shall not exceed the value of the development fees actually imposed.

(B) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(C) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(11) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(c) "Subcontractor" means a construction contractor performing work for either:

(1) a construction contractor who has provided the subcontractor with a written declaration that he is liable for the tax for the project and has provided the subcontractor his City Privilege License number.

(2) an owner-builder who has provided the subcontractor with a written declaration that:

(A) the owner-builder is improving the property for sale; and

(B) the owner-builder is liable for the tax for such construction contracting activity; and

(C) the owner-builder has provided the contractor his City Privilege License number.

(3) a person selling new manufactured buildings who has provided the subcontractor with a written declaration that he is liable for the tax for the site preparation and set-up; and provided the subcontractor his City Privilege License number.

Subcontractor also includes a construction contractor performing work for another subcontractor as defined above.

Sec. 7A-416. Construction contracting: speculative builders.

(a) The tax shall be equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the City.

(1) The gross income of a speculative builder considered taxable shall include the total selling price from the sale of improved real property at the time of closing of escrow or transfer of title.

(2) "Improved Real Property" means any real property:

(A) upon which a structure has been constructed; or

(B) where improvements have been made to land containing no structure (such as paving or landscaping); or

(C) which has been reconstructed as provided by Regulation; or

(D) where water, power, and streets have been constructed to the property line.

(3) "Sale of Improved Real Property" includes any form of transaction, whether characterized as a lease or otherwise, which in substance is a transfer of title of, or equitable ownership in, improved real property and includes any lease of the property for a term of thirty (30) years or more (with all options for renewal being included as a part of the term). In the case of multiple unit projects, "sale" refers to the sale of the entire project or to the sale of any individual parcel or unit.

(4) "Partially Improved Residential Real Property", as used in this Section, means any improved real property, as defined in subsection (a)(2) above, being developed for sale to individual homeowners, where the construction of the residence upon such property is not substantially complete at the time of the sale.

(b) Exclusions.

(1) In cases involving reconstruction contracting, the speculative builder may exclude from gross income the prior value allowed for reconstruction contracting in determining his taxable gross income, as provided by Regulation.

(2) Neither the cost nor the fair market value of the land which constitutes part of the improved real property sold may be excluded or deducted from gross income subject to the tax imposed by this Section.

(3) (Reserved)

(4) A speculative builder may exclude gross income from the sale of partially improved residential real property as defined in (a)(4) above to another speculative builder only if all of the following conditions are satisfied:

(A) The speculative builder purchasing the partially improved residential real property has a valid City privilege license for construction contracting as a speculative builder; and

(B) At the time of the transaction, the purchaser provides the seller with a properly completed written declaration that the purchaser assumes liability for and will pay all privilege taxes which would otherwise be due the City at the time of sale of the partially improved residential real property; and

(C) The seller also:

(i) maintains proper records of such transactions in a manner similar to the requirements provided in this chapter relating to sales for resale; and

(ii) retains a copy of the written declaration provided by the buyer for the transaction; and

(iii) is properly licensed with the City as a speculative builder and provides the City with the written declaration attached to the City privilege tax return where he claims the exclusion.

(5) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, “direct costs” means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(c) Tax liability for speculative builders occurs at close of escrow or transfer of title, whichever occurs earlier, and is subject to the following provisions, relating to exemptions, deductions and tax credits:

(1) Exemptions.

(A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(i) Section 7A-465, subsections (g) and (p)

(ii) Section 7A-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this section.

(D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(E) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this paragraph:

(i) the attributable amount shall not exceed the value of the development fees actually imposed.

(ii) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(iii) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(2) Deductions.

(A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).

(B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(i) to be incorporated into real property.

(ii) to become so affixed to real property that it becomes part of the real property.

(iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(C) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(3) Tax credits.

The following tax credits are available to owner-builders or speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

(A) A tax credit equal to the amount of city privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

(B) A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.

(C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

Sec. 7A-417. 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 amount equal to four percent (4%) of:

(1) the gross income from the activity of construction contracting upon the real property in question which was realized by those construction contractors to whom the owner-builder provided written declaration that they were not responsible for the taxes as prescribed in Subsection 7A-415(c)(2); and

(2) the purchase of tangible personal property for incorporation into any improvement to real property, computed on the sales price.

(b) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(c) The tax liability of this Section is subject to the following provisions, relating to exemptions, deductions and tax credits:

(1) Exemptions.

(A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(i) Section 7A-465, subsections (g) and (p)

(ii) Section 7A-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this Section.

(D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(E) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this paragraph:

(i) the attributable amount shall not exceed the value of the development fees actually imposed.

(ii) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(iii) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S.Title 48 regardless of the jurisdiction to which the fees are paid.

(2) Deductions.

(A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).

(B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(i) to be incorporated into real property.

(ii) to become so affixed to real property that it becomes part of the real property.

(iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(C) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(3) Tax credits.

The following tax credits are available to owner-builders and speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

(A) A tax credit equal to the amount of city privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

(B) A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.

(C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

(d) The limitation period for the assessment of taxes imposed by this Section is measured based upon when such liability is reportable, that is, in the reporting period that encompasses the twenty-fifth (25th) month after said unit or project was substantially complete. Interest and penalties, as provided in Section 7A-540, will be based on reportable date.

(e) (Reserved)

Sec. 7A-418. (Reserved)

Sec. 7A-420. (Reserved)

Sec. 7A-425. Job printing.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.

(b) The tax imposed by this Section shall not apply to:

(1) job printing purchased for the purpose of resale by the purchaser in the form supplied by the job printer.

(2) out-of-City sales.

(3) out-of-State sales.

(4) (Reserved)

(5) sales of job printing to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(6) (Reserved)

(7) Sales of postage and freight except that the amount deducted shall not exceed the actual postage and freight expense that is paid to the United States Postal Service or a commercial delivery service and that is separately itemized by the taxpayer on the customer's invoice and in the taxpayer's records.

Sec. 7A-427. Manufactured buildings.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.

(b) Sales of used manufactured buildings are not taxable.

(c) The sale prices of furniture, furnishings, fixtures, appliances, and attachments that are not incorporated as component parts of or attached to a manufactured building are exempt from the tax imposed by this Section. Sales of such items are subject to the tax under Section 7A-460.

(d) Under this Section, a trade-in will not be allowed for the purpose of reducing the tax liability.

Sec. 7A-430. Timbering and other extraction.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the following businesses:
   (1) felling, producing, or preparing timber or any product of the forest for sale, profit, or commercial use.
   (2) extracting, refining, or producing any oil or natural gas for sale, profit, or commercial use.

(b) The rate specified in subsection (a) above shall be applied to the value of the entire product extracted, refined, produced, or prepared for sale, profit, or commercial use, when such activity occurs within the City, regardless of the place of sale of the product or the fact that delivery may be made to a point without the City or without the State.

(c) If any person engaging in any business classified in this Section ships or transports products, or any part thereof, out of the State without making sale of such products, or ships his products outside of the State in an unfinished condition, the value of the products or articles in the condition or form in which they existed when transported out-of-State and before they enter interstate commerce shall be the basis for assessment of the tax imposed by this Section.

(d) (Reserved)

Sec. 7A-432. Mining.

(a) The tax rate shall be at an amount equal to one tenth of one percent (.1%), not to exceed one tenth of one percent, of the gross income from the business activity upon every person engaging or continuing in the business of mining, smelting, or producing for sale, profit, or commercial use any copper, gold, silver, or other mineral product, compound, or combination of mineral products; but not including the extraction, removal, or production of sand, gravel, or rock from the ground for sale, profit, or commercial use.

(b) The rate specified in subsection (a) above shall be applied to the value of the entire product mined, smelted or produced for sale, profit, or commercial use, when such activity occurs within the City, regardless of the place of sale of the product or the fact that delivery may be made to a point without the City or without the State.

(c) If any person engaging in any business classified in this Section ships or transports products, or any part thereof, out of the State without making sale of such products, or ships his products outside of the State in an unfinished condition, the value of the products or articles in the condition or form in which they existed when transported out-of-State and before they enter interstate commerce shall be the basis for assessment of the tax imposed by this Section.

Sec. 7A-435. Publishing and periodicals distribution.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business activity of:
   (1) publication of newspapers, magazines, or other periodicals when published within the City, measured by the gross income derived from notices, subscriptions, and local advertising as defined in Section 7A-405. In cases where the location of publication is both within and without this State, gross income subject to the tax shall refer only to gross income derived from residents of this State or generated by permanent business locations within this State.
   (2) distribution or delivery within the City of newspapers, magazines, or other periodicals not published within the City, measured by the gross income derived from subscriptions.

(b) "Location of Publication" is determined by:
  (1) location of the editorial offices of the publisher, when the physical printing is not performed by the publisher; or
  (2) location of either the editorial offices or the printing facilities, if the publisher performs his own physical printing.

(c) "Subscription income" shall include all circulation revenue of the publisher except amounts retained by or credited to carriers or other vendors as compensation for delivery within the State by such carriers or vendors, and further except sales of published items, directly or through distributors, for the purpose of resale, to retailers subject to the Privilege Tax on such resale.

(d) "Circulation", for the purpose of measurement of gross income subject to the tax, shall be considered to occur at the place of delivery of the published items to the subscriber or intended reader irrespective of the location of the physical facilities or personnel of the publisher. However, delivery by the United States mails shall be considered to have occurred at the location of publication.

(e) Allocation of taxes between cities and towns. In cases where publication or distribution occurs in more than one city or town, the measurement of gross income subject to tax by the City shall include:
  (1) that portion of the gross income from publication which reflects the ratio of circulation within this City to circulation in all incorporated cities and towns in this State having substantially similar provisions; plus
  (2) only when publication occurs within the City, that portion of the remaining gross income from publication which reflects the ratio of circulation within this City to the total circulation of all incorporated cities or towns in this State within which cities the taxpayer maintains a location of publication.

(f) The tax imposed by this Section shall not apply to sales of newspapers, magazines or other periodicals to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

Sec. 7A-440. (Reserved)

Sec. 7A-444. Hotels.

The tax rate shall be at an amount equal to four percent (4%) 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 lodging space furnished to any:

(a) Transient.

(b) Exclusions. The tax imposed by this Section shall not include:
  (1) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility.
  (2) Gross proceeds of sales or gross income that is properly included in another business activity under this Article and that is taxable to the person engaged in that business activity, but the gross proceeds of sales or gross income to be deducted shall not exceed the consideration paid to the person conducting the activity.
  (3) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person not subject to tax under this Article.

(4) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person subject to taxation under Section 7A-410 or Section 7A-475 due to an exclusion, exemption or deduction.

(5) Gross proceeds of sales or gross income from commissions received from a person providing services or property to the customers of the hotel. However, such commissions may be subject to tax under Section 7A-445 or Section 7A-450 as rental, leasing or licensing for use of real or tangible personal property.

(6) Income from providing telephone, fax or Internet services to customers at an additional charge, that is separately stated to the customer and is separately maintained in the hotel's books and records. However, such gross proceeds of sales or gross income may be subject to tax under Section 7A-470 as telecommunication services.

Sec. 7A-445. Rental, leasing, and licensing for use of real property.

(a) The tax rate shall be at an amount equal to four percent (4%) 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:

(1) Payments made by the lessee to, or on behalf of, the lessor for property taxes, repairs, or improvements are considered to be part of the taxable gross income.

(2) Charges for such items as telecommunications, utilities, pet fees, or maintenance are considered to be part of the taxable gross income.

(3) However, if the lessor engages in telecommunication activity, as evidenced by installing individual metering equipment and by billing each tenant based upon actual usage, such activity is taxable under Section 7A-470.

(b) If individual utility meters have been installed for each tenant and the lessor separately charges each single tenant for the exact billing from the utility company, such charges are exempt.

(c) Charges by a qualifying hospital, qualifying community health center or a qualifying health care organization to patients of such facilities for use of rooms or other real property during the course of their treatment by such facilities are exempt.

(d) Charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services are exempt from the tax imposed by this Section.

(e) (Reserved)

(f) (Reserved)

(g) (Reserved)

(h) (Reserved)

(i) (Reserved)

(j) Exempt from the tax imposed by this Section is gross income derived from the activities taxable under Section 7A-444 of this code.

(k) (Reserved)

(l) (Reserved)

(m) (Reserved)

(n) Notwithstanding the provisions of Section 7A-200(b), the fair market value of one (1) apartment, in an apartment complex provided rent free to an employee of the apartment complex is not subject to the tax imposed by this Section. For an apartment complex with more than fifty (50) units, an additional apartment provided rent free to an employee for every additional fifty (50) units is not subject to the tax imposed by this Section.

(o) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this Section.

(p) Charges by any hospital, any licensed nursing care institution, or any kidney dialysis facility to patients of such facilities for the use of rooms or other real property during the course of their treatment by such facilities are exempt.

(q) Charges to patients receiving "personal care" or "directed care", by any licensed assisted living facility, licensed assisted living center or licensed assisted living home as defined and licensed pursuant to Chapter 4 Title 36 Arizona Revised Statutes and Title 9 of the Arizona Administrative Code are exempt.

(r) Income received from the rental of any “low-income unit” as established under Section 42 of the Internal Revenue Code, including the low-income housing credit provided by IRC Section 42, to the extent that the collection of tax on rental income causes the “gross rent” defined by IRC Section 42 to exceed the income limitation for the low-income unit is exempt. This exemption also applies to income received from the rental of individual rental units subject to statutory or regulatory “low-income unit” rent restrictions similar to IRC Section 42 to the extent that the collection of tax from the tenant causes the rental receipts to exceed a rent restriction for the low-income unit. This subsection also applies to rent received by a person other than the owner or lessor of the low-income unit, including a broker. This subsection does not apply unless a taxpayer maintains the documentation to support the qualification of a unit as a low-income unit, the “gross rent” limitation for the unit and the rent received from that unit.

(s) The gross proceeds of a commercial lease of real property between affiliated companies, businesses, persons, or reciprocal insurers are exempt. For the purposes of this paragraph:
(1) “Affiliated companies, business, persons or reciprocal insurers” means the lessor holds a controlling interest in the lessee, the lessee hold a controlling interest in the lessor, an affiliated entity holds a controlling interest in both the lessor and the lessee or an unrelated person holds a controlling interest in both the lessor and lessee:
(2) “Controlling interest” means direct or indirect ownership of at least eighty percent of the voting shares of a corporation or of the interests in a company, business or person other than a corporation.
(3) “Reciprocal insurer” has the same meaning as prescribed in A.R.S. Section 20-762.

Sec. 7A-446. (Reserved)

Sec. 7A-447. (Reserved)

Sec. 7A-450. Rental, leasing, and licensing for use of tangible personal property.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.

(b) Special provisions relating to long-term motor vehicle leases. A lease transaction involving a motor vehicle for a minimum period of twenty-four (24) months shall be considered to have occurred at the location of the motor vehicle dealership, rather than the location of the place of business of the lessor, even if the lessor's interest in the lease and its proceeds are sold, transferred, or otherwise assigned to a lease financing institution; provided further that the city or town where such motor vehicle dealership is located levies a Privilege Tax or an equivalent excise tax upon the transaction.

(c) Gross income derived from the following transactions shall be exempt from Privilege Taxes imposed by this Section:

(1) rental, leasing, or licensing for use of tangible personal property to persons engaged or continuing in the business of leasing, licensing for use, or rental of such property.

(2) rental, leasing, or licensing for use of tangible personal property that is semi-permanently or permanently installed within another city or town that levies an equivalent excise tax on the transaction.

(3) rental, leasing, or licensing for use of film, tape, or slides to a theater or other person taxed under Section 7A-410, or to a radio station, television station, or subscription television system.

(4) rental, leasing, or licensing for use of the following:
(A) prosthetics.
(B) income-producing capital equipment.
(C) mining and metallurgical supplies.
These exemptions include the rental, leasing, or licensing for use of tangible personal property which, if it had been purchased instead of leased, rented, or licensed by the lessee or licensee, would qualify as income-producing capital equipment or mining and metallurgical supplies.

(5) rental, leasing, or licensing for use of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property so rented, leased, or licensed is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or rental, leasing, or licensing for use of tangible personal property in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.

(6) separately billed charges for delivery, installation, repair, and/or maintenance as provided by Regulation.

(7) charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services.

(8) (Reserved)

(9) rental, leasing, or licensing of aircraft that would qualify as aircraft acquired for use outside the State, as prescribed by Regulation, if such rental, leasing, or licensing had been a sale.

(10) rental, leasing and licensing for use of an alternative fuel vehicle if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. Section 1-215.

(11) rental, leasing, and licensing for use of solar energy devices, for taxable periods beginning from and after July 1, 2008. The lessor shall register with the department of revenue as a solar energy retailer. By registering, the lessor acknowledges that it will make its books and records relating to leases of solar energy devices available to the department of revenue and City, as applicable, for examination.

(12) Leasing or renting certified ignition interlock devices installed pursuant to the requirements prescribed by A.R.S. Section 28-1461. For the purposes of this paragraph, "certified ignition interlock device" has the same meaning prescribed in A.R.S. 28-1301

Sec. 7A-452. (Reserved)

Sec. 7A-455. Restaurants and Bars.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.

(b) Caterers and other taxpayers subject to the tax who deliver food and/or serve such food off premises shall also be allowed to exclude separately charged delivery, set-up, and clean-up charges, provided that the charges are also maintained separately in the books and records. When a taxpayer delivers food and/or serves such food off premises, his regular business location shall still be deemed the location of the transaction for the purposes of the tax imposed by this Section.

(c) The tax imposed by this Section shall not apply to sales to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(d) The tax imposed by this Section shall not apply to sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)49, that serves the food and beverages to its passengers, without additional charge, for consumption in flight.

(e) The tax imposed by this Section shall not apply to sales of prepared food, beverages, condiments or accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours.

(f) For the purposes of this Section, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

Sec. 7A-460. Retail sales: measure of tax; burden of proof; exclusions.

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail.

(b) The burden of proving that a sale of tangible personal property is not a taxable retail sale shall be upon the person who made the sale.

(c) Exclusions. For the purposes of this Chapter, sales of tangible personal property shall not include:
- (1) sales of stocks, bonds, options, or other similar materials.
- (2) sales of lottery tickets or shares pursuant to Article I, Chapter 5, Title 5, Arizona Revised Statutes.
- (3) sales of platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by Regulation.
- (4) gross income derived from the transfer of tangible personal property which is specifically included as the gross income of a business activity upon which another Section of this Article imposes a tax, shall be considered gross income of that business activity, and are not includable as gross income subject to the tax imposed by this Section.
- (5) sales by professional or personal service occupations where such sales are inconsequential elements of the service provided.

(6) Sales of cash equivalents. The gross proceeds of sales or gross income derived from the redemption of any cash equivalent by the holder as a means of payment for goods or services that are taxable under this article is subject to the tax. "Cash equivalents" means items or intangibles, whether or not negotiable, that are sold to one or more persons, through which a value denominated in money is purchased in advance and may be redeemed in full or in part for tangible personal property, intangibles or services. Cash equivalents include gift cards, stored value cards, gift certificates, vouchers, traveler's checks, money orders or other instruments, orders or electronic mechanisms, such as an electronic code, personal identification number or digital payment mechanism, or any other prepaid intangible right to acquire tangible personal property, intangibles or services in the future, whether from the seller of the cash equivalent or from another person. Cash equivalents do not include either of the following:

(A) Items or intangibles that are sold to one or more persons, through which a value is not denominated in money.

(B) Prepaid calling cards or prepaid authorization numbers for telecommunications services made taxable by subsection (g) of this section.

(d) Notwithstanding the provisions of subsection (a) above, when the gross income from the sale of a single item of tangible personal property exceeds two thousand five hundred dollars ($2,500.00), the four percent (4%) tax rate shall apply to the first $2,500.00. Above $2,500.00, the measure of tax shall be at a rate of one and one half percent (1.5%).

(e) When this City and another Arizona city or town with an equivalent excise tax could claim nexus for taxing a retail sale, the city or town where the permanent business location of the seller at which the order was received shall be deemed to have precedence, and for the purposes of this Chapter such city or town has sole and exclusive right to such tax.

(f) The appropriate tax liability for any retail sale where the order is received at a permanent business location of the seller located in this City or in an Arizona city or town that levies an equivalent excise tax shall be at the tax rate of the city or town of such seller's location.

(g) Retail sales of prepaid calling cards or prepaid authorization numbers for telecommunications services, including sales of reauthorization of a prepaid card or authorization number, are subject to tax under this Section.

Sec. 7A-462. Retail sales: food for home consumption

(a) Tax rate shall be at an amount equal to four percent (4.0%) of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

(b) For the purposes of this section only, the following definitions shall be applicable:

(1) "Eligible grocery business" means an establishment whose sales of food are such that it is eligible to participate in the food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 stat. 958; 7 U.S.C. section 2011 et seq.), according to regulations in effect on January 1, 1979. An establishment is deemed eligible to participate in the food stamp program if it is authorized to participate in the program by the United States Department of Agriculture Food and Nutrition Service Field Office on the effective date of this section, or if, prior to a reporting period for which the return is filed, such retailer proves to the satisfaction of the Tax Collector that the establishment, based on the nature of the retailer's food sales, could be eligible to participate in the food stamp program established by the Food Stamp Act of 1977 according to regulations in effect on January 1, 1979.

(2) "Facilities for the consumption of food" means tables, chairs, benches, booths, stools, counters, and similar conveniences, trays, glasses, dishes, or other tableware and parking areas for the convenience of in car consumption of food in or on the premises on which the retailer conducts business.

(3) “Food for consumption on the premises” means any of the following:
   (A) "Hot prepared food" as defined below.
   (B) Hot or cold sandwiches.
   (C) Food served by an attendant to be eaten at tables, chairs, benches, booths, stools, counters, and similar conveniences and within parking areas for the convenience of in-car consumption of food.
   (D) Food served with trays, glasses, dishes, or other tableware.
   (E) Beverages sold in cups, glasses, or open containers.
   (F) Food sold by caterers.
   (G) Food sold within the premises of theatres, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, fairs, races, contests, games, athletic events, rodeos, billiard and pool parlors, bowling alleys, public dances, dance halls, boxing, wrestling and other matches, and any business which charges admission, entrance, or cover fees for exhibition, amusement, entertainment, or instruction.
   (H) Any items contained in subsections (b)(3)(A) through (G) above even though they are sold on a "take-out" or "to go" basis, and whether or not the item is packaged, wrapped, or is actually taken from the premises.

(4) "Hot prepared food" means those products, items, or ingredients of food which are prepared and intended for consumption in a heated condition. "Hot prepared food" includes a combination of hot and cold food items or ingredients if a single price has been established.

(5) "Premises" means the total space and facilities in or on which a vendor conducts business and which are owned or controlled, in whole or in part, by a vendor or which are made available for the use of customers of the vendor or group of vendors, including any building or part of a building, parking lot, or grounds.

(6) "Food for home consumption" means all food, except food for consumption on the premises, if sold by any of the following:
   (A) An eligible grocery business.
   (B) A person who conducts a business whose primary business is not the sale of food but who sells food which is displayed, packaged, and sold in a similar manner as an eligible grocery business.
   (C) A person who sells food and does not provide or make available any facilities for the consumption of food on the premises.
   (D) A person who conducts a delicatessen business either from a counter which is separate from the place and cash register where taxable sales are made or from a counter which has two cash registers and which are used to record taxable and tax exempt sales, or a retailer who conducts a delicatessen business who uses a cash register which has at least two tax computing keys which are used to record taxable and tax exempt sales.
   (E) Vending machines and other types of automatic retailers.
   (F) A person’s sales of food, drink and condiment for consumption within the premises of any prison, jail or other institution under the jurisdiction of the State Department of Corrections, the Department of Public Safety, the Department of Juvenile Corrections or a county sheriff.

(c) Income derived from the following sources is exempt from the tax imposed by this section:
(1) Sales of food for home consumption to a person regularly engaged in the business of selling such property.
(2) Out-of-city sales or out-of-state sales.
(3) Charges for delivery or other “direct customer services” as prescribed by regulation.
(4) Food purchased with food stamps provided through the food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 stat. 958; 7 U.S.C. section 2011 et seq.) or purchased with food instruments issued under section 17 of the Child Nutrition Act (P.L. 95-627; 92 stat. 3603; and P.L. 99-669 section 4302; 42 U.S.C. Sec. 1786) but only to the extent that food stamps or food instruments were actually used to purchase such food.
(5) Sales of food products by producers as provided for by A.R.S. sections 3-561, 3-562 and 3-563.

(6) Sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. § 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(7) Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C. Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(d) Reporting. Such persons who sell food for home consumption shall, in conjunction with the return required pursuant to section 7A-520, report to the tax collector in a manner prescribed by the tax collector all sales of food for home consumption exempted from taxes imposed by this chapter.

(e) Recordkeeping.
(1) Retailers shall maintain accurate, verifiable, and complete records of all purchases and sales of tangible personal property in order to verify exemptions from taxes imposed by this chapter. A retailer may use any method of reporting that properly reflects all purchases and sales of food for home consumption, as well as all purchases and sales of items subject to taxes imposed by this chapter, provided that such records are maintained in accordance with Article III, and regulations of the Tax Collector.
(2) Any person who fails to maintain records as provided herein shall be deemed to have had no sales of food for home consumption, and if upon request by the tax collector, a person cannot demonstrate to the tax collector that such records and reports do properly reflect all sales of food for home consumption, the tax collector may re-compute the amount of tax to be paid as provided in sections 7A-370 and 7A-545(b).

Sec. 7A-465. Retail sales: exemptions.

Income derived from the following sources is exempt from the tax imposed by Section 7A-460:

(a) sales of tangible personal property to a person regularly engaged in the business of selling such property.

(b) out-of-City sales or out-of-State sales.

(c) charges for delivery, installation, or other direct customer services as prescribed by Regulation.

(d) charges for repair services as prescribed by Regulation, when separately charged and separately maintained in the books and records of the taxpayer.

(e) sales of warranty, maintenance, and service contracts, when separately charged and separately maintained in the books and records of the taxpayer.

(f) sales of prosthetics.

(g) sales of income-producing capital equipment.

(h) sales of rental equipment and rental supplies.

(i) sales of mining and metallurgical supplies.

(j) sales of motor vehicle fuel and use fuel which are subject to a tax imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes; or sales of use fuel to a holder of a valid single trip use fuel tax permit issued under A.R.S. Section 28-5739, or sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.

(k) sales of tangible personal property to a construction contractor who holds a valid Privilege Tax License for engaging or continuing in the business of construction contracting where the tangible personal property sold is incorporated into any structure or improvement to real property as part of construction contracting activity.

(l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.

(m) sales of tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines, or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.

(n) (Reserved)
(1) (Reserved)
(2) (Reserved)

(o) sales to hotels, bars, restaurants, dining cars, lunchrooms, boarding houses, or similar establishments of articles consumed as food, drink, or condiment, whether simple, mixed, or compounded, where such articles are customarily prepared or served to patrons for consumption on or off the premises, where the purchaser is properly licensed and paying a tax under Section 7A-455 or the equivalent excise tax upon such income.

(p) sales of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or sales of tangible personal property purchased in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.

(q) (Reserved)

(r) (Reserved)
(1) (Reserved)
(2) (Reserved)
(3) (Reserved)
(4) (Reserved)

(s) sales of groundwater measuring devices required by A.R.S. Section 45-604.

(t) (Reserved)

(u) sales of aircraft acquired for use outside the State, as prescribed by Regulation.

(v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.

(w) (Reserved)

(x) (Reserved)

(y) (Reserved)

(z) (Reserved)

(aa) the sale of tangible personal property used in remediation contracting as defined in Section 7A-100 and Regulation 7A-100.5.

(bb) sales of materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
(1) printed or photographic materials.
(2) electronic or digital media materials.

(cc) sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(dd) in computing the tax base in the case of the sale or transfer of wireless telecommunication equipment as an inducement to a customer to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470, gross proceeds of sales or gross income does not include any sales commissions or other compensation received by the retailer as a result of the customer entering into or continuing a contract for the telecommunications services.

(ee) for the purposes of this Section, a sale of wireless telecommunication equipment to a person who holds the equipment for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470 is considered to be a sale for resale in the regular course of business.

(ff) sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.

(gg) Sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title15, Arizona Revised Statutes, including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. § 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(hh) sales of personal hygiene items to a person engaged in the business of and subject to tax under Section 7A-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.

(ii) For the purposes of this Section, the diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.

(jj) Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

(ll) Sales of solar energy devices, for taxable periods beginning from and after July 1, 2008. The retailer shall register with the department of Revenue as a solar energy retailer. By registering, the retailer acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and city, as applicable, for examination.

(mm) Sales or other transfers of renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this paragraph, "renewable energy credit" means a unit created administratively by the corporation commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.

(nn) Sales of magazines or other periodicals or other publications by this state to encourage tourist travel.

(oo) Sales of paper machine clothing, such as forming fabrics and dryer felts, sold to a paper manufacturer and directly used or consumed in paper manufacturing.

(pp) Sales of overhead materials or other tangible personal property that is used in performing a contract between the United States government and a manufacturer, modifier, assembler or repairer, including property used in performing a subcontract with a government contractor who is a manufacturer, modifier, assembler or repairer, to which title passes to the government under the terms of the contract or subcontract.

(qq) Sales of coal, petroleum, coke, natural gas, virgin fuel oil and electricity sold to a qualified environmental technology manufacturer, producer or processor as defined in A.R.S. section 41-1514.02 and directly used or consumed in the generation or provision of on-site power or energy solely for environmental technology manufacturing, producing or processing or environmental protection. This paragraph shall apply for twenty full consecutive calendar or fiscal years from the date the first paper manufacturing machine is placed in service. In the case of an environmental technology manufacturer, producer or processor who does not manufacture paper, the time period shall begin with the date the first manufacturing, processing or production equipment is placed in service.

(rr) Sales or gross income derived from sales of machinery, equipment, materials and other tangible personal property used directly and predominantly to construct a qualified environmental technology manufacturing, producing or processing facility as described in A.R.S. section 41-1514.02. This subsection applies for ten full consecutive calendar or fiscal years after the start of initial construction.

Sec. 7A-470. Telecommunication services.

(a) The tax rate shall be at an amount equal to four percent (4%) 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.
   (1) Telecommunication services shall include:
      (A) two-way voice, sound, and/or video communication over a communications channel.
      (B) one-way voice, sound, and/or video transmission or relay over a communications channel.
      (C) facsimile transmissions.
      (D) providing relay or repeater service.
      (E) providing computer interface services over a communications channel.
      (F) time-sharing activities with a computer accomplished through the use of a communications channel.
   (2) Gross income from the business activity of providing telecommunication services to consumers within this City shall include:
      (A) all fees for connection to a telecommunication system.

(B) toll charges, charges for transmissions, and charges for other telecommunications services; provided that such charges relate to transmissions originating in the City and terminating in this State.

(C) fees charged for access to or subscription to or membership in a telecommunication system or network.

(D) charges for monitoring services relating to a security or burglar alarm system located within the City where such system transmits or receives signals or data over a communications channel.

(E) charges for telephone, fax or Internet access services provided at an additional charge by a hotel business subject to taxation under Section 7A-444.

(b) Resale telecommunication services. Gross income from sales of telecommunication services to another provider of telecommunication services for the purpose of providing the purchaser's customers with such service shall be exempt from the tax imposed by this Section; provided, however, that such purchaser is properly licensed by the City to engage in such business.

(c) Interstate transmissions. Charges by a provider of telecommunication services for transmissions originating in the City and terminating outside the State are exempt from the tax imposed by this Section.

(d) Tax credit offset for franchise fees. There shall be allowed as an offset, up to the amount of tax due, any amounts paid to the City for license fees or franchise fees, but such offset shall not be allowed against taxes imposed by any other Section of this Chapter. Such offset shall not be deemed in conflict with or violation of subsection 7A-400(b).

(e) (Reserved)

(f) Prepaid calling cards. Telecommunications services purchased with a prepaid calling card that are taxable under Section 7A-460 are exempt from the tax imposed under this Section.

(g) Internet Access Services - the gross income subject to tax under this section shall not include sales of internet access services to the person's subscribers and customers. For the purposes of this subsection:

(1) "Internet" means the computer and telecommunications facilities that comprise the interconnected worldwide network of networks that employ the transmission control protocol or internet protocol, or any predecessor or successor protocol, to communicate information of all kinds by wire or radio.

(2) "Internet Access" means a service that enables users to access content, information, electronic mail or other services over the internet. Internet access does not include telecommunication services provided by a common carrier.

Sec. 7A-475. Transporting for hire.

The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of providing the following forms of transportation for hire from this City to another point within the State:

(a) transporting of persons or property by railroad; provided, however, that the tax imposed by this subsection shall not apply to transporting freight or property for hire by a railroad operating exclusively in this State if the transportation comprises a portion of a single shipment of freight or property, involving more than one railroad, either from a point in this State to a point outside this State or from a point outside this State to a point in this State. For purposes of this paragraph, “a single shipment” means the transportation that begins at the point at which one of the railroads first takes possession of the freight or property and continues until the point at which one of the railroads relinquishes possession of the freight or property to a party other than one of the railroads.

(b) transporting of oil or natural or artificial gas through pipe or conduit.

(c) transporting of property by aircraft.

(d) transporting of persons or property by motor vehicle, including towing and the operation of private car lines, as such are defined in Article VII, Chapter 14, Title 42 , Arizona Revised Statutes; provided, however, that the tax imposed by this subsection shall not apply to:
(1) gross income subject to the tax imposed by Article IV, Chapter 16, Title 28, Arizona Revised Statutes.
(2) gross income derived from the operation of a governmentally adopted and controlled program to provide urban mass transportation.
(3) (Reserved)
(4) (Reserved)

(e) (Reserved)

(f) Deductions or exemptions. The gross proceeds of sales or gross income derived from the following sources is exempt from the tax imposed by this Section:
(1) income that is specifically included as the gross income of a business activity upon which another Section of Article IV imposes a tax, that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.
(2) income from arranging amusement or transportation when the amusement or transportation is conducted by another person not to exceed consideration paid to the amusement or transportation business.

(g) The tax imposed by this Section shall not include arranging transportation as a convenience to a person's customers if that person is not otherwise engaged in the business of transporting persons, freight or property for hire. This exception does not apply to businesses that dispatch vehicles pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the transportation is performed by third party independent contractors. For the purposes of this paragraph, "arranging" includes billing for or collecting transportation charges from a person's customers on behalf of the persons providing the transportation.

Sec. 7A-480. Utility services.

(a) The tax rate shall be at an amount equal to four percent (4%) 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:
(1) consumers or ratepayers who reside within the City.
(2) (Reserved)

(b) Exclusion of certain sales of natural gas to a public utility. Notwithstanding the provisions of subsection (a) above, the gross income derived from the sale of natural gas to a public utility for the purpose of generation of power to be transferred by the utility to its ratepayers shall be considered a retail sale of tangible personal property subject to Sections 7A-460 and 7A-465, and not considered gross income taxable under this Section.

(c) Resale utility services. Sales of utility services to another provider of the same utility services for the purpose of providing such utility services either to another properly licensed utility provider or directly to such purchaser's customers or ratepayers shall be exempt and deductible from the gross income subject to the tax imposed by this Section, provided that the purchaser is properly licensed by all applicable taxing jurisdictions to engage or continue in the business of providing utility services, and further provided that the seller maintains proper documentation, in a manner similar to that for sales for resale, of such transactions.

(d) (Reserved)

(e) The tax imposed by this Section shall not apply to sales of utility services to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(f) The tax imposed by this Section shall not apply to sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.

(g) The tax imposed by this Section shall not apply to:
(1) revenues received by a municipally owned utility in the form of fees charged to persons constructing residential, commercial or industrial developments or connecting residential, commercial or industrial developments to a municipal utility system or systems if the fees are segregated and used only for capital expansion, system enlargement or debt service of the utility system or systems.
(2) revenues received by any person or persons owning a utility system in the form of reimbursement or contribution compensation for property and equipment installed to provide utility access to, on or across the land of an actual utility consumer if the property and equipment become the property of the utility. This exclusion shall not exceed the value of such property and equipment.

(h) The tax imposed by this Section shall not apply to sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.

(i) The tax imposed by this section shall not apply to the portion of gross proceeds of sales or gross income attributable to transfers of electricity by any retail electric customer owning a solar photovoltaic energy generating system to an electric distribution system, if the electricity transferred is generated by the customer's system.

(j) (Reserved)

Sec. 7A-485. Waste Water Removable Services

(a) The tax rate shall be an amount equal to zero percent (0%) of the gross income from the business activity upon every person engaging or continuing in the business of providing wastewater removal services by means of sewer lines or similar pipelines to:
(1) Consumers or rate payers who reside within the City.
(2) Consumers or ratepayers of this city, whether within the City or without, to the extent that this city provides such persons wastewater removal services, excluding consumers or ratepayers who are residents of another city or town which levies an equivalent excise tax upon this city for providing such wastewater removal services to such persons.

(b) The tax imposed by this section shall not apply to gross income relating to the providing of wastewater removal services from a qualifying hospital, qualifying community health center or a qualifying health care organization.

Article V - Administration

(Notice: Both the Department of Revenue and the City of San Luis may perform audits of local taxpayers. Although many of the administrative procedures are the same, regardless of which entity is performing the audit, some differences will apply. To identify those differences, the words "state administration and audits" or "local audits" appear following the title of the section. If the section applies to audits performed by both the state and the City, no notation appears.)

Sec. 7A-500. Administration of this Chapter; rule making. (State Administration and Audits)

(a) The administration of this Chapter is vested in and exercised by the City of San Luis, and except as otherwise provided, and all payments shall be made to the City of San Luis. The City may, pursuant to an intergovernmental agreement, contract with the State of Arizona Department of Revenue for the administration of the tax. In such cases, "Tax Collector" shall also mean the Arizona Department of Revenue, when acting as agent in administering this tax.

(b) The Tax Collector shall prescribe the forms and procedures necessary for the administration of the taxes imposed by this Chapter.

(c) Except where such Regulations would conflict with administrative regulations adopted by the City Council or with provisions of this Chapter, all regulations on the Transaction Privilege Tax adopted by the Arizona Department of Revenue under the authority of A.R.S. Section 42-1005 shall be considered Regulations of this Chapter and enforceable as such.

(d) Taxpayers shall be subject to the State taxpayer bill of rights (A.R.S. § 42-2051 et. seq).

(e) The unified audit committee shall publish uniform guidelines that interpret the model city tax code and that apply to all cities and towns that have adopted the model city tax code as provided by A.R.S. Section 42-6005.
   (1) Prior to finalization of uniform guidelines that interpret the model city tax code, the unified audit committee shall disseminate draft guidelines for public comment.
   (2) Pursuant to A.R.S. Section 42-6005(D), when the state statutes and the model city tax code are the same and where the Arizona Department of Revenue has issued written guidance, the department's interpretation is binding on cities and towns.

Sec. 7A-500. Administration Of This Chapter; Rule Making. (Local Audits)

(a) The administration of this Chapter is vested in and exercised by the City of San Luis, and except as otherwise provided, all payments shall be made to the City of San Luis. The City may, pursuant to an intergovernmental agreement, contract with the State of Arizona Department of Revenue for the administration of the tax. In such cases, "tax collector" shall also mean the Arizona Department of Revenue, when acting as agent in administering this tax.

(b) The tax collector shall prescribe the forms and procedures necessary for the administration of the taxes imposed by this Chapter.

(c) Except where such regulations would conflict with administrative regulations adopted by the City Council or with provisions of this Chapter, all regulations on the transaction privilege tax adopted by the Arizona Department of Revenue under the authority of A.R.S. Section 42-1005 shall be considered regulations of this Chapter and enforceable as such.

(d) (Reserved)

(e) The Unified Audit Committee shall publish uniform guidelines that interpret the model city tax code and that apply to all cities and towns that have adopted the model city tax code as provided by A.R.S. Section 42-6005.
   (1) prior to finalization of uniform guidelines that interpret the model city tax code, the Unified Audit Committee shall disseminate draft guidelines for public comment.

(2) pursuant to A.R.S. Section 42-6005(d), when the state statutes and the model city tax code are the same and where the Arizona Department of Revenue has issued written guidance, the department's interpretation is binding on cities and towns.

Sec. 7A-510. Divulging of information prohibited; exceptions allowing disclosure.

(a) Except as specifically provided, it shall be unlawful for any official or employee of the City to make known information obtained pursuant to this Chapter concerning the business financial affairs or operations of any person.

(b) The City Council may authorize an examination of any return or audit of a specific taxpayer made pursuant to this Chapter by authorized agents of the Federal Government, the State of Arizona, or any political subdivisions.

(c) The Tax Collector may provide to an Arizona county, city, or town any information concerning any taxes imposed in this Chapter relative to the taxing ordinances of that county, city, or town.

(d) Successors, receivers, trustees, personal representatives, executors, guardians, administrators, and assignees, if directly interested, may be given information by the Tax Collector as to the items included in the measure and amounts of any unpaid tax, interest, and penalties required to be paid.

(e) Upon a written direction by the City Attorney or other legal advisor to the City designated by the City Council, officials or employees of the City may divulge the amount and source of income, profits, leases, or expenditures disclosed in any return or report, and the amount of such delinquent and unpaid tax, penalty, or interest, to a private collection agency having a written collection agreement with the City.

(f) The Tax Collector shall provide information to appropriate representatives of any Arizona city or town to comply with the provisions of A.R.S. Section 42-6003, A.R.S. Section 42-6005, and A.R.S. Section 42-6056.

(g) The Tax Collector may provide information to authorized agents of any other Arizona governmental agency involving the allocation of taxes imposed by Section 7A-435 upon publishing and distribution of periodicals.

(h) The Tax Collector may provide information regarding the enforcement and collection of taxes imposed by this Chapter to any governmental agency with which the City has an agreement.

Sec. 7A-515. (Reserved) (State Administration And Audits)

Sec. 7A-515. Duties Of The Taxpayer Problem Resolution Officer. (Local Audits)

(a) The Taxpayer Problem Resolution Officer shall assist taxpayers in:
  (1) obtaining easily understandable tax information and information on audits, corrections and appeals procedures of the city.
  (2) answering questions regarding preparing and filing the returns required under this chapter.
  (3) locating documents filed with or payments submitted to the Tax Collector by the taxpayer.

(b) The Taxpayer Problem Resolution Officer shall also:
  (1) receive and evaluate complaints of improper, abusive or inefficient service by the Tax Collector or any of his designees, employees, or agents and recommend to the City Manager or, for a City without a City Manager, the Chief Administrative Officer appropriate action to correct such service.
  (2) identify policies and practices of the Tax Collector or any of his designees, employees, or agents that might be barriers to the equitable treatment of taxpayers and recommend alternatives to the City Manager or, for a CITY without a City Manager, the Chief Administrative Officer.

(3) provide expeditious service to taxpayers whose problems are not resolved through normal channels.
(4) negotiate with The Tax Collector, his designees, employees, or agents to resolve the most complex and sensitive taxpayer problems.
(5) take action to stop or prohibit the Tax Collector from taking an action against a taxpayer.
(6) participate and present taxpayers' interests and concerns in meetings formulating the city's policies and procedures under and interpretation of this chapter.
(7) compile data each year on the number and type of taxpayer complaints and evaluate the actions taken to resolve those complaints.
(8) survey taxpayers each year to obtain their evaluation of the quality of service provided by the Tax Collector, his designees, employees, and agents.
(9) perform other functions which relate to taxpayer assistance as prescribed by the City Manager or, for a City without a City Manager, the Chief Administrative Officer.

(c) Actions taken by the Taxpayer Problem Resolution Officer may be reviewed and/or modified only by the City Manager or, for A City without a City Manager, the Chief Administrative Officer upon request of the Tax Collector or a taxpayer.

(d) The Mayor and Council of the City shall be provided with a report quarterly which identifies:
(1) any complaints of improper, abusive or inefficient service received by the Taxpayer Problem Resolution Officer since the date of the last report.
(2) any recommendations made, action taken or surveys obtained by Taxpayer Problem Resolution Officer pursuant to subsection (b)(1)-(9), above, since the date of the last report.

Sec. 7A-516. (Reserved) (State Administration And Audits)

Sec. 7A-516. Taxpayer Assistance Orders. (Local Audits)

(a) The Taxpayer Problem Resolution Officer, with or without a formal written request from a taxpayer, may issue a taxpayer assistance order that suspends or stays an action or proposed action by the Tax Collector if, in the problem resolution officer's determination, a taxpayer is suffering or will suffer a significant hardship due to the manner in which the tax collector is administering the tax laws.

(b) A taxpayer assistance order may require the tax collector to release any lien perfected under this chapter, or cease any action or refrain from taking any action to enforce against the taxpayer any section of this chapter pending resolution of the issue giving rise to the taxpayer assistance order.

(c) The Taxpayer Problem Resolution Officer, City Manager or, for a City without a City Manager, the Chief Administrative Officer may modify, reverse or rescind a taxpayer assistance order. A taxpayer assistance order is binding on the Tax Collector until it is reversed or rescinded.

(d) The running of the applicable statute of limitations for any action that is the subject of a taxpayer assistance order is suspended from the date the taxpayer applies for the order or the date the order is issued, whichever is earlier, until the order's expiration date, modification date or recision date, if any. Interest that would otherwise accrue on an outstanding tax obligation is not affected by the issuance of a taxpayer assistance order.

(e) A taxpayer assistance order may not be used:
(1) to contest the merits of a tax liability.
(2) to substitute for informal protest procedures or administrative or judicial proceedings to review a deficiency assessment, collection action or denial of a refund claim.

Sec. 7A-517. (Reserved) (State Administration And Audits)

Sec. 7A-517. Basis For Evaluating Employee Performance. (Local Audits)

(a) The Tax Collector shall solicit evaluations from taxpayers and include such evaluations in the performance appraisals of his employees, where applicable.

(b) The Tax Collector shall not evaluate an employee on the basis of taxes assessed or collected by that employee.

Sec. 7A-520. Reporting and payment of tax.

(a) The taxpayer shall be required to use the report form authorized by the Tax Collector and shall mail or deliver the same, together with remittance for the amount of tax due, payable to the City of San Luis, to the Tax Collector or any City representative or agent authorized to receive such payment. The tax return shall be signed by the taxpayer or his authorized agent, and such signature shall be evidence that the person signing the return verifies the accuracy of the information supplied in the return.

(b) Payment. If payment is made in any form other than United States legal tender, the tax obligation shall not be satisfied until the payment has been honored in funds.

(c) Requirement of Security. If a taxpayer has remitted payment in the form of a check or other form of draw upon a bank or third party and such remittance has not been honored in funds, the Tax Collector may demand security for future payments.

(d) Method of Reporting. Each taxpayer shall elect to report on either a cash receipts basis or an accrual basis and shall indicate the choice on the Privilege License application. A taxpayer shall not change his reporting method without receiving prior written approval by the Tax Collector.
   (1) Taxpayers must report all gross income subject to the tax using the same basis of reporting.
   (2) Taxes imposed upon construction contracting shall be reported as follows:
      (A) Construction contractors shall report on either a progressive billing ("accrual") basis or cash receipts basis.
      (B) Speculative builders shall report the gross income derived from sale of improved real property at close of escrow or at transfer of title or possession, whichever occurs earlier.
      (C) Owner-builders who are not speculative builders shall report taxable amounts as provided in Section 7A-417.

Sec. 7A-530. When tax due; when delinquent; verification of return; extensions.

(a) Except as otherwise specified in this Section, the taxes levied under this Chapter shall be due, payable, and delinquent on the dates specified for the State Transaction Privilege Taxes in A.R.S. Section 42-5014. The taxpayer shall report on the taxes imposed by this Chapter at such frequency to be identical to the taxpayer's reporting frequency for the reporting of State Transaction Privilege Taxes.

(b) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) The Tax Collector may for good cause extend the date for making any return required under the provisions of this Section as prescribed by A.R.S. Section 42-1107.

Sec. 7A-540. Interest and civil penalties.

Any taxpayer who shall have failed to timely pay any taxes imposed by this Chapter, or file a report for the same in a timely manner, or fail or refuse to allow examination of records by the Tax Collector, shall be subject to any interest or civil penalties on such tax in like manner as such interest and penalties are provided in A.R.S. Sections 42-1123 and 42-1125 for the State Transaction Privilege Tax.

(a) (Reserved)

(b) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) (Reserved)

(f) (Reserved)

(g) (Reserved)

(h) (Reserved)

(i) (Reserved)

Sec. 7A-541. (Reserved) (State Administration And Audits)

Sec. 7A-541. Erroneous Advice Or Misleading Statements By The Tax Collector; Abatement Of Penalties And Interest; Definition. (Local Audits)

(a) Notwithstanding Section 7A-540(a), no interest or penalty may be assessed on an amount assessed as a deficiency if either:
   (1) the deficiency assessed is directly attributable to erroneous written advice furnished to the taxpayer by an employee of the City acting in an official capacity in response to a specific request from the taxpayer and not from the taxpayer's failure to provide adequate or accurate information.
   (2) all of the following are true:
      (a) a tax return form prepared by the Tax Collector contains a statement that, if followed by a taxpayer, would cause the taxpayer to misapply this Chapter.
      (b) the taxpayer reasonably relies on the statement.
      (c) the taxpayer's underpayment directly results from this reliance.

(b) Each employee of the Tax Collector, at the time any oral advice is given to any person, shall inform the person that the Tax Collector is not bound by such oral advice.

(c) For purposes of this Section "tax return form" includes the instructions that the Tax Collector prepares for use with the tax return form.

Sec. 7A-542. Prospective application of new law or interpretation or application of law.

(a) Unless expressly authorized by law, the Tax Collector shall not apply any newly enacted legislation retroactively or in a manner that will penalize a taxpayer for complying with prior law.

(b) If the Tax Collector adopts a new interpretation or application of any provision of this Chapter or determines that any provision applies to a new or additional category or type of business and the change in interpretation or application is not due to a change in the law:
(1) the change in interpretation or application applies prospectively only unless it is favorable to taxpayers.
(2) the Tax Collector shall not assess any tax, penalty or interest retroactively based on the change in interpretation or application.

(c) For purposes of subsection (b), "new interpretation or application" includes policies and procedures which differ from established interpretations of this Chapter.

(d) (Reserved)

Sec. 7A-545. Deficiencies; when inaccurate return is filed; when no return is filed; estimates.

(a) If a taxpayer has failed to file a return or if the Tax Collector is not satisfied with the return or payment of tax required, the Tax Collector may re-determine the tax due, plus penalties and interest, and notify the taxpayer, as provided and prescribed by A.R.S. Sections 42-1108 and 42-1109.
(1) (Reserved)
(2) (Reserved)

(b) Estimates by the Tax Collector. Any estimate made by the Tax Collector is to be made on a reasonable basis. The existence of another reasonable basis of estimation does not, in any way, invalidate the Tax Collector's estimate. It is the responsibility of the taxpayer to prove that the Tax Collector's estimate is not reasonable and correct, by providing sufficient documentation of the type and form required by this Chapter or satisfactory to the Tax Collector.

Sec. 7A-546. (Reserved) (State Administration And Audits)

Sec. 7A-546. Closing Agreements In Cases Of Extensive Taxpayer Misunderstanding Or Misapplication; Approval; Rules. (Local Audits)

(a) If the Tax Collector determines that noncompliance with tax obligations results from extensive misunderstanding or misapplication of provisions of this Chapter it may enter into closing agreements with those taxpayers under the following terms and conditions:
(1) Extensive misunderstanding or misapplication of the tax laws occurs if the tax collector determines that more than sixty percent (60%) of the persons in the affected class have failed to properly account for their taxes owing to the same misunderstanding or misapplication of the tax laws.
(2) The Tax Collector shall publicly declare the nature of the possible misapplication and the proposed definition of the class of affected taxpayers and shall conduct a public hearing to hear testimony regarding the extent of the misapplication and the definition of the affected class.
(3) If, after the public hearing, the Tax Collector determines that a class of affected taxpayers has failed to comply with their tax obligations because of extensive misunderstanding or misapplication of the tax laws it shall issue a tax ruling announcing that finding and publish the ruling in a newspaper of general circulation in the City and through the next two model city tax code updates.

(4) A closing agreement under this Section may abate some or all of the penalties, interest and tax that taxpayers have failed to remit, or the agreement may provide for the prospective treatment of the matter as to the class of affected taxpayers. All taxpayers in the class shall be offered the opportunity to enter into a similar agreement for the same tax periods.

(5) Taxpayers in the affected class who have properly accounted for their tax obligations for these tax periods shall be offered the opportunity to enter into an equivalent closing agreement providing for a pro rata credit or refund of their taxes previously paid.

(6) The closing agreement shall require the taxpayers to properly account for and pay such taxes in the future. If a taxpayer fails to adhere to such a requirement, the closing agreement is voidable by the Tax Collector and he may assess the taxpayer for the delinquent taxes. The Tax Collector may issue such a proposed assessment within six months after the date that he declares that closing agreement void or within the period prescribed by section 7A-550 of this Chapter.

(b) Before entering into closing agreements pursuant to this section, the tax collector shall secure such approval as required by charter, ordinance or administrative regulation.

(c) After a closing agreement has been signed pursuant to this Section, it is final and conclusive except on a showing of fraud, malfeasance or misrepresentation of a material fact. The case shall not be reopened as to the matters agreed upon or the agreement shall not be modified by any officer, employee or agent of the City. The agreement or any determination, assessment, collection, payment abatement, refund or credit made pursuant to the agreement shall not be annulled, modified, set aside or disregarded in any suit, action or proceeding.

(d) The Tax Collector shall report in writing its activities under this Section to the Mayor and City Council on or before February 1 of each year.

Sec. 7A-550. Limitation periods.

(a) Except as provided elsewhere in this Chapter, deficiency assessments for the taxes imposed by this Chapter must be issued within the limitation periods prescribed in A.R.S. Section 42-1104, and must meet the provisions of A.R.S. Section 42-1108.

(b) (Reserved)

(c) In cases of failure to file a return or a false or fraudulent return, the limitation period shall be as prescribed in A.R.S. Section 42-1109.

(d) Special provisions relating to owner-builders. The limitation for an owner-builder subject to the tax as prescribed in Section 7A-417 shall be based upon the date such tax liability is reportable or was reported, as provided in Section 7A-417.

Sec. 7A-553. (Reserved) (State Administration And Audits)

Sec. 7A-553. Examination Of Taxpayer Records; Joint Audits. (Local Audits)

(a) Waiver of joint audit. A taxpayer that does not authorize a joint audit to be conducted for a tax jurisdiction is subject to audit by that tax jurisdiction at any time subject to the limitation provisions provided in section 7A-550.

(b) Tax jurisdiction acceptance of joint audit. If the Arizona Department Of Revenue intends to conduct an audit of a taxpayer, the cities or towns for whom a joint audit is being conducted may accept the audit by the Arizona Department Of Revenue or may elect to have a representative participate, provided that no more than two city or town representatives in total may participate.

(1) If a city or town does not accept the audit as a joint audit, the city or town may not conduct an audit of the taxpayer for forty-two months from the close of the last tax period covered by the audit unless an exception applies to that taxpayer pursuant to A.R.S. Section 42-2059.

(2) If a joint audit is performed by a city or town, the Arizona Department Of Revenue is not prohibited from conducting an audit that does not violate the provisions of A.R.S. Section 42-2059.

Sec. 7A-555. Tax Collector may examine books and other records; failure to provide records.

(a) The Tax Collector may require the taxpayer to provide and may examine any books, records, or other documents of any person who, in the opinion of the Tax Collector, might be liable for any tax under this Chapter, for any periods available to him under Section 7A-550.

(b) (Reserved)

(c) (Reserved)

(d) The Tax Collector may use any generally accepted auditing procedures, including sampling techniques, to determine the correct tax liability of any taxpayer. The Tax Collector shall ensure that the procedures used are in accordance with generally accepted auditing standards.

(e) The fact that the taxpayer has not maintained or provided such books and records which the Tax Collector considers necessary to determine the tax liability of any person does not preclude the Tax Collector from making any assessment. In such cases, the Tax Collector is authorized to use estimates, projections, or samplings, to determine the correct tax. The provisions of Section 7A-545(b), concerning estimates, shall apply.

(f) (Reserved)

Sec. 7A-556. (Reserved) (State Administration And Audits)

Sec. 7A-556. No Additional Audits Or Proposed Assessments; Exceptions. (Local Audits)

(a) Once the Tax Collector completes an examination authorized by section 7A-555 and a written notice of the determination of a deficiency has been issued to the taxpayer pursuant to Section 7A-545(a) or 7A-555(f), the taxpayer's liability for the time period subjected to the examination is fixed and determined, and no additional audit or examination may be conducted by the tax collector with respect to such time period except under the following circumstances.
   (1) If a taxpayer files a claim for refund under section 7A-560, the Tax Collector may conduct an examination limited to the issues presented in the refund claim.
   (2) If the taxpayer failed to disclose material information during the initial examination, falsified books or records, or otherwise engaged in conduct which prevented the Tax Collector from conducting an accurate examination. The applicability of this subsection, and the Tax Collector's right to proceed thereunder, may be raised and contested by the taxpayer in a subsequent administrative review brought pursuant to section 7A-570.

(b) An audit or examination conducted by any other taxing jurisdiction will not preclude the Tax Collector from conducting an audit or examination for the same time period.

(c) If the Tax Collector issues a notice of deficiency pursuant to either section 7A-545(a) or section 7A-555(f), the tax collector may not increase the proposed deficiency except in one or more of the following circumstances:
   (1) the taxpayer made a material misrepresentation of fact.
   (2) the taxpayer failed to disclose a material fact.
   (3) the Tax Collector submitted a written request for information and the taxpayer, despite possessing or having access to such information, failed to provide it within 60 days as required by section 7A-555(c).
   (4) after issuing the notice of determination of deficiency but before the deficiency became final, the Arizona Tax Court, Court Of Appeals or Supreme Court issued a decision, the applicability of which causes the deficiency initially proposed to increase.

Sec. 7A-560. Erroneous payment of tax; credits and refunds; limitations.

(a) Except as provided in Section 7A-565, the period within which a claim, meeting the requirements of subsection (c) of this Section, for credit may be filed, or refund allowed or made if no claim is filed, shall be as provided in A.R.S. Sections 42-1106 and 42-1118. For purposes of this Section, "claimant" means a taxpayer that has paid a tax imposed under this article and has submitted a credit or refund claim under this Section. Except where the taxpayer has granted a customer a power of attorney to pursue a credit or refund claim on the taxpayer's behalf, claimant does not include any customer of such taxpayer, whether or not the claimant collected the tax from customers by separately stated itemization.

(b) (Reserved)

(c) A credit or refund claim submitted by a claimant for credit or refund of any taxes, penalties, or interest paid must be in writing and:
(1) Identify the name, address and city tax identification number of the taxpayer; and
(2) Identify the dollar amount of the credit or refund requested; and
(3) Identify the specific tax period involved; and
(4) Identify the specific grounds upon which the claim is based.

(d) (Reserved)

(e) (Reserved)

(f) Interest shall be allowed on the overpayment of tax for any credit or refund authorized pursuant to this Section at the rate and in the manner set forth in Section 7A-540(a). Interest shall be calculated from the date the Tax Collector receives the claimant's written claim meeting the requirements of subsection (c) of this Section.

(g) The denial of a refund by the Tax Collector is subject to the provisions of A.R.S. Section 42-1119.

(h) Claimants shall be subject to the State taxpayer bill of rights (A.R.S. Section 42-2051 et. seq.), except that reasonable fees and other costs may be awarded and are not subject to the monetary limitations of A.R.S. Section 42-2064 if the Tax Collector's position was not substantially justified or was brought for the purpose of harassing the claimant, frustrating the credit or refund process or delaying the credit or refund. For the purposes of this Section, "reasonable fees and other costs" means fees and other costs that are based on prevailing market rates for the kind and quality of the furnished services, not to exceed the amounts actually paid for expert witnesses, the cost of any study, analysis, report, test, project or computer program that is found to be necessary to prepare the claimant's case and necessary fees for attorneys or other representatives.

(i) (Reserved)

(j) Any refund paid under the provisions of this Section shall be paid from the Privilege Tax revenue accounts.

Sec. 7A-565. Payment of tax by the incorrect taxpayer or to the incorrect Arizona city or town.

(a) When it is determined that taxes have been reported and paid to the City by the wrong taxpayer, any taxes erroneously paid shall be transferred by the City to the privilege tax account of the person who actually owes and should have paid such taxes, provided that the City receives an assignment and waiver signed by both the person who actually paid the tax and the person who should have paid the tax.

(b) An assignment and waiver provided under this Section must:

(1) identify the name and City privilege license number of the person who erroneously paid the tax and the person who should have paid the tax.
(2) provide that the person who erroneously paid the tax waives any right such person may have to a refund of the taxes erroneously paid.
(3) authorize the City Treasurer to transfer the erroneously paid tax to the privilege tax account of the person who should have paid the tax.

(c) When it is determined that taxes have been reported and paid to the wrong Arizona city or town, such taxes shall be remitted to the correct city or town, provided that the city or town to whom the taxes were erroneously paid receives an assignment and waiver signed by both the person who actually paid the tax and the person who should have paid the tax. Where the person who actually paid the tax and the person who should have paid the tax are one and the same, no assignment and waiver need be provided. The City shall neither pay nor charge any interest or penalty on any overpayment or underpayment except such interest and penalty actually paid by the taxpayer relating to such tax.

(d) This Section in no way limits or restricts the applicability of any remedies which may otherwise be available under A.R.S. Section 42-6003. The limitations and procedures set forth in A.R.S. Section 42-6003 shall apply to all payments under this Section.

(e) When reference is made in this Section to this City or an Arizona city or town, and payments made to or requested from this City or an Arizona city or town, the provisions shall be applicable to the Arizona Department of Revenue when it is acting for or on behalf of this City or an Arizona city or town.

Sec. 7A-567. (Reserved)

Sec. 7A-570. Administrative review; petition for hearing or for redetermination; finality of order. (State Administration And Audits)

(a) Closing agreements between the Tax Collector and a taxpayer have no force of law unless made in accordance with the provisions of A.R.S. Section 42-1113.

(b) Administrative review.
(1) Petitions of appeal shall be made to, and hearings shall be conducted by, the Arizona Department of Revenue, in accordance with the provisions of A.R.S. Section 42-1251, as modified by Section 7A-571.
(2) Extension to file a petition. In all cases, the taxpayer may request an extension from the Tax Collector. Such request must be in writing, state the reasons for the requested delay, and must be filed with the Tax Collector within the period allowed above for originally filing a petition. The Tax Collector shall allow a forty-five day extension to file a petition, when such written request has been properly and timely made by the taxpayer. The Tax Collector may grant an additional extension and may determine the corresponding time of any such
(3) (Reserved)
(4) (Reserved)
(5) Hearings shall be held by the Arizona Department of Revenue in accordance with the provisions of A.R.S. Section 42-1251. The Department's decision may be appealed to the State Board of Tax Appeals, in accordance with the provisions of A.R.S. Section 42-1253.
(6) (Reserved)
(7) (Reserved)
(8) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) Taxpayers shall be subject to the state taxpayer bill of rights (A.R.S. § 42-2051 et. Seq.).

Sec. 7A-570. Administrative Review; Petition For Hearing Or For Redetermination; Finality Of Order. (Local Audits)

For the purposes of this Section, "Municipal Tax Hearing Office" means the administrative offices of the municipal tax hearing officer.

(a) Informal Conference. A taxpayer shall have the right to discuss any proposed assessment with the auditor prior to the issuance of any assessment, but any such informal conference is not required for the taxpayer to file a petition for administrative review.

(b) Administrative Review.

(1) Filing a Petition. Other than in the case of a jeopardy assessment, a taxpayer may contest the applicability or amount of tax, penalty, or interest imposed upon or paid by him pursuant to this Chapter by filing a petition for a hearing or for redetermination with the Tax Collector as set forth below:

(A) within forty-five (45) days of receipt by the taxpayer of notice of a determination by the tax collector that a tax, penalty, or interest amount is due, or that a request for refund or credit has been denied; or

(B) by voluntary payment of any contested amount when accompanied by a timely filed return and a petition requesting a refund of the protested portion of said payment; or

(C) by petition accompanying a timely filed return contesting an amount reported but not paid; or

(D) by petition requesting review of denial of waiver of penalty as provided in subsection 7A-540(g).

(2) Extension to file a petition. In all cases, the taxpayer may request only one (1) extension from the Tax Collector. Such request must be in writing, state the reasons for the requested delay and time of delay requested, and must be filed with the Tax Collector within the period allowed above for originally filing a petition. The Tax Collector shall allow such extension to file a petition, when such written request has been properly and timely made by the taxpayer, but such extension shall not exceed forty-five (45) days beyond the time provided for originally filing a petition.

(3) Requirements for petition.

(A) The petition shall be in writing and shall set forth the reasons why any correction, abatement, or refund should be granted, and the amount of reduction or refund requested. The petition may be amended at any time prior to the time the taxpayer rests his case at the hearing or such time as the Hearing Officer allows for submitting of amendments in cases of redeterminations without hearings. The Hearing Officer may require that amendments be in writing, and in that case, he shall provide a reasonable period of time to file the amendment. The Hearing Officer shall provide a reasonable period of time for the Tax Collector to review and respond to the petition and to any written amendments.

(B) The taxpayer, as part of the petition, may request a hearing which shall be granted by the Hearing Officer. If no request for hearing is made the petition shall be considered to be submitted for decision by the Hearing Officer on the matters contained in the petition and in any reply made by the Tax Collector.

(C) The provisions of this Section are exclusive, and no petition seeking any correction, abatement, or refund shall be considered unless the petition is timely and properly filed under the Section.

(4) Transmittal to Hearing Officer. The City shall designate a Hearing Officer, who may be other than an employee of the city. The Tax Collector, if designated to receive petitions, shall forward any petition to the Municipal Tax Hearing Officer (MTHO) within twenty (20) days after receipt, accompanied by documentation as to timeliness. In cases where the Hearing Officer determines that the petition is not timely or not in proper form, he shall notify both the taxpayer and the Tax Collector; and in cases of petitions not in proper form only, the Hearing Officer shall provide the taxpayer with an extension up to forty-five (45) days to correct the petition.

(5) Hearings shall be conducted by a hearing officer and shall be continuous until the Hearing Officer closes the record. The taxpayer may be heard in person or by his authorized representative at such hearing. Hearings shall be conducted informally as to the order of proceeding and presentation of evidence. The Hearing Officer shall admit evidence over hearsay objections where the offered evidence has substantial probative value and reliability. Further, copies of records and documents prepared in the ordinary course of business may be admitted, without objection as to foundation, but subject to argument as to weight, admissibility, and authenticity. Summary accounting records may be admitted subject to satisfactory proof of the reliability of the summaries. In all cases, the decision of the Hearing Officer shall be made solely upon substantial and reliable evidence. All expenses incurred in the hearing shall be paid by the party incurring the same.

(6) Redeterminations upon a "petition for redetermination" shall follow the same conditions, except that no oral hearing shall be held.

(7) Hearing Ruling. In either case, the hearing officer shall issue his ruling not later than forty-five (45) days after the close of the record by the Hearing Officer.

(8) Notice of refund or adjusted assessment. Within sixty (60) days of the issuance of the Hearing Officer's decision, the Tax Collector shall issue to the taxpayer either a notice of refund or an adjusted assessment recalculated to conform to the Hearing Officer's decision.

(c) Stipulations that future tax is also protested. A taxpayer may enter into a stipulation with the Tax Collector that future taxes of similar nature are also at issue in any protest or appeal. However, unless such stipulation is made, it is presumed that the protest or appeal deals solely and exclusively with the tax specifically protested and no other. When a taxpayer enters into such a stipulation with the Tax Collector that future taxes of similar nature will be included in any redetermination, hearing, or court case, it is the burden of that taxpayer to identify, segregate, and keep record of such income or protested taxable amount in his books and records in the same manner as the taxpayer is required to segregate exempt income.

(d) When an assessment is final.

(1) If a request for administrative review and petition for hearing or redetermination of an assessment made by the tax collector is not filed within the period required by subsection (b) above, such person shall be deemed to have waived and abandoned the right to question the amount determined to be due and any tax, interest, or penalty determined to be due shall be final as provided in subsections 7A-545(a) and 7A-555(f).

(2) The decision made by the Hearing Officer upon administrative review by hearing or redetermination shall become final thirty (30) days after the taxpayer receives the notice of refund or adjusted assessment required by subsection (b)(8) above, unless the taxpayer appeals the order or decision in the manner provided in section 7A-575.

(e) The provisions of the State taxpayer bill of rights (A.R.S. Section 42-2051 et. seq.) shall not apply.

Sec. 7A-571. Jeopardy assessments. (State Administration And Audits)

(a) If the Tax Collector believes that collection of any amounts imposed by this Chapter will be jeopardized by delay, he shall issue notice to the taxpayer in accordance with the provisions of A.R.S. Section 42-1111.

(b) In cases where such jeopardy notice has been issued, the taxpayer must meet the provisions of A.R.S. Section 42-1111, concerning appeals of jeopardy assessments, before any request for administrative review shall be honored. Any bond or collateral that may be required shall meet the provisions of A.R.S. Section 42-1102.

(c) (Reserved)

(d) (Reserved)

(e) (Reserved)

Sec. 7A-571. Jeopardy Assessments. (Local Audits)

(a) If the Tax Collector believes that the collection of any assessment or deficiency of any amounts imposed by this Chapter will be jeopardized by delay, he shall deliver to the taxpayer a notice of such finding and demand immediate payment of the tax or deficiency declared to be in jeopardy, including interest, penalties, and additions.

(b) Jeopardy assessments are immediately due and payable, and the Tax Collector may immediately begin proceedings for collection. The taxpayer, however, may stay collection by filing, within ten (10) days after receipt of notice of jeopardy assessment, or within such additional time as the Tax Collector may allow, by bond or collateral in favor of the City in the amount Tax Collector declared to be in jeopardy in his notice.

(c) "Bond or Collateral", as required by this Section,
  (1) shall mean either:
    (A) a bond issued in favor of the City by a surety company authorized to transact business in this State and approved by the Director of Insurance as to solvency and responsibility, or
    (b) collateral composed of securities or cash which are deposited with, and kept in the custody of, the Tax Collector.
  (2) shall be of such form that it may, at any time without notice, be applied to any tax, penalties, or interest due and payable for the purposes of this Chapter. Securities held as collateral by the Tax Collector must be of a nature that they may be sold at public or private sale without notice to the taxpayer.

(d) If bond or collateral is not filed within the period prescribed by subsection (b) above, the Tax Collector may treat the assessment as final for purposes of any collection proceedings. The taxpayer nevertheless shall be afforded the appeal rights provided in Sections 7A-570 and 7A-575. The filing of a petition by the taxpayer under section 7A-570, however, shall not stay the Tax Collector's rights to pursue any collection proceedings.

(e) If the taxpayer timely files sufficient bond or collateral, the jeopardy requirements are deemed satisfied, and the taxpayer may avail himself of the provisions of section 7A-570, including requests for additional time to file a petition.

Sec. 7A-572. (Reserved) (State Administration And Audits)

Sec. 7A-572. Expedited Review Of Jeopardy Assessments. (Local Audits)

(a) Within thirty (30) days after the day on which the Tax Collector furnishes the written notice required by section 7A-571(a), the taxpayer, pursuant to section 7A-570, may request the Tax Collector to review the action taken. Within fifteen (15) days after the request for review, the Tax Collector shall determine whether both the jeopardy determination and the amount assessed are reasonable.

(b) Within thirty (30) days after the Tax Collector notifies the taxpayer of the determination he reached pursuant to subsection (a) above, the taxpayer may bring a civil action in the appropriate court. If the taxpayer so requests, the City shall stipulate to an accelerated and expedited resolution of the civil action. If the court determines that either the jeopardy determination or the amount assessed is unreasonable, the court may order the Tax Collector to abate the assessment, to re-determine any part of the amount assessed or to take such other action as the court finds to be appropriate. a determination made by the court under this subsection is final except as provided in Arizona Revised Statutes § 12-170.

Sec. 7A-575. Judicial review. (State Administration And Audits)

(a) Appeal of a State Board of Tax Appeals decision to the courts is valid only if all the provisions of A.R.S. Section 42-1254 are met.

(b) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) The City has the burden of proof by a preponderance of the evidence in any court proceeding regarding any factual issue relevant to ascertaining the tax liability of a taxpayer. This subsection does not abrogate any requirement of this Chapter that requires a taxpayer to substantiate an item of gross income, exclusion, exemption, deduction, or credit. This subsection applies to a factual issue if a preponderance of the evidence demonstrates that:
   (1) the taxpayer asserts a reasonable dispute regarding the issue.
   (2) the taxpayer has fully cooperated with the tax collector regarding the issue, including providing within a reasonable period of time, access to and inspection of all witnesses, information and documents within the taxpayer's control, as reasonably requested by the tax collector.
   (3) the taxpayer has kept and maintained records as required by the City.

(f) The issuance of an adjusted or corrected assessment or notice of refund due to the taxpayer, where made by the Tax Collector pursuant to the decision of the Hearing Officer, shall not be deemed an acquiescence by the City or the Tax Collector in said decision, nor shall it constitute a bar or estoppel to the institution of an action or counterclaim by the City to recover any amounts claimed to be due to it by virtue of the original assessment.

(g) After the initiation of any action in the appropriate court by either party, the opposite party may file such counterclaim as would be allowed pursuant to the Arizona Rules of Civil Procedure.

Sec. 7A-575. Judicial Review. (Local Audits)

(a) A taxpayer may seek judicial review of all or any part of a Hearing Officer's decision by initiating an action against the City in the appropriate Court of this County. A taxpayer is not required to pay any tax, penalty, or interest upheld by the Hearing Officer before seeking such judicial review.

(b) The Tax Collector may seek judicial review of all or any part of a Hearing Officer's decision by initiating an action in the appropriate Court of this County.

(c) An action for judicial review cannot be commenced by either the taxpayer or the Tax Collector more than thirty (30) days after receipt by the taxpayer of notice of any refund or assessment recalculated or reduced to conform to the Hearing Officer's decision, unless the time to commence such an action is extended in writing signed by both the taxpayer and the Tax Collector. Failure to bring the action within thirty (30) days or such other time as is agreed upon in writing shall constitute a waiver of any right to judicial review, except as provided in subsection (f) below.

(d) The court shall hear and determine the appeal as a trial de novo; however, the Tax Collector cannot raise in the court any grounds or basis for the assessment not asserted before the Hearing Officer. Nothing in this subsection, however, shall preclude the Tax Collector from responding to any arguments which are raised by the taxpayer in the appeal.

(e) The city has the burden of proof by a preponderance of the evidence in any court proceeding regarding any factual issue relevant to ascertaining the tax liability of a taxpayer. This subsection does not abrogate any requirement of this Chapter that requires a taxpayer to substantiate an item of gross income, exclusion, exemption, deduction, or credit. This subsection applies to a factual issue if a preponderance of the evidence demonstrates that:

(1) the taxpayer asserts a reasonable dispute regarding the issue.
(2) the taxpayer has fully cooperated with the Tax Collector regarding the issue, including providing within a reasonable period of time, access to and inspection of all witnesses, information and documents within the taxpayer's control, as reasonably requested by the Tax Collector.
(3) the taxpayer has kept and maintained records as required by the City.

(f) The issuance of an adjusted or corrected assessment or notice of refund due to the taxpayer, where made by the Tax Collector pursuant to the decision of the Hearing Officer, shall not be deemed an acquiescence by the City or Tax Collector in said decision, nor shall it constitute a bar or estoppel to the institution of an action or counterclaim by the City to recover any amounts claimed to be due to it by virtue of the original assessment.

(g) After the initiation of any action in the appropriate court by either party, the opposite party may file such counterclaim as would be allowed pursuant to the Arizona Rules of Civil Procedure.

Sec. 7A-577. (Reserved)

Sec. 7A-578. (Reserved) (State Administration And Audits)

Sec. 7A-578. Reimbursement Of Fees And Other Costs; Definitions. (Local Audits)

(a) A taxpayer who is a prevailing party may be reimbursed for reasonable fees and other costs related to any administrative proceeding brought by the taxpayer pursuant to section 7A-570(b). For purposes of this Section, a taxpayer is considered to be the prevailing party only if both of the following are true:
(1) the Tax Collector's position was not substantially justified.
(2) the taxpayer prevails as to the most significant issue or set of issues.

(b) Reimbursement under this Section may be denied if any of the following circumstances apply:
(1) during the course of the proceeding the taxpayer unduly and unreasonably protracted the final resolution of the matter.
(2) the reason that the taxpayer prevailed is due to an intervening change in the applicable law.

(c) The taxpayer shall present an itemization of the reasonable fees and other costs to the Taxpayer Problem Resolution Officer within thirty (30) days after receipt by the taxpayer of a notice of refund or recalculated assessment issued by the Tax Collector pursuant to section 7A-570(b)(8). The Taxpayer Problem Resolution Officer shall determine the validity of the fees and other costs within thirty (30) days after receiving the itemization. The Taxpayer Problem Resolution Officer's decision is considered a final decision. Either the taxpayer or The Tax Collector may seek judicial review of the Taxpayer Problem Resolution Officer's decision. An action for judicial review, however, shall not be commenced more than thirty (30) days after receipt of the resolution officer's decision.

(d) In the event judicial review is not sought pursuant to subsection (c) above, the City shall pay the fees and other costs awarded as provided in this Section within thirty days after demand by a person who has received an award pursuant to this Section.

(e) Reimbursement to a taxpayer under this Section shall not exceed twenty thousand dollars or actual monies spent, whichever is less. The reimbursable attorney or representative fees shall not exceed one hundred dollars per hour or actual monies spent, whichever is less, unless the Taxpayer Problem Resolution Officer determines that an increase in the cost of living or a special factor such as the limited availability of qualified attorneys or representatives for the proceeding involved justifies a higher fee.

(f) For purposes of this Section "reasonable fees and other costs" means fees and other costs that are based on prevailing market rates for the kind and quality of the furnished services, but not exceeding the amounts actually spent for expert witnesses, the cost of any study, analysis, report, test or project that is found to be necessary to prepare the party's case and necessary fees for attorneys or other representatives.

Sec. 7A-580. Criminal penalties.

(a) It is unlawful for any person to knowingly or willfully:
- (1) fail or refuse to make any return required by this Chapter.
- (2) fail to remit as and when due the full amount of any tax or additional tax or penalty and interest thereon.
- (3) make or cause to be made a false or fraudulent return.
- (4) make or cause to be made a false or fraudulent statement in a return, in written support of a return, or to demonstrate or support entitlement to a deduction, exclusion, or credit or to entitle the person to an allocation or apportionment or receipts subject to tax.
- (5) fail or refuse to permit any lawful examination of any book, account, record, or other memorandum by the Tax Collector.
- (6) fail or refuse to remit any tax collected by such person from his customer to the Tax Collector before the delinquency date next following such collection.
- (7) advertise or hold out to the public in any manner, directly or indirectly, that any tax imposed by this Chapter, as provided in this Chapter, is not considered as an element in the price to the consumer.
- (8) fail or refuse to obtain a Privilege License or to aid or abet another in any attempt to intentionally refuse to obtain such a license or evade the license fee.
- (9) reproduce, forge, falsify, fraudulently obtain or secure, or aid or abet another in any attempt to reproduce, forge, falsify, or fraudulently obtain or secure, an exemption from taxes imposed by this Chapter.

(b) The violation of any provision of subsection (a) above shall constitute a Class One Misdemeanor.

(c) In addition to the foregoing penalties, any person who shall knowingly swear to or verify any false or fraudulent statement, with the intent aforesaid, shall be guilty of the offense of perjury and on conviction thereof shall be punished in the manner provided by law.

Sec. 7A-590. Civil actions. (State Administration And Audits)

(a) Liens.
- (1) Any tax, penalty, or interest imposed under this Chapter which has become final, as provided in this Chapter, shall become a lien when the City perfects a notice and claim of lien setting forth the name of the taxpayer, the amount of the tax, penalty, and interest, the period or periods for which the same is due, and the date of accrual thereof, the amount of the recording costs by the county recorder in any county in which the taxpayer owns real property and the documentation and lien processing fees imposed by the City council and further, stating that the City claims a lien therefor.
- (2) The notice of claim of lien shall be signed by the city clerk under his official seal or the official seal of the City, and, with respect to real property, shall be recorded in the office of the County Recorder of any county in which the taxpayer owns real property, and, with respect to personal property shall be filed in the office of the Secretary of State. After the notice and claim of lien is recorded or filed, the taxes, penalties, interest and recording costs and lien processing fees referred to above in the amounts specified therein shall be a lien on all real property of the taxpayer located in such county where recorded, and all tangible personal property of the taxpayer within the State, superior to all other liens and assessments recorded or filed subsequent to the recording or filing of the notice and claim of lien.

(3) Every tax and any increases, interest, penalties, and recording costs and lien processing fees referred to above, shall become from the time the same is due and payable a personal debt from the person liable to the City, but shall be payable to and recoverable by the Tax Collector and which may be collected in the manner set forth in subsection (b) below.

(4) Any lien perfected pursuant to this Section shall, upon payment of the taxes, penalties, interest, recording costs and lien processing fees referred to above and lien release fees imposed by the county recorder in any county in which the lien was recorded, thereby, be released by the Tax Collector in the same manner as mortgages and judgments are released. The Tax Collector may, at his sole discretion, release a lien in part, that is, against only specified property, for partial payment of moneys due the City.

(b) Actions to recover tax. The Arizona Department of Revenue, or any agent or representative authorized by that Department, may bring action, in the name of the City, to recover taxes as provided in A.R.S. Section 42-1114.

Sec. 7A-590. Civil Actions. (Local Audits)

(a) Liens.

(1) Any tax, penalty, or interest imposed under this Chapter which has become final, as provided in this Chapter, shall become a lien when the City perfects a notice and claim of lien setting forth the name of the taxpayer, the amount of the tax, penalty, and interest, the period or periods for which the same is due, and the date of accrual thereof, the amount of the recording costs by the county recorder in any county in which the taxpayer owns real property and the documentation and lien processing fees imposed by the City Council and further, stating that the City claims a lien therefor.

(2) The notice of claim of lien shall be signed by the City Clerk under his official seal or the official seal of the City, and, with respect to real property, shall be recorded in the office of the county recorder of any county in which the taxpayer owns real property, and, with respect to personal property shall be filed in the office of the Secretary Of State. After the notice and claim of lien is recorded or filed, the taxes, penalties, interest and recording costs and lien processing fees referred to above in the amounts specified therein shall be a lien on all real property of the taxpayer located in such county where recorded, and all tangible personal property of the taxpayer within the state, superior to all other liens and assessments recorded or filed subsequent to the recording or filing of the notice and claim of lien.

(3) Every tax and any increases, interest, penalties, and recording costs and lien processing fees referred to above, shall become from the time the same is due and payable a personal debt from the person liable to the City, but shall be payable to and recoverable by the Tax Collector and which may be collected in the manner set forth in subsection (b) below.

(4) Any lien perfected pursuant to this Section shall, upon payment of the taxes, penalties, interest, recording costs and lien processing fees referred to above and lien release fees imposed by the county recorder in any county in which the lien was recorded, thereby, be released by the Tax Collector in the same manner as mortgages and judgments are released. The Tax Collector may, at his sole discretion, release a lien in part, that is, against only specified property, for partial payment of moneys due the city.

(b) Actions to recover tax. An action may be brought by the City Attorney or other legal advisor to the City designated by the City Council, at the request of the Tax Collector, in the name of the City, to recover the amount of any taxes, penalties, interest, recording costs, lien processing fees and lien release fees due under this Chapter; provided that:

(1) no action or proceeding may be taken or commenced to collect any taxes levied by this Chapter until the amount thereof has been established by assessment, correction, or reassessment; and

(2) such collection effort is made or the proceedings begun:

(a) within six (6) years after the assessment of the tax; or

(b) prior to the expiration of any period of collection agreed upon in writing by the Tax Collector and the taxpayer before the expiration of such six (6) year period, or any extensions thereof; or

(c) at any time for the collection of tax arising by reason of a tax lien perfected, recorded, or possessed by the City under this Section.

Sec. 7A-595. Collection of taxes when there is succession in and/or cessation of business.

(a) In addition to any remedy provided elsewhere in this City Code that may apply, the Tax Collector may apply the provisions of subsections (b) through (d) below concerning the collection of taxes when there is succession in and/or cessation of business.

(b) The taxes imposed by this Chapter are a lien on the property of any person subject to this Chapter who sells his business or stock of goods, or quits his business, if the person fails to make a final return and payment of the tax within fifteen (15) days after selling or quitting his business.

(c) Any person who purchases, or who acquires by foreclosure, by sale under trust deed or warranty deed in lieu of foreclosure, or by any other method, improved real property or a portion of improved real property for which the Privilege Tax imposed by this Chapter has not been paid shall be responsible for payment of such tax as a speculative builder or owner builder, as provided in Sections 7A-416 and 7A-417.

(1) Any person who is a creditor or an affiliate of creditor, who acquires improved real property directly or indirectly from the creditor's debtor by any means set forth in this subsection, shall pay the tax based on the amount received by the creditor or its affiliate in a subsequent sale of such improved real property to a party unrelated to the creditor, regardless of when such subsequent sale takes place. Such tax shall be due in the month following the month in which the sale of the improved real property by the creditor or its affiliate occurs. Notwithstanding the foregoing, if the real property meets the definition of partially improved residential real property in Section 7A-416(a)(4) and all of the requirements of Section 7A-416(b)(4) are met by the parties to the subsequent sale transaction, then the tax shall not apply to the subsequent sale.

(2) In the event a creditor or its affiliate uses the acquired improved real property for any business purpose, other than operating the property in the manner in which it was operated, or was intended to be operated, before the acquisition or in any other manner unrelated to selling the property, the tax shall be due. The gross income upon which the tax shall be determined pursuant to Sections 7A-416 and 7A-417 shall be the fair market value of the improved real property as of the date of acquisition. The tax shall be due in the month following the month in which such first business use occurs. When applicable, the credit bid shall be deemed to be the fair market value of the property as of the date of acquisition.

(3) Once the subsequent sale by the creditor or its affiliate has occurred and the creditor or its affiliate has paid the tax due from it pursuant to this subsection, neither the creditor nor its affiliate, nor any future owner, shall be liable for any outstanding tax, penalties or interest that may continue to be due from the debtor based on the transfer from the debtor to the creditor or its affiliate.

(4) If the tax liability imposed by either Section 7A-416 or Section 7A-417 on the transfer of the improved real property to the creditor or its affiliate, or any part thereof, is paid to the tax collector by the debtor subsequent to payment of the tax by the creditor or its affiliate, the amount so paid may constitute a credit, as equitably determined by the tax collector in good faith, against the tax imposed on the creditor or its affiliate by either paragraph 1 or paragraph 2 of this subsection.

(5) Notwithstanding anything in this chapter to the contrary, if a creditor or its affiliate is subject to tax as described in paragraph 1 or paragraph 2 of this subsection and such creditor or affiliate has not previously been required to be licensed, such creditor or affiliate shall become licensed no later than the date on which the tax is due.

(d) A person's successors or assignees shall withhold from the purchase money an amount sufficient to cover the taxes required to be paid, and interest or penalties due and payable, until the former owner produces a receipt from the Tax Collector showing that all City tax has been paid or a certificate stating that no amount is due as then shown by the records of the Tax Collector. The Tax Collector shall respond to a request from the seller for a certificate within fifteen (15) days by either providing the certificate or a written notice stating why the certificate cannot be issued.

(1) If a subsequent audit shows a deficiency arising before the sale of the business, the deficiency is an obligation of the seller and does not constitute a liability against a buyer who has received a certificate from the Tax Collector.

(2) If the purchaser of a business or stock of goods fails to obtain a certificate as provided by this Section, he is personally liable for payment of the amount of taxes required to be paid by the former owner on account of the business so purchased, with interest and penalties accrued by the former owner or assignees.

Sec. 7A-596. (Reserved) (State Administration And Audits)

Sec. 7A-596. Agreement For Installment Payments Of Tax. (Local Audits)

(a) The City may enter into an agreement with a taxpayer to allow the taxpayer to satisfy a liability for any tax imposed by this Chapter by means of installment payments. The Tax Collector may require a taxpayer who requests an installment payment agreement to complete a financial report in such form and manner as the tax collector may prescribe.

(b) The Tax Collector, without notice, may alter, modify or terminate an installment payment agreement if the taxpayer:
(1) fails to pay an installment at the time the installment payment is due under the agreement.
(2) fails to pay any other tax liability at the time the liability is due.
(3) fails to file any tax report or return at the time the report or return is due.
(4) fails to furnish any information requested by the Tax Collector within thirty days after receiving a written request for such information.
(5) fails to notify the Tax Collector of a material improvement in the taxpayer's financial condition above the income previously reported in the most recent income statement within thirty days after the material improvement.
(6) provides inaccurate, false or incomplete information to the Tax Collector.

(c) Notwithstanding any installment payment agreement, the Tax Collector may offset any tax refunds against the liabilities provided for in the installment payment agreement, may file and perfect any tax liens and, in the event the taxpayer breaches any term or provision of the installment payment agreement, may engage in collection activities.

(d) The Tax Collector, without notice, may terminate an installment payment agreement if the Tax Collector believes that the collection of tax to which the payment agreement pertains is in jeopardy.

(e) If the Tax Collector determines that the financial condition of a taxpayer has improved, the Tax Collector may alter, modify or terminate the agreement by providing notice to the taxpayer at least thirty days before the effective date of the action. The notice shall include the reasons why the Tax Collector believes the alteration, modification or termination is appropriate.

(f) An installment payment agreement shall remain in effect for the term of the agreement except as otherwise provided in this Section.

(g) A taxpayer who is aggrieved by a decision of the Tax Collector to refuse to enter into an installment payment agreement or to alter, modify or terminate an agreement entered into pursuant to this Section may petition the Taxpayer Problem Resolution Officer to review that determination. The Taxpayer Problem Resolution Officer may stay such alteration, modification or termination pending its review and may modify or nullify the determination.

(h) The City and the taxpayer may modify any installment payment agreement at any time by entering into a new or modified agreement.

Sec. 7A-597. (Reserved) (State Administration And Audits)

Sec. 7A-597. Private Taxpayer Rulings; Request; Revocation Or Modification; Definition. (Local Audits)

(a) The Tax Collector shall issue private taxpayer rulings to taxpayers and potential taxpayers on request. Each request shall be in writing and shall:
   (1) state the name, address and, if applicable, taxpayer identifying number of the taxpayer or potential taxpayer who requests the ruling.
   (2) describe all facts that are relevant to the requested ruling.
   (3) state whether, to the best knowledge of the taxpayer or potential taxpayer, the issue or related issues are being considered by the Tax Collector or any other taxing jurisdiction in connection with an active audit, protest or appeal that involves the taxpayer or potential taxpayer and whether the same request has been or is being submitted to another taxing jurisdiction for a ruling.
   (4) be signed by the taxpayer or potential taxpayer who makes the request or by an authorized representative of the taxpayer or potential taxpayer.

(b) A private taxpayer ruling may be revoked or modified by either:
   (1) a change or clarification in the law that was applicable at the time the ruling was issued, including changes or clarifications caused by regulations and court decisions.
   (2) actual written notice by the Tax Collector to the last known address of the taxpayer or potential taxpayer of the revocation or modification of the private taxpayer ruling.

(c) With respect to the taxpayer or prospective taxpayer to whom a private taxpayer ruling is issued, the revocation or modification of a private taxpayer ruling shall not be applied retroactively to tax periods or tax years before the effective date of the revocation or modification and the Tax Collector shall not assess any penalty or tax attributable to erroneous advice that is furnished to the taxpayer or potential taxpayer in the private taxpayer ruling if:
   (1) the taxpayer reasonably relied on the private taxpayer ruling.
   (2) the penalty or tax did not result either from a failure by the taxpayer to provide adequate or accurate information or from a change in the information.

(d) A private taxpayer ruling may not be relied upon, cited nor introduced into evidence in any proceeding by any taxpayer other than the taxpayer who received the ruling.

(e) A taxpayer may appeal the propriety of a retroactive application of a revoked or modified private taxpayer ruling by filing a written petition with the Tax Collector pursuant to section 7A-570 within forty-five (45) days after receiving written notice of the intent to retroactively apply a revoked or modified private taxpayer ruling.

(f) A private taxpayer ruling constitutes the tax collector's interpretation of the Sections of this Chapter only as they apply to the taxpayer making, and the particular facts contained in, the request.

(g) A private taxpayer ruling which addresses a taxpayer's ongoing business activities will apply only to transactions that occur or tax liabilities that accrue from and after the date of the taxpayer's ruling request.

(h) The Tax Collector shall attempt to issue private taxpayer rulings within forty-five (45) days after receiving the written request and on receiving the facts that are relevant to the ruling. If the ruling is expected to be delayed beyond the forty-five (45) days, the Tax Collector shall notify the requestor of the delay and the proposed date of issuance.

(i) Within thirty (30) days after being issued, the Tax Collector shall maintain the private taxpayer ruling as a public record and make it available at a reasonable cost for public inspection and copying. The text of private taxpayer rulings are open to public inspection subject to the confidentiality requirements prescribed by section 7A-510.

(j) In this Section, "private taxpayer ruling" means a written determination by the Tax Collector issued pursuant to this Section that interprets and applies one or more Sections contained in this Chapter and any applicable regulations.

(k) A private taxpayer ruling issued by the Arizona Department Of Revenue pursuant to A.R.S. Section 42-2101 may be relied upon by the taxpayer to whom the ruling was issued and must be recognized and followed by any City in which such taxpayer has obtained a privilege license if the City has not issued a ruling addressing the facts described in the taxpayer's ruling request and the statute at issue in the taxpayer's ruling request is, in essence, worded and written the same as the applicable section hereunder.

Article VI - USE TAX

Sec. 7A-600. Use tax: definitions.

For the purposes of this article only, the following definitions shall apply, in addition to the definitions provided in Article I:

"Acquire (for storage or use)" means purchase, rent, lease, or license for storage or use.

"Retailer" also means any person selling, renting, licensing for use, or leasing tangible personal property under circumstances which would render such transactions subject to the taxes imposed in article iv, if such transactions had occurred within this City.

"Storage (within the City)" means the keeping or retaining of tangible personal property at a place within the City for any purpose, except for those items acquired specifically and solely for the purpose of sale, rental, lease, or license for use in the regular course of business or for the purpose of subsequent use solely outside the City.

"Use (of tangible personal property)" means consumption or exercise of any other right or power over tangible personal property incident to the ownership thereof except the holding for the sale, rental, lease, or license for use of such property in the regular course of business.

Sec. 7A-601. (Reserved)

Sec. 7A-602. (Reserved)

Sec. 7A-610. Use tax: imposition of tax; presumption.

(a) There is hereby levied and imposed, subject to all other provisions of this chapter, an excise tax on the storage or use in the City of tangible personal property, for the purpose of raising revenue to be used in defraying the necessary expenses of the City, such taxes to be collected by the tax collector.

(b) The tax rate shall be at an amount equal to four percent (4%) of the:
   (1) Cost of tangible personal property acquired from a retailer, upon every person storing or using such property in this City.
   (2) Gross income from the business activity upon every person meeting the requirements of subsection 7A-620(b) or (c) who is engaged or continuing in the business activity of sales, rentals, leases, or licenses of tangible personal property to persons within the City for storage or use within the City, to the extent that tax has been collected upon such transaction.
   (3) Cost of the tangible personal property provided under the conditions of a warranty, maintenance, or service contract.
   (4) Cost of complimentary items provided to patrons without itemized charge by a restaurant, hotel, or other business.
   (5) Cost of food consumed by the owner or by employees or agents of the owner of a restaurant or bar subject to the provisions of Section 7A-455 of this chapter.

(c) It shall be presumed that all tangible personal property acquired by any person who at the time of such acquisition resides in the City is acquired for storage or use in this City, until the contrary is established by the taxpayer.

(d) Exclusions. For the purposes of this article, the acquisition of the following shall not be deemed to be the purchase, rental, lease, or license of tangible personal property for storage or use within the City:
(1) stocks, bonds, options, or other similar materials.
(2) lottery tickets or shares sold pursuant to Article I, Chapter 5, Title 5, Arizona Revised Statutes.
(3) platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by regulation.

(e) Notwithstanding the provisions of subsection (a) above, when the amount subject to tax for any single item of tangible personal property exceeds two thousand five hundred dollars ($2,500.00), the four percent (4%) tax rate shall apply to the first $2,500.00. Above $2,500.00, the measure of tax shall be at a rate of one and one half percent (1.5%).

(f) (Reserved)

Sec. 7A-620. Use tax: liability for tax.

The following persons shall be deemed liable for the tax imposed by this article; and such liability shall not be extinguished until the tax has been paid to this City, except that a receipt from a retailer separately charging the tax imposed by this chapter is sufficient to relieve the person acquiring such property from further liability for the tax to which the receipt refers:

(a) Any person who acquires tangible personal property from a retailer, whether or not such retailer is located in this City, when such person stores or uses said property within the City.

(b) Any retailer not located within the City, selling, renting, leasing, or licensing tangible personal property for storage or use of such property within the City, may obtain a license from the tax collector and collect the use tax on such transactions. Such retailer shall be liable for the use tax to the extent such use tax is collected from his customers.

(c) Every agent within the City of any retailer not maintaining an office or place of business in this City, when such person sells, rents, leases, or licenses tangible personal property for storage or use in this City shall, at the time of such transaction, collect and be liable for the tax imposed by this article upon the storage or use of the property so transferred, unless such retailer or agent is liable for an equivalent excise tax upon the transaction.

(d) Any person who acquires tangible personal property from a retailer located in the City and such person claims to be exempt from the City privilege or use tax at the time of the transaction, and upon which no City privilege tax was charged or paid, when such claim is not sustainable.

(e) Every person storing or using tangible personal property under the conditions of a warranty, maintenance, or service contract.

Sec. 7A-630. Use tax: recordkeeping requirements.

All deductions, exclusions, exemptions, and credits provided in this article are conditional upon adequate proof of documentation as required by Article III or elsewhere in this chapter.

Sec. 7A-640. Use tax: credit for equivalent excise taxes paid another jurisdiction.

In the event that an equivalent excise tax has been levied and paid upon tangible personal property which is acquired to be stored or used within this City, full credit for any and all such taxes so paid shall be allowed by the tax collector but only to the extent use tax is imposed upon that transaction by this article.

Sec. 7A-650. Use tax: exclusion when acquisition subject to use tax is taxed or taxable elsewhere in this chapter; limitation.

The tax levied by this article does not apply to the storage or use in this City of tangible personal property acquired in this City, the gross income from the sale, rental, lease, or license of which were included in the measure of the tax imposed by Article IV of this chapter; provided, however, that any person who has acquired tangible personal property from a vendor in this City without paying the City privilege tax because of a representation to the vendor that the property was not subject to such tax, when such claim is not sustainable, may not claim the exclusion from such use tax provided by this section.

Sec. 7A-660. Use tax: exemptions.

The storage or use in this City of the following tangible personal property is exempt from the use tax imposed by this article:

(a) tangible personal property brought into the City by an individual who was not a resident of the City at the time the property was acquired for his own use, if the first actual use of such property was outside the City, unless such property is used in conducting a business in this City.

(b) tangible personal property, the value of which does not exceed the amount of one thousand dollars ($1,000) per item, acquired by an individual outside the limits of the City for his personal use and enjoyment.

(c) charges for delivery, installation, or other customer services, as prescribed by regulation.

(d) charges for repair services, as prescribed by regulation.

(e) separately itemized charges for warranty, maintenance, and service contracts.

(f) prosthetics.

(g) income-producing capital equipment.

(h) rental equipment and rental supplies.

(i) mining and metallurgical supplies.

(j) motor vehicle fuel and use fuel which are used upon the highways of this state and upon which a tax has been imposed under the provisions of article I or II, Chapter 16, Title 28, Arizona Revised Statutes.

(k) tangible personal property purchased by a construction contractor, but not an owner-builder, when such person holds a valid privilege license for engaging or continuing in the business of construction contracting, and where the property acquired is incorporated into any structure or improvement to real property in fulfillment of a construction contract.

(l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.

(m) tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.

(n) rental, leasing, or licensing for use of film, tape, or slides by a theater or other person taxed under Section 7A-410, or by a radio station, television station, or subscription television system.

(o) food served to patrons for a consideration by any person engaged in a business properly licensed and taxed under Section 7A-455, but not food consumed by owners, agents, or employees of such business.

(p) tangible personal property acquired by a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property is in fact used in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(q) (Reserved)

(r) (Reserved)
(1) (Reserved)
(2) (Reserved)
(3) (Reserved)
(4) (Reserved)

(s) groundwater measuring devices required by A.R.S. Section 45-604.

(t) (Reserved)

(u) aircraft acquired for use outside the State, as prescribed by Regulation.

(v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.

(w) (Reserved)

(x) (Reserved)

(y) (Reserved)

(z) (Reserved)

(aa) tangible personal property used in remediation contracting as defined in Section 7A-100 and Regulation 7A-100.5.

(bb) materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
(1) printed or photographic materials.
(2) electronic or digital media materials.

(cc) food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, “accessories” means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(dd) wireless telecommunication equipment that is held for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470.

(ee) (Reserved)

(ff) alternative fuel as defined in A.R.S. § 1-215, by a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.

(gg) Food, beverages, condiments and accessories purchased by or for a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes; including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, “accessories” means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(hh) personal hygiene items purchased by a person engaged in the business of and subject to tax under Section 7A-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.

(ii) The diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.

(jj) Food, beverages, condiments and accessories purchased by or for a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, “accessories” means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

(ll) the storage, use or consumption of tangible personal property in the city or town by a school district or charter school.

(mm) Renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this paragraph, "renewable energy credit" means a unit created administratively by the corporation commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.

(nn) Magazines or other periodicals or other publications by this state to encourage tourist travel.

(oo) Paper machine clothing, such as forming fabrics and dryer felts, sold to a paper manufacturer and directly used or consumed in paper manufacturing.

(pp) Overhead materials or other tangible personal property that is used in performing a contract between the united states government and a manufacturer, modifier, assembler or repairer, including property used in performing a subcontract with a government contractor who is a manufacturer, modifier, assembler or repairer, to which title passes to the government under the terms of the contract or subcontract.

(qq) Coal, petroleum, coke, natural gas, virgin fuel oil and electricity sold to a qualified environmental technology manufacturer, producer or processor as defined in A.R.S. section 41-1514.02 and directly used or consumed in the generation or provision of on-site power or energy solely for environmental technology manufacturing, producing or processing or environmental protection. This paragraph shall apply for twenty full consecutive calendar or fiscal years from the date the first paper manufacturing machine is placed in service. In the case of an environmental technology manufacturer, producer or processor who does not manufacture paper, the time period shall begin with the date the first manufacturing, processing or production equipment is placed in service.

(rr) Machinery, equipment, materials and other tangible personal property used directly and predominantly to construct a qualified environmental technology manufacturing, producing or processing facility as described in A.R.S. section 41-1514.02. This subsection applies for ten full consecutive calendar or fiscal years after the start of initial construction.

(ss) (Reserved)

Model City Tax Code

City Profile

San Luis

Introduction
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Sections/Regs
Appendices
Option Charts
City Profile
Tax Rate Table
Links
Contact Us
Home

San Luis, AZ Post Office Box 1170, 85349

Contact:	City Administrator (928) 341-8520
Collection By:	Department of Revenue
Sales Tax %:	2; 2.5 (effective 10/1/91); 3.5 (effective October 1, 2004); 4 (effective 6/1/08)
Use Tax %:	2.5 (effective 11/1/96); 3.5 (effective October 1, 2004); 4 (effective 6/1/08)
ADOR City Tax Rates:	**Web Page**
Interest Rate %/month:	Same as state
License Fee:	$2.00
Length of License:	Permanent
Criminal Penalty:	Class 1
Date Code Effective:	5-13-87
Chapter #:	7A

Amendments or Special Provisions:

1. Ordinance No. 253 of the City of San Luis eliminated the tax credit for utility franchise fees, effective April 1, 2008. Section 7A-480 (d) is hereby amended to read as follows: (d) (Reserved).

2. Effective 06/01/16, imposes a two-tier tax rate for a **retail purchase** of any single item of tangible personal property that exceeds **$2,500**. A tax rate of **four percent (4.0%)** shall apply to the first $2,500, and a tax rate of **one and one half percent (1.5%)** shall apply to the amount that exceeds $2,500.

3. Effective 06/01/16, imposes a two-tier tax rate for a **use tax purchase** of any single item of tangible personal property that exceeds **$2,500**. A tax rate of **four percent (4.0%)** shall apply to the first $2,500, and a tax rate of **one and one half percent (1.5%)** shall apply to the amount that exceeds $2,500.

A.R.S. § 42-6053

§ 42-6053. Official copy of model city tax code; review and comment on proposed changes

Effective: August 9, 2017

Currentness

A. The department of revenue shall:

1. Maintain the official copy of the model city tax code.

2. Post the official copy on the department's official website.

B. At least sixty days before adopting any modification or amendment of the model city tax code, a city or town shall submit the proposed modification or amendment to the municipal tax code commission for review and recommendation.

C. The commission shall review and comment on language submitted by any city, town or taxpayer or the department of revenue for the purpose of describing, defining, deleting, adding or otherwise modifying taxable activities, exemptions, administrative procedures or regulations relating to the model city tax code. The commission may hold public hearings within thirty days after receiving a proposed amendment or modification for the purpose of reviewing and receiving comments on the proposed changes, shall consider any information and testimony presented at the hearing, may require changes to the language presented at the hearing and may require changes to the language presented by the city, town, taxpayer or department. All changes to the model city tax code must be reflected in the official copy on file with the department of revenue within ten days after the commission's approval. Any changes not reflected in the official copy on file with the department of revenue are void and have no effect.

D. Changes to the model city tax code approved by the commission shall be adopted by all cities and towns. This requirement does not prohibit the commission from recommending a model or local option or changes to a model or local option contained in the model city tax code to be adopted only by those cities and towns choosing the option or from approving a change submitted by a city or town that does not apply to any other city or town. The city or town shall not adopt a modification or amendment of any provision of the model city tax code unless it has been approved by the commission.

E. Changes in rates of tax are not subject to review, but within ten days after passage of the ordinance imposing a rate change:

1. The city or town imposing a new or different tax rate shall notify the commission and the department of revenue. Failure of a city or town to notify the commission and, beginning July 1, 2012, the department of revenue renders the new or different tax rate void and of no effect. For the purposes of this paragraph, a "new or different tax rate" means the adoption or repeal of a model or local option or any change that increases the amount of tax a taxpayer must pay to a city or town.

2. The change must be reflected in the official copy of the model city tax code. Any change not reflected in the official copy of the model city tax code is void and has no effect.

Credits

Added by Laws 1997, Ch. 150, § 144, eff. Jan. 1, 1999. Amended by Laws 1999, Ch. 225, § 4, eff. Aug. 6, 1999, retroactively effective to July 1, 1999; Laws 2000, Ch. 297, § 7; Laws 2011, Ch. 129, § 2; Laws 2014, Ch. 121, § 1; Laws 2017, Ch. 178, § 8.

A. R. S. § 42-6053, AZ ST § 42-6053
Current through the First Regular Session of the Fifty-Third Legislature (2017)

End of Document

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Context and Analysis (3)

Library References (3)

Taxation 2033.
Westlaw Topic No. 371.
C.J.S. Taxation §§ 9 to 10.

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AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6.E.**

Meeting Date: 11/08/2017

Department Head: Jose A. Guzman, Acting Director of Planning & Zoning, Planning & Zoning Department

Submitted By: Jose A. Guzman, Acting Director of Planning & Zoning, Planning & Zoning Department

Action Requested: Motion
Resolution

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2016. A resolution of the Mayor and City Council of the City of San Luis, Arizona, adopting the City of San Luis Roadway Naming and Addressing Policy. **(Jose A. Guzman, Acting Director of Planning & Zoning)**

SUMMARY:

The purpose of this policy is to provide a standardized and expedient method of assigning roadway name designations and property addresses for all residential, commercial and industrial lots, parcels and/or tracts throughout the City of San Luis. This policy also provides the procedures, criteria and approval process for renaming of roadways within the city.

The main goal of this policy is to provide emergency service agencies with a logical and predictable method of addressing property, so that emergency victims can be located with greatest efficiency.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND ADOPT RESOLUTION NO. 2016.

Supporting information not attached to the Agenda Item Review Form:

Resolution No. 2016

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	N/A
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

N/A

Attachments

Resolution No. 2016

Roadway Naming and Addressing Policy

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Resolution

NO. 2016

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, ADOPTING THE CITY OF SAN LUIS ROADWAY NAMING AND ADDRESSING POLICY.

WHEREAS, the Mayor and City Council of the City of San Luis has determined that in order to better serve the health, safety and welfare of the citizens of the City of San Luis, it is necessary to adopt a policy that ensures a consistent procedure for the designation of roadway names and addresses.

WHEREAS, this policy will assist emergency service agencies, delivery services and the public in the timely and efficient provision of services to residents and businesses of the City of San Luis.

WHEREAS, the City Council finds that this Resolution will accomplish the above identified purposes.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of San Luis, Arizona, that the attached document titled "Roadway Naming and Addressing Policy" is here by approved and adopted.

PASSED, APPROVED AND ADOPTED by the Mayor and City Council of the City of San Luis, Arizona, this_____ day of November, 2017.

_____
Gerardo Sanchez, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil

Kay Marion Macuil, City Attorney

CITY OF SAN LUIS

ROADWAY NAMING AND ADDRESSING POLICY

NOVEMBER 2017

ACKNOWLEDGEMENTS

City Council

Gerardo Sanchez, Mayor
Maria Cecilia Ramos, Vice-Mayor
Mario Buchanan Jr., Council Member
Africa Luna-Carrasco, Council Member
Matias Rosales, Council Member
Gloria Torres, Council Member
Ruben Walshe, Council Member

Staff

Tadeo A. De La Hoya, City Manager
Hank Green, Fire Chief
Isaac Gutierrez, GIS Specialist
Jose A. Guzman, Acting Director of Planning and Zoning
Olivia Jenkins, Director of Human Resources
Richard Jessup, Acting Chief of Police
Roman Pacheco, Planning Technician
Jorge Perez, Billing and Collections Manager
Domingo Sosa, Graphics and Media Specialist
Eulogio Vera, Director of Public Works
Department of Planning and Zoning

Legal Team

Kay Marion Macuil, City Attorney
Ray Urias, Consulting Attorney

Prepared by

Department of Planning and Zoning
Jose A. Guzman, Acting Director

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Chapter 1 – Introduction

Section 1.1 Title and Scope.

The City of San Luis recognizes that a geographically precise and accurate addressing system is paramount to a quick emergency response and to the orderly development within the City. This policy establishes a methodical system for assigning roadway name designations and property addresses throughout the City of San Luis. This policy shall be known and may be cited as the Roadway Naming and Addressing Policy for City of San Luis, Arizona.

Section 1.2 Purpose.

The purpose of this policy is to provide a standardized and expedient method of assigning roadway name designations and property addresses for all residential, commercial and industrial lots, parcels and/or tracts throughout the City of San Luis; and to assist in accurately pinpointing the location of properties, and Council's desire to protect the health, safety and welfare of the public, by enabling emergency services to quickly attend to urgent situations. Uniformity of addresses and roadway names will also assist delivery and maintenance services, as well as assisting tourists and visitors.

Section 1.3 Goals and Objectives.

The primary goal of this policy is to provide emergency service agencies with a logical and predictable method of addressing property, so that emergency victims can be located with greatest efficiency. The secondary goals are as follows:

1. To improve the quality of life for residents of San Luis by providing a mechanism for efficient delivery of goods and services to residents and businesses.
2. To make it easier for residents, prospective residents and tourists to locate various facilities and businesses in San Luis.
3. Correcting addresses problems within current developments
4. Ongoing assigning of addresses to new developments

The policy objective is to provide and maintain a consistent and accurate roadway naming and addressing system.

Section 1.4 Definitions.

For the purpose of this policy, the following words and phrases shall be interpreted or defined as follows:

1. **Address:** An address specifies a location by reference to its location on a roadway.

2. **Alignment:** A roadway which is parallel to the North- South or East-West addressing grid and does not deviate more than 150 ft. from its original alignment.

3. **Base Lines:** The reference point for designating North, South, East and West directions is established at the intersection of East Main Canal and County 24th Street. All roadway names shall have a directional suffix.

4. **Block Interval:** The hundred number intervals are 660 feet.

5. **Cul-De-Sac:** A permanent dead-end road that ends in a turn-around.

6. **Diagonal:** A roadway that extends in other than a North-South or East-West directions.

7. **Property Number:** A number assigned to property fronting a roadway.

8. **Reference Point:** The point of origin for reference. (see **Base Lines**)

9. **Roadway:** A general term for thoroughfares inclusive of all Streets, Avenues, Places, Lanes, Roads, Drives, Ways, Boulevards and Trails.

10. **Thoroughfare:** A place of passage from one location to another.

Chapter 2 – Roadway Naming Policy

Section 2.1 Roadways Requiring Names.

All roadways shall be given a designated name in accordance with this policy if it meets at least one of the following conditions:

1. If two or more dwelling units or business related buildings exist or are proposed to be constructed along the roadway or are served by the roadway; regardless if it is public or private roadway.

2. If the roadway is maintained by the City of San Luis or Yuma County.

Section 2.2 Roadway Sign Requirements.

It shall be the developer's responsibility to provide and install roadway signs in accordance with City Standards.

In addition to the roadway names, roadway name signs shall identify the appropriate hundred block; the directional prefix shall be included on the roadway sign.

In the case of cul-de-sacs, the address range shall be identified and a unique marking ill also be affixed to the sign, identifying the roadway is a "DEAD END". This marking will be affixed to indicate which direction is the "DEAD END".

Section 2.3 Name Components.

There are three components that make up a roadway name. These components are the roadway name, roadway direction and roadway type.

Roadway name. The name identifies the stretch of roadway that the parcel/structure/occupancy is addressed from. Within the City of San Luis, all roadway names originate from subdivision plats or roadway name petitions approved by City Council.

Roadway direction or prefix. The directional prefix is used to describe the direction and orientation of roadways. All roadways must have a directional prefix, either: north, east, south or west. Its values are 'N', 'S', 'E', and 'W'. The directional prefix shall be included in the roadway sign.

Roadway type or suffix. The roadway type or suffix is used to describe the characteristics of a roadway. All roadways shall be assigned only one suffix and it shall be based on the type of roadway. Below are the most common roadway type definitions that are utilized within City of San Luis. Other suffixes not listed below may be considered at the discretion of the City.

1. **Avenue (Ave.):** A roadway running principally in a North-South direction and usually terminated at an East-West street the name will be used as the primary identification.

2. **Drive (Dr.):** A roadway running parallel to the avenues, oriented in a North-South direction. The name will be used as a secondary identification of the North-South Avenue System and terminating at an East-West street.

3. **Way (Way):** The roadway paralleling the North-South Avenue and Drive alignment. The name will be the third identifier after Avenue and Drive.

4. **Trail (Trl.):** The roadway paralleling the North-South Avenue and Way alignment. The name will be fourth identifier after Avenue, Drive, and Way.

5. **Street (St.):** A roadway running principally in an East-West direction and usually terminating at a North-South avenue. The name will be used as the primary identification.

6. **Place (Pl.):** The roadway parallel to the East-West Street and Lane alignment. The name will be secondary identification of the East-West Street and Lane alignment and terminate at the North-South avenue.

7. **Lane (Ln.):** the roadway parallel to the East-West Street and Place alignment. The name will be the third identifier following Street and Place.

8. **Road (Rd.):** The roadway parallel to the East-West Street and Lane alignment. The name will be the fourth identifier after Street, Place, and Lane.

9. **Court (Crt.**): Permanently closed roadway such as cul-de-sacs.

10. **Boulevard (Blvd.)**: A major roadway divided by a landscaped center island.

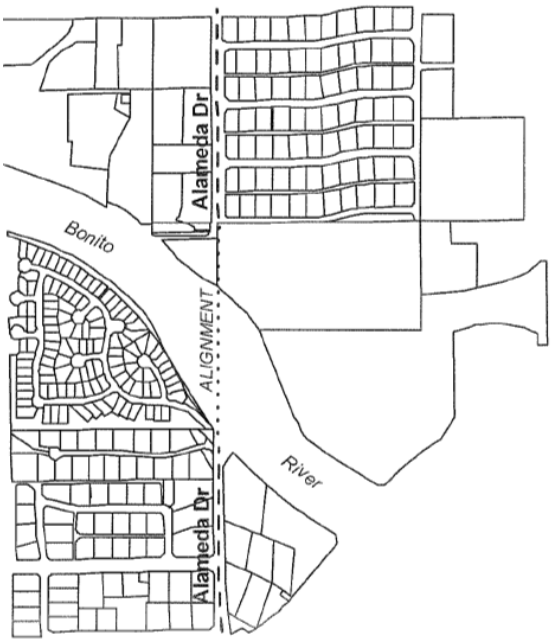
Section 2.4 Potential Roadway Configurations.

1. Straight Roads.

Any roadway that connects two adjoining roadways not in an extended alignment may receive separate name at an intersection (see figure 1-1).

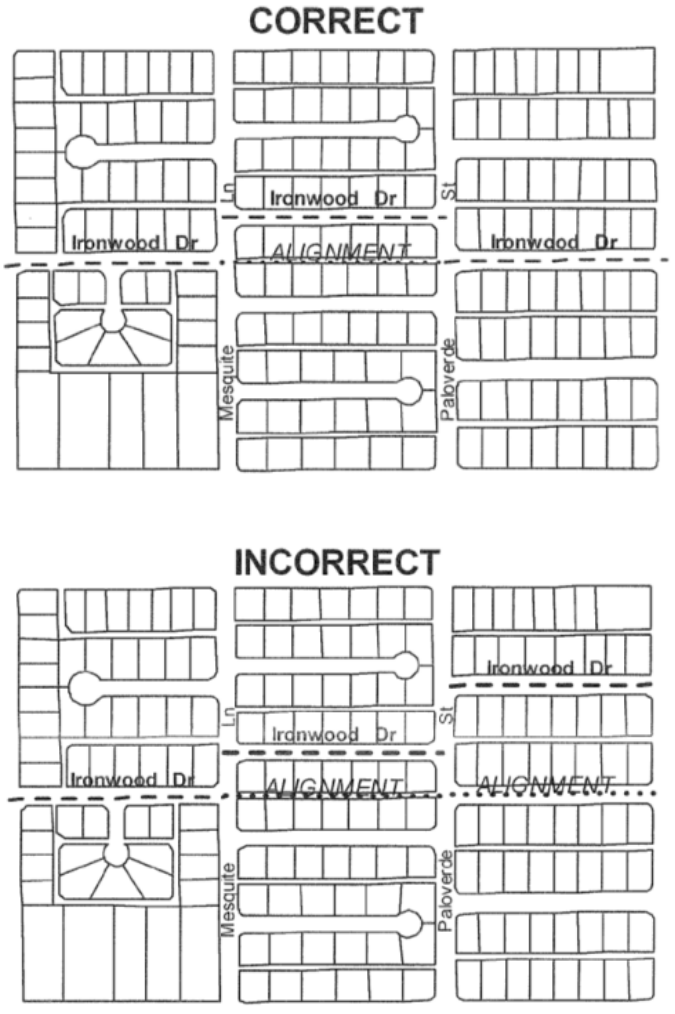
NOT IN ALIGNMENT WITH OR AN EXTENSION OF ANY OTHER ROADWAY
FIGURE 1-1

A newly developed roadway shall assume the name of the one with which it aligns. This shall hold true even if it is developed in an undeveloped area but on an extended line of an existing roadway at any distance or interrupted by natural or manmade barriers such as freeways, reservoirs, railroad tracks, mountains, etc. (see figure 1-2).



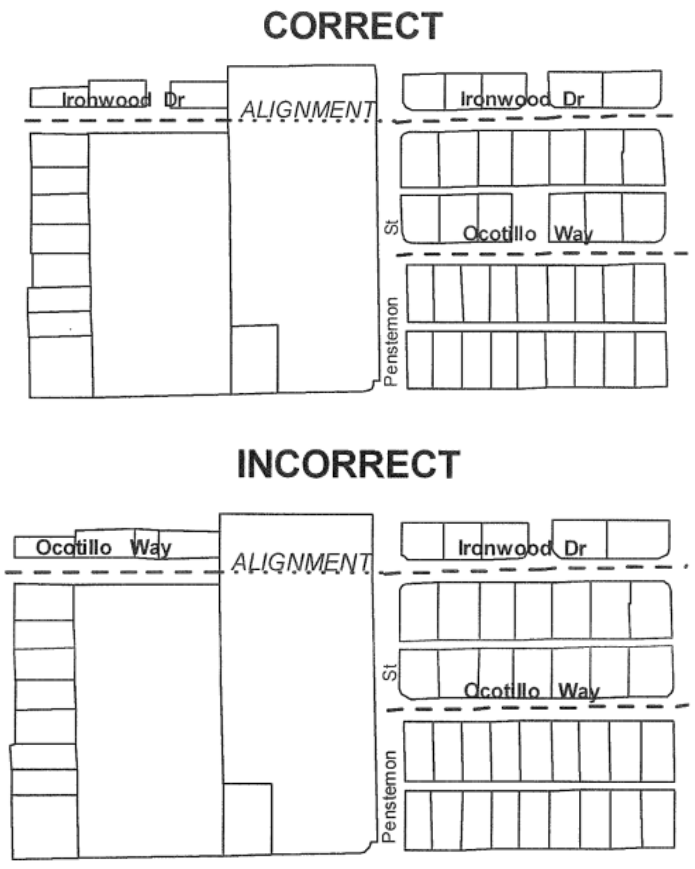
EXTENSION OF EXISTING ALIGNMENT
FIGURE 1-2

A proposed roadway may be offset in alignment by not more than one-half of a developed block in a north-south or east-west direction or 150 feet in any direction, and shall receive the name of the nearest roadway alignment; however, such offset may not progress in the same direction for subsequent segments, but rather must reverse direction to return to or toward the original alignment prior to establishing a new offset in either direction (see figure 1-3). Any roadway existing beyond the 150 feet or on-half of a developed block is considered out of alignment and will receive its own alignment and unique name.



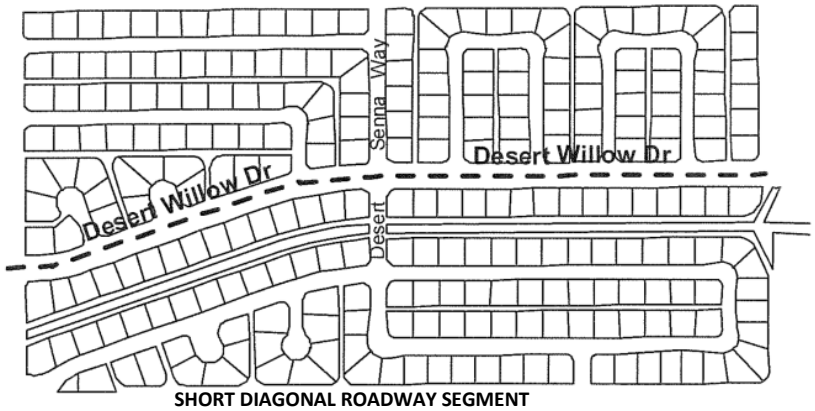
OFFSET ROADWAY RETURNING TO ALIGNMENT
FIGURE 1-3

An existing roadway name will assume one alignment and may not be assigned to any other alignment (see figure 1-4).



CONSISTENT NAMING ALONG ALIGNMENT
FIGURE 1-4

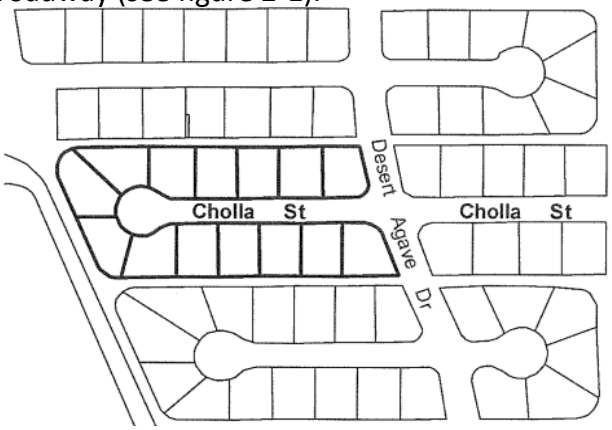
A roadway that normally is on a straight North-South or East-West alignment but has a short segment on a diagonal for a distance not to exceed 660 feet will receive the same names as the original alignment provided it does not leave the original alignment by more than one –half of a developed block (see figure 1-5).



SHORT DIAGONAL ROADWAY SEGMENT
FIGURE 1-5

2. Cul-de-Sacs.

All cul-de-sacs that are not an extension of or an end of an existing alignment shall have a unique roadway name. When cul-de-sac exists or is constructed at the end of an existing roadway right-of-way or alignment, it will assume the name of that roadway (see figure 2-1).

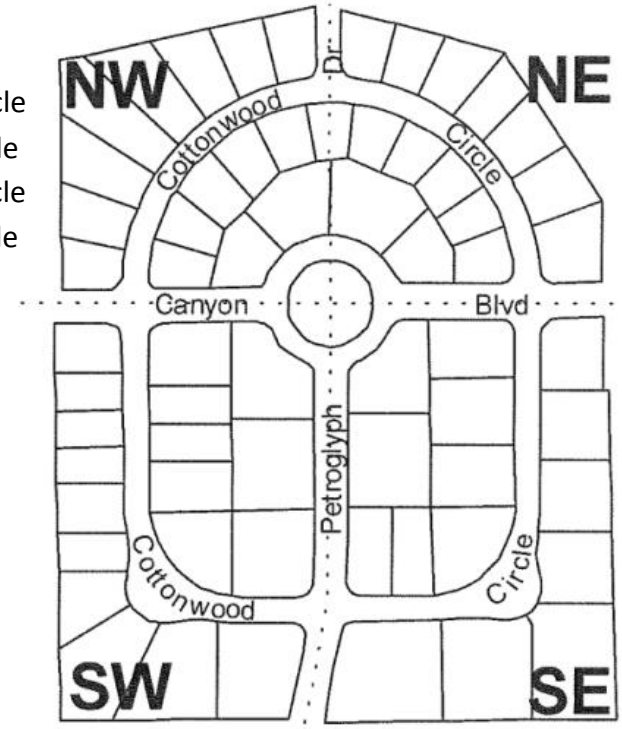


CUL-DE-SAC EXTENDING EXISTING ROADWAY
FIGURE 2-1

3. Circle, Curved and Arc Roadways.

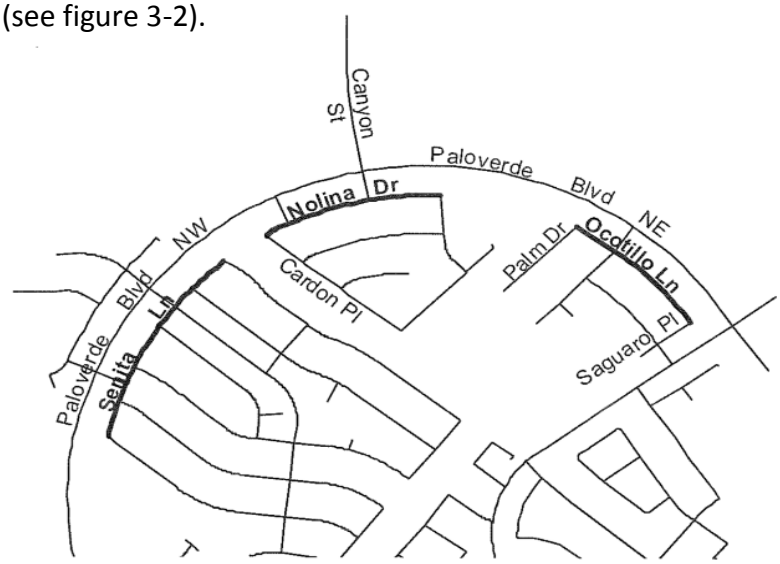
When a subdivision of circular roadway is involved, in which an Arterial or Collector roadway penetrates through said subdivision (Split by north-south axis, and an east-west axis- See figure 3-1), then said circular roadway shall be named as follows:

Northwest "Cottonwood" Circle
Northeast "Cottonwood" Circle
Southwest "Cottonwood" Circle
Southeast "Cottonwood" Circle



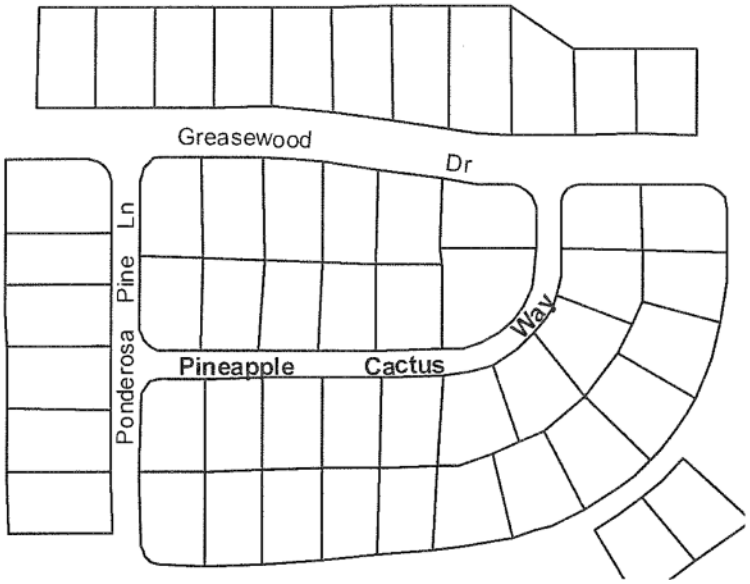
CIRCULAR ROADWAY DIVIDED BY THROUGH ROADWAY
FIGURE 3-1

When a subdivision of circular roadways segmented into halves or quadrants is involved, in which no major arterial or collector penetrates or connects the quadrants through said subdivision, then said quadrant roadways will receive new names not to be duplicated in any other quadrant or the option above can be applied (see figure 3-2).



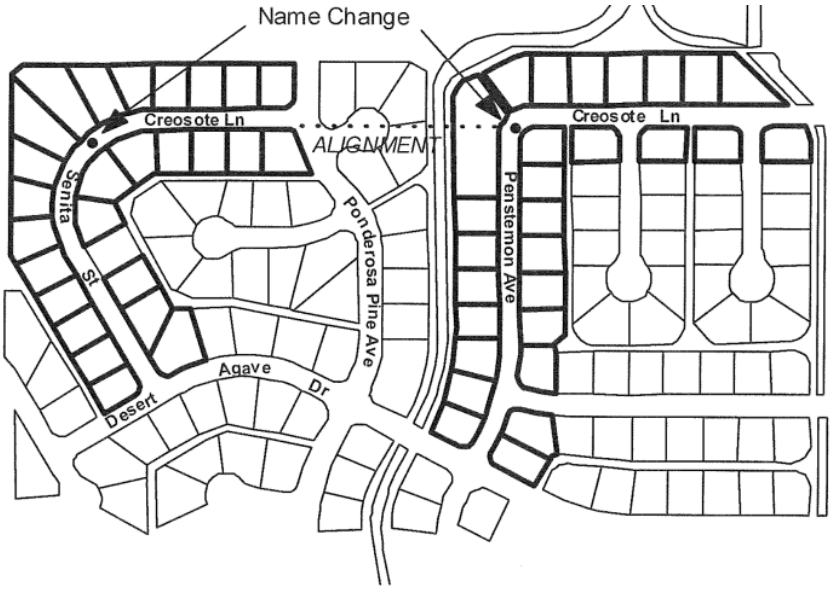
SEGMENTED CIRCULAR ROADWAY WITH NO THROUGH ROADWAY
FIGURE 3-2

Where a roadway is involved that curves approximately 90 degrees, thereby changing its predominant direction but does not exceed 200 feet in length before intersecting with another roadway, then no new name shall be required (see figure 3-3).



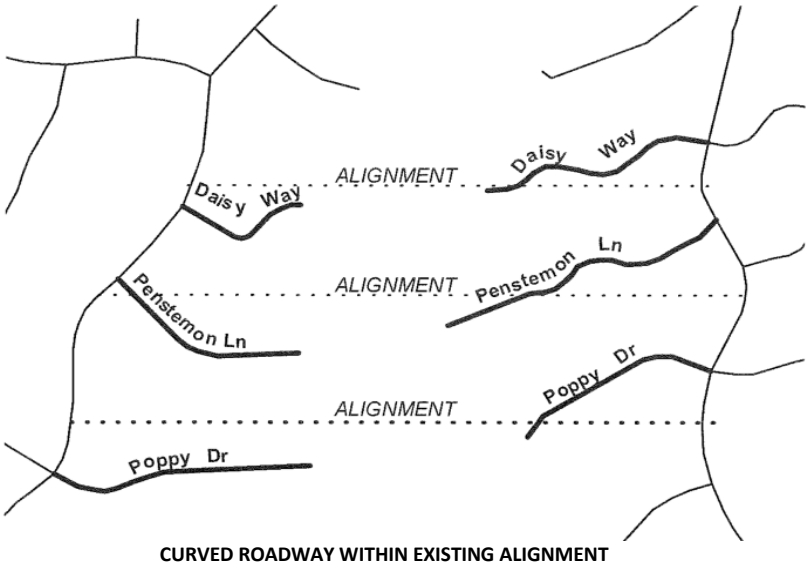
ROADWAY WITH SHORT CURVED SEGMENT – NO NEW NAME
FIGURE 3-3

Where a roadway is involved that curves approximately 90 degrees, thereby changing its predominant direction a new name shall be required either at the curve's midpoint or if existing, at an intersecting roadway which is in close proximity to said curve (see figure 3-4).



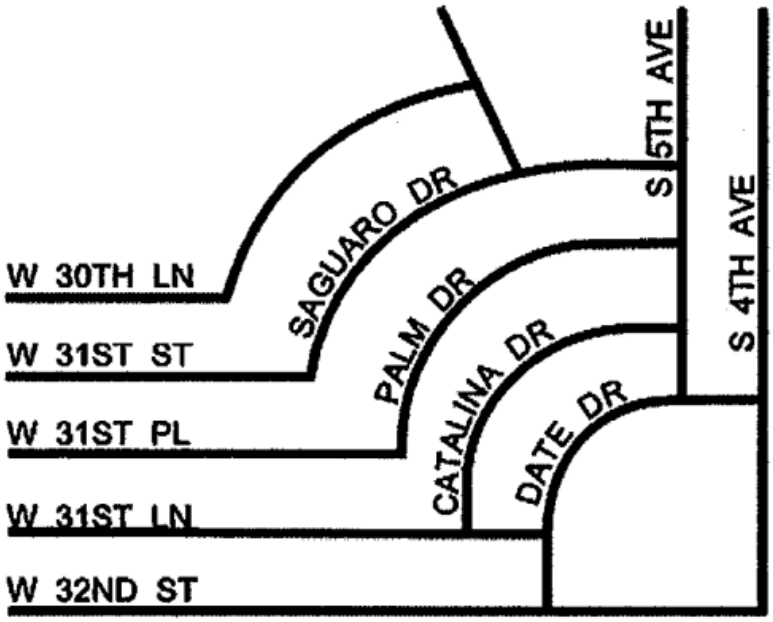
POINTS OF ROADWAY NAME CHANGE ON A CURVE
FIGURE 3-4

An arced roadway shall assume the name of an existing thoroughfare when in alignment with such. If no existing roadway exists, the arced roadway may be assigned a new name. Any later extension of such which is in alignment with said arced roadway shall assume its name (see figure 3-5).



CURVED ROADWAY WITHIN EXISTING ALIGNMENT
FIGURE 3-5

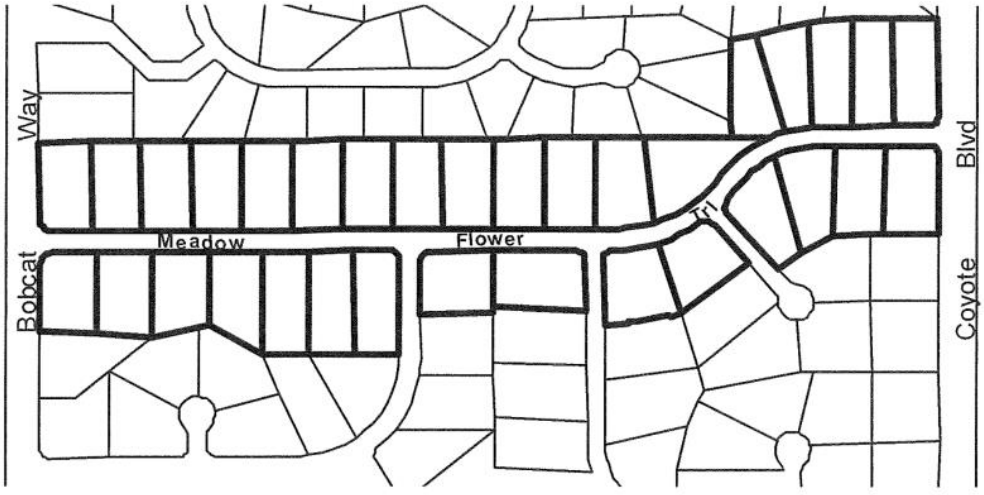
When a roadway follows the alignment of an arc segment and intersects with other existing roadway on both ends, the arced roadway shall be assigned a new name (see figure 3-6).



CURVED ROADWAY INTERSECTION WITH TWO DIFFERENT ROADWAYS
FIGURE 3-6

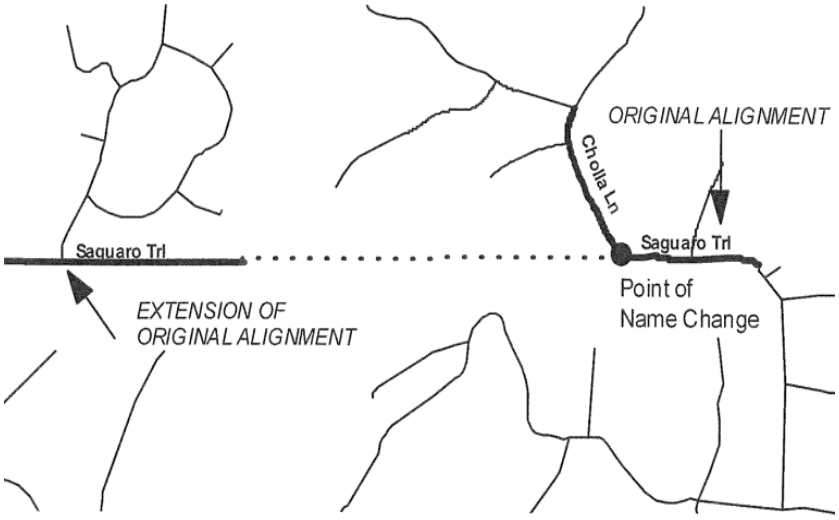
4. Meandering Roadways.

A roadway which leaves its alignment by not more than 150 feet shall retain the name of the original alignment (see figure 4-1).



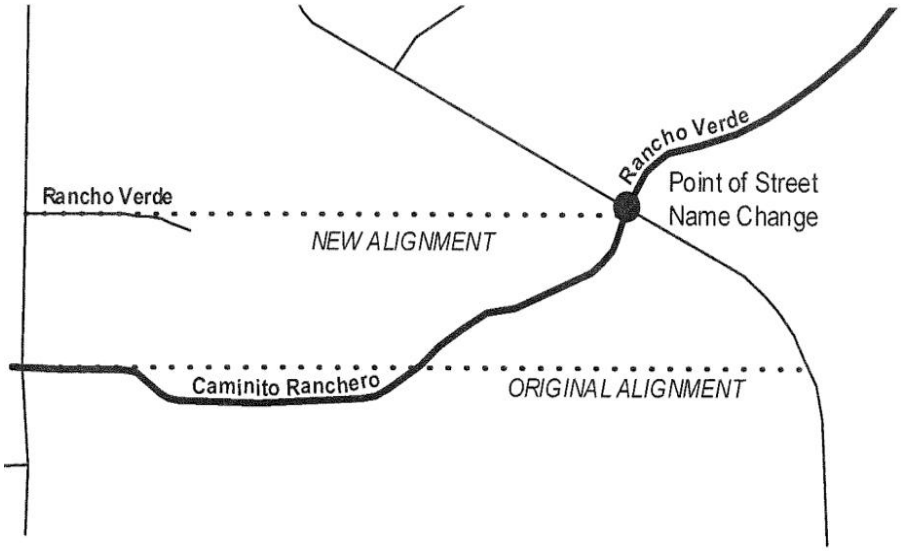
CURVED ROADWAY- MINOR ALIGNMENT CHANGE
FIGURE 4-1

A roadway which leaves its alignment to assume a new alignment shall assume a new name at the point where it leaves its original alignment, if the original alignment could be extended at some later date (see figure 4-2).



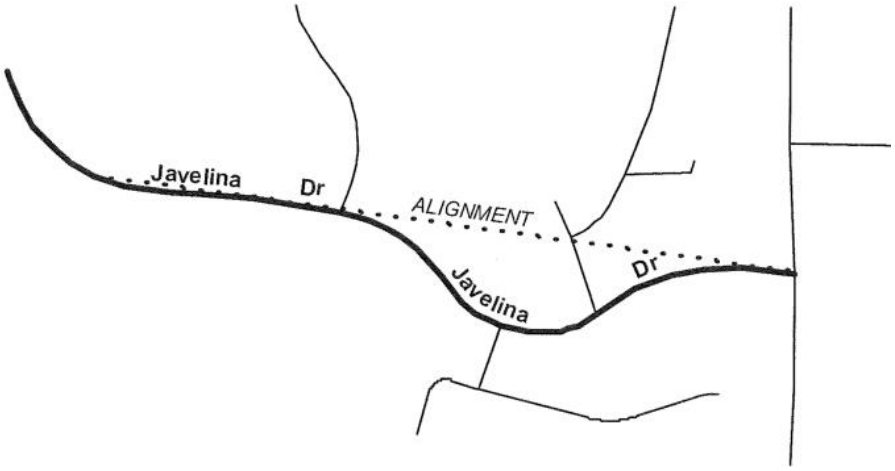
POINT OF NEW NAME FOR ROADWAY CHANGING ALIGNMENT
FIGURE 4-2

A roadway which leaves its alignment to assume a new alignment shall assume a new name at the first intersection of its new alignment (see figure 4-3).



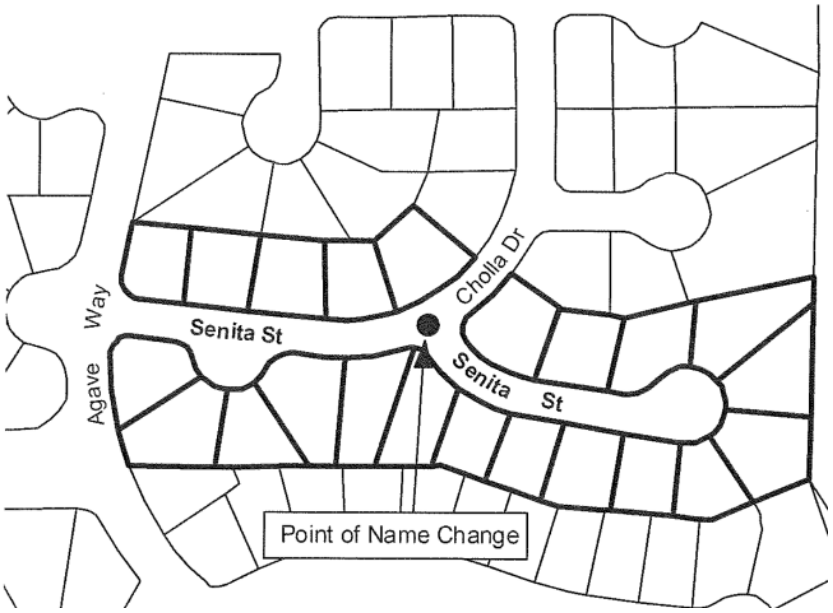
CURVED ROADWAY ASSUMING NEW ALIGNMENT AND NEW NAME
FIGURE 4-3

A roadway which leaves its alignment and returns again shall retain the name of the original alignment (see figure 4-4).



MEANDERING ROADWAY RETURNING TO ORIGINAL ALIGNMENT
FIGURE 4-4

A roadway which leaves its basic alignment by more than one block, never to return to its original alignment, shall assume a new name at the point where it leaves its alignment. An intersecting roadway which assumes the same alignment may assume the original roadway's name (see figure 4-5).



INTERSECTING ROADWAY ASSUMING ALIGNMENT AND NAME
FIGURE 4-5

A major roadway which leaves its original alignment and returns again, even if the variation is several blocks, shall retain the same name (see figure 4-6).

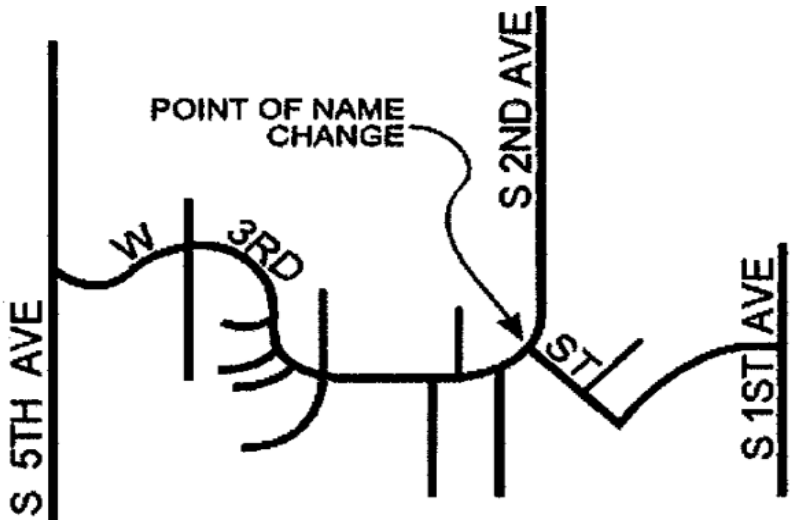


FIGURE 4-6

If a diagonal roadway is less than 45 degrees from a North-South line shall be designated as an Avenue. If it is more than 45 degrees, it shall be designated as a Street (see figure 4-7).

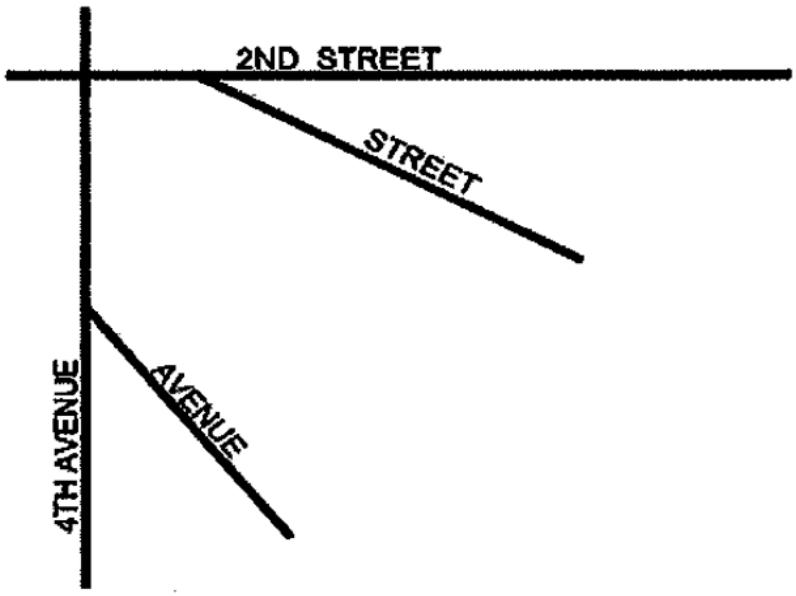


FIGURE 4-7

5. Roadway Direction Change.

When a roadway changes direction radically, or by 90 degrees, it will assume the proper name of that new alignment or take a new name if an alignment or extended alignment does not exist. (See figure 5-1).

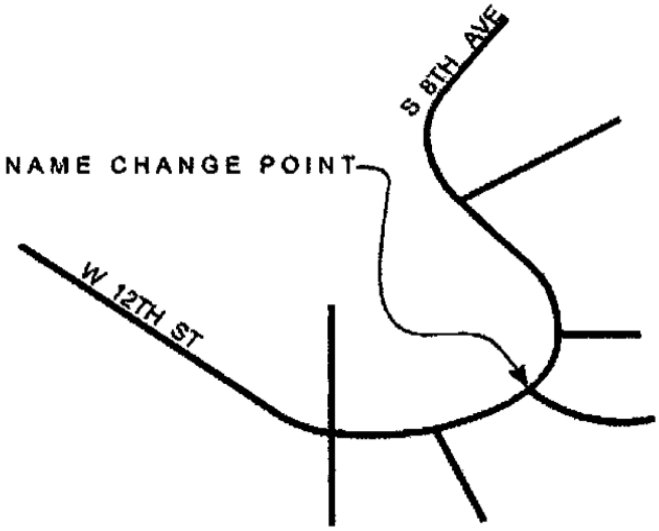


FIGURE 5-1

6. Roadways within the Alignment of Existing Roadways.

When two potential roadways are within the alignment of an existing roadway, the one that is most nearly in alignment takes precedence, and the latter receives a new name.

Section 2.5 Roadway Naming Criteria.

1. Once a name is used, it shall not be used for any other roadway or alignment.

2. Once a name is assigned to any alignment, it shall not change anywhere along the extension of that alignment.

3. Names that are the same, or are pronounced the same (homonyms) or similarly, with different spellings, shall be used only once; e.g. Saguaro or Sahuaro; See or Sea; Stacy or Stacey; Beach or Beech; Smith or Smythe; Ellis or Allice; Allen or Alan.

4. Names for roadways in a subdivision shall have a common theme (i.e., flowers, states), as a means of general identification.

5. A roadway name should be appropriate and easy to read so that children can use the name in an emergency situation, and should add to community pride by promoting local heritage, history and traditions and reflect local geography and character.

6. Special characters in road names such as hyphens, apostrophes or dashes shall not be used.

7. Directionals as roadway names (e.g. East Street, North Lane, West Drive, South Avenue) shall not be used.

8. Roadway types must be avoided as part of the roadway name. For example, a roadway named Winding Lane Drive is confusing since Lane and Drive are both roadway types.

9. Roadway names should be limited to no more than ten characters (i.e. Sidewinder Avenue, Buena Vista Drive, Escape Away Street).

10. Names which maybe offensive (slang, double meaning, etc.) shall be avoided.

11. Articles (the, a, an) shall not be used to begin roadway names.

12. Roadway names cannot contain initials, abbreviations, or single letters.

Section 2.6 Municipal Annexation of Roadways

When the City annexes an existing roadway, the City may change the name of the annexed roadway to conform to the guidelines outlined herein.

Section 2.7 Naming New Roadways.

New roadways will be named during the subdivision process. The developer shall propose the naming of all roadways within a new subdivision at the time of filing the preliminary plat. The City of San Luis will review all subdivisions for conformance with this roadway naming policy and to ensure roadway name alignments are correct and, discontinuous roadways are named properly. Roadway names(s) become final upon recording of the final plat.

Chapter 3 – Addressing Policy

Section 3.1 Grid System.

Base lines are established at the East Main Canal for North-South address assignments and at County 24th Street and the East Main Canal for East-West Street.

Roadways parallel to County 24th Street shall be called Streets. All Streets have an east-west alignment. Where required, Place, Lane, and Road, shall be used as a filler between Streets, in that order. Street, Place, Lane, and Road, shall follow the roadway numbers, i.e. 21st Street, 21st Place, 21st Lane, 21st Road.

Roadways parallel to the East Main Canal shall be called Avenues. All Avenues have a north-south alignment. Where required, Drive, Way, and Trail shall be used as a filler between Avenues, in that order.

Avenues east of 10th Avenue shall be consecutively numbered in 4-per mile intervals following the pre-existing configuration (i.e. 14th Avenue, 18th Avenue).

The increment for assigning property numbers between East-West roadways (Streets) shall be 660 feet. Each 660 feet or one eighth of a mile shall contain 100 numbers for a total of 800 numbers per mile.

Section 3.2 General Address Assignment Criteria.

1. All development plans, except mobile home or recreational vehicle park plans, will be submitted to the Planning & Zoning Department for address assignment. Once assigned, numbers may not be arbitrarily changed by the Postal Service, developers, utilities or departments of the county. Any desired change shall be submitted in writing to the Planning & Zoning Department. When a change is approved, the Planning & Zoning Department will notify all agencies and utilities involved in the serving the area.

2. Mobile home or recreational vehicle park owners or their representative shall submit a plan of the park complete with space numbers, and private interior roadway names to the Planning and Zoning Department for review and approval.

3. For proposed developments involving subdivision of property, property numbers shall not be assigned until a final subdivision plat has been recorded with the Yuma County Recorder.

4. Property numbers shall be assigned in accordance with the incremental numbering system prescribed in Chapter 1 of this policy.

5. Each individually owned lot or parcel fronting on a roadway shall be assigned only one address.

6. Odd numbers shall be assigned to the South and East side of roadways.

7. Even numbers shall be assigned to the North and West side of roadways.

8. Half numbers shall not be assigned, only whole numbers.

9. Properties will not be addressed on frontage which has a non-access easement across the full width of the frontage.

10. Property numbers shall be posted on the property using numbers of sufficient size and posted in such a manner as to be legible and visible, both day and night, from the roadway fronting the property.

11. Properties which have not previously been assigned an address will have an address assigned in accordance with the policies set forth in this document, provided there is a dwelling or commercial structure on the property. Notification will be sent to affected property owners advising them of these changes.

12. Properties currently using an address which does not conform to these policies will be reassigned a conforming address.

13. Roadways with a suffix other than Street, Place, Lane, Road & Avenue, Drive, Way, and Trail, will be reassigned a conforming roadway suffix.

14. There are two (2) basic situations for assigning property numbers:

1. Property having one building on the site. A lot or parcel with either a single or multiple tenant building will have only one address.

2. Property having more than one building on the site: such as Planned Unit Developments, industrial or commercial centers, apartment and townhouse projects and recreational vehicle or mobile home parks with interior roadways (whether dedicated or undedicated) will be issued *one* address for the project on the dedicated roadway upon which the project fronts. Each individual space, unit, suite, etc., will be assigned an identifying number in addition to the address.

15. Any deviation from these policies must be requested in writing and submitted to the Planning & Zoning Department for review and approval.

Section 3.3 Procedure for Assigning Project Addresses:

1. One (1) master address shall be assigned for the project on the dedicated roadway upon which the MAIN entrance fronts.

2. Numbers shall be assigned as follows: Start at the master addressed entrance, commence numbering on the right, continuing consecutively to the last building:

   For fewer than 99 units/floor, single story: 1-99.
   For fewer than 99 units/floor, multi-story: 101-199, 201-299, etc.
   For more than 99 units, single story, 1001-1999.
   For more than 99 units, multi-story, 1001-1999, 2001-2999, etc.

3. The assigned group of numbers, unique to each building, shall be clearly displayed, as a directory, for each building within a development, when Section 3.1 above is utilized.

4. Where it is more feasible/desirable, in a development having multiple buildings (with one or more floors or levels), individual building numbers may be assigned, subject to review and approval by the Zoning Administrator.

Section 3.4 Internal Project Numbering:

When a lot or parcel has more than one tenant-unit (apartment, suite, space, etc.) the following numbering assignment will be use:

1. Single building, single story:
   property address and unit 1 thru-99

2. Single building, muilti-story:
   property address and:
   Unit 101 thru- 199 in 1st Floor.
   Unit 201 thru- 299 in 2nd Floor.
   Unit 301 thru- 399 in 3rd Floor.
3. Multiple buildings, multi-story:
   property address, plus building number, plus:
   a. Unit 101 thru-199 in 1st Floor.
   b. Unit 201 thru- 299 in 2nd Floor.
   c. Unit 301 thru- 399 in 3rd Floor.

Chapter 4 – Renaming Existing Roadways

Section 4.1 Applicability.

This Chapter applies only to the renaming of roadways. All other action regarding the naming of roadways are governed by Chapter 1 through 3 of this policy. The City Council may, by resolution, change the name of any roadway within the City if the roadway name is identical or similar to another roadway name in the City of San Luis, if one continuous roadway is known by more than one name, if a roadway is different from the official name is in common use, for commemorative purposes, or for other just cause. When a roadway name is changed, it cannot be renamed for a period of 10 years.

Section 4.2 Eligibility Criteria For Commemorative Renaming.

A dedicated, public roadway may be proposed for commemorative renaming:

1. To honor an event that had a major, positive impact on the history or culture of the San Luis area, and/or the State of Arizona, and/or the United States of America, or,

2. To honor a person who was killed while in honorable service to our community, state, or nation, or,

3. To honor a person who has been deceased for at least 12 years, and meets any one of more of the following criteria:
   a. a president
   b. a signer of the Declaration of Independence or delegate of the Constitutional Convention of the United States.
   c. a resident or native of Yuma County who has been awarded the Congressional Medal of Honor.
   d. A resident, native, settler, or explorer of Yuma County who has had a major, positive impact on the history or culture of the Yuma area or the State of Arizona.
   e. A person who has had a major, positive impact on the history or culture of the United States.
   f. A person who has made a major, positive impact on the advancement of the principles of democracy, whether or not such person has been a resident of the United States.

4. Proposed roadway names may not duplicate or sound like another existing roadway name within the City or nearby County area, as determined by the City of San Luis, and should not exceed then (10) characters. The proposed renaming shall be for the full contiguous roadway length or at least one mile.

Section 4.3 Application.

A roadway name change may be initiated for public roadways by an individual, group, or organization.

1. An application for a roadway renaming shall require the following information:
   a) a completed application form provided by the City;
   b) a petition signed by at least 67 percent (2/3) of the property owners directly abutting the roadway proposed for commemorative renaming;
   c) a fee as determined by the City application schedule; and
   d) a written narrative (not exceeding two pages) supporting the roadway name change.

2. For the purpose of determining the sufficiency of the percentage of persons owning property and providing notice to, the number of persons owning property shall be as shown on the last assessment of the property by the county assessor. If a person owns multiple parcels of property, such owner shall be deemed as one owner for the purpose of this section.

Section 4.4 Approval Process.

1. The Planning and Zoning Commission shall hold a public hearing to review the application for roadway renaming within ninety (90) days of a complete application submittal, fee, narrative and certification of the petition.

2. All property owners abutting the roadway proposed for commemorative renaming shall be notified of the meeting at least fifteen (15) days prior to the meeting.

3. The Planning & Zoning Commission shall forward a recommendation of approval, denial, or modification of the request to the City Council.

4. The City Council may then vote to approve, disapprove, or modify the proposed application.

5. If approved, the City Council shall pass a resolution adopting the new roadway name. If an existing roadway name that was named by ordinance needs to be changed, established procedures will be followed to repeal the ordinance prior to adoption of the new roadway name.

Section 4.5 Notification of Name Change.

The City of San Luis will notify the affected property owners, delivery and utility companies, Yuma County, the San Luis Public Safety Answering Point (PSAP) for 9-1-1, City of San Luis Fire and Police Departments of all roadway name changes.

Internally, Public Works Department will be informed to ensure that the roadway signs are replaced within a reasonable period of time.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6.F.**

Meeting Date: 11/08/2017

Department Head: Jose A. Guzman, Acting Director of Planning & Zoning, Planning & Zoning Department

Submitted By: Jose A. Guzman, Acting Director of Planning & Zoning, Planning & Zoning Department

Action Requested: Motion
Ordinance - 1st Reading
Public Hearing

ITEM:

Public hearing followed by discussion and possible action on any all matters regarding Text Amendment Case No. 2017-0664 and First Reading of Ordinance No. 372. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending the San Luis City Code, Chapter 152 Zoning Regulations Section 152.078(E) - Table No. 3 Development Standards to amend the provisions for side yard setback for R1-6 zoning district; Amending Subsections 152.091(A) and (B)(1) to clarify applicability of design and development standards for single detached residence dwelling lots created prior to March 1, 2016; repealing any conflicting provisions; and providing for severability. **(Jose A. Guzman, Acting Director of Planning and Zoning)**

A. Open public hearing
   1. Presentation by staff and/or applicant
   2. Call to the public on this item
B. Close public hearing
C. Action on First Reading of Ordinance No. 372 by title only
   (City Clerk to read Ordinance by title only)

SUMMARY:

City Council approved Ordinance No. 347 to alleviate the demand for bigger houses, an ordinance to set up the minimum lot size to 6,000 square feet. However, there are still many empty lots around the City that are less than 6,000 square feet making it difficult to construct a bigger house.

Ordinance No. 347 also provides that all existing single-family lots in an R-2 zone must be built to R1-6 design standards. Changing R1-6 design standards works to capture all of these lots and all new 6,000 square feet lots in the future. In order for the new 5 foot setbacks to apply to existing lots in an R-2 zone, the City Code must be amended to include the development standards under Section 152.91(A) and (B)(1).

This proposed amendment will allow the reduction of the side yard setback from 7 feet to 5 feet on lots in an R1-6 district and the existing lots in R-2 districts. However, construction with setbacks of less than 7 feet but no greater than 5 feet must be constructed with a minimum of a 2-hour fire resistive construction.

RECOMMENDATION / SUGGESTED MOTION:

A. I MOVE TO OPEN PUBLIC HEARING.

1. Presentation by staff and / or applicant.
2. Call to the public on this item.

B. I MOVE TO CLOSE PUBLIC HEARING.

C. I MOVE TO APPROVE FIRST READING OF ORDINANCE NO. 372 BY TITLE ONLY.

(City Clerk to read Ordinance by title only)

Supporting information not attached to the Agenda Item Review Form:

N/A

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	N/A
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

N/A

Attachments

Ordinance No. 372

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Ordinance

NO. 372

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, AMENDING THE SAN LUIS CITY CODE CHAPTER 152 ZONING REGULATIONS SECTION 152.078(E)-TABLE NO. 3 DEVELOPMENT STANDARDS TO AMEND THE PROVISIONS FOR SIDE YEARD SETBACKS FOR R1-6 ZONING DISTRICT; AMENDING SUBSECTIONS 152.091(A) AND (B)(1) TO CLARIFY APPLICABILITY OF DESIGN AND DEVELOPMENT STANDARDS FOR SINGLE DETACHED RESIDENCE DEWELLING LOTS CREATED PRIOR TO MARCH 1, 2016; REPEALING ANY CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

BE IT ORDAINED by the Mayor and Council of the City of San Luis, Arizona as follows:

SECTION 1: Subsection 152.078(E) Design Standards Table 3 Development Standards for Single Family Zoning Districts is hereby amended to read as follows:

TABLE No. 3
Development Standards – Single Residence Zoning Districts

Zoning District	*Minimum Lot Size (ac./sq ft)*	*Minimum Lot Width (feet)*	*Maximum Bldg. Height (feet)*	*Minimum Yard Setback (feet)*					*Maximum Lot Coverage*
				Front	*Garage Entrance*	*Side*	*Street Side*	*Rear*	
"RA-10"	10 acres	330	35(b)	50	40	30 & 30	50	50	10%
"SR-5"	5 acres	220	35(b)	40	40	30 & 30	40	40	15%
"SR-2"	2 acres	120	35(b)	30	30	30 & 30	30	40	20%
"R1-35"	35,000 sf	100	30	30	30	15 & 15	30	40	30%
"R1-20"	20,000 sf	100	30	25	20	10 & 10(c)	15	30(c)	40%
"R1-12"	12,000 sf	80(a)	30	20	18	7 & 7(c)	10	25(c)	45%
"R1-8"	8,000 sf	70(a)	30	20	18	7 & 7(c)	10	20(c)	50%
"R1-6"	6,000 sf	60(a)	30	20	18	7 & 7(c) &5 (d)	10	10(c)	50%
"R1-5"	5,000 sf	50(a)	20	15	18	5 & 5(c)	10	10(c)	50%

(a) Lot width on corner lots shall be increased by five feet.
(b) Accessory agricultural buildings may be permitted additional height in accordance with regulations in §§ 152.210 through 152.226.
(c) Increased setbacks for institutional uses allowed by C.U.P. shall be increased one foot for every two foot of building height, but in no case less than 20 feet.
(d) 5 foot setbacks shall be permitted in a R1-6 District where the construction beyond a 7 foot setback are constructed with no less than 2 hour fire resistive construction.

SECTION 2: Subsections 152.091.A and 152.091.B.1 are hereby amended to clarify that both the design standards and the development standards for an "R1-6" zoning district apply to single detached residence dwelling units created prior to March 1, 2016 and shall read as follows:

> § 152.091 "R-2" MEDIUM-HIGH DENSITY RESIDENTIAL ZONING DISTRICT.
>
> (A) Purpose. The purpose of this zoning district is to allow for a variety of building types, including duplex, townhouses, and apartments with varied project amenities. The "R-2" shall provide a balance of housing opportunities to serve the needs of the residents of San Luis. The intent of this district is to permit higher density urban development with a mixture of uses of a similar intensity. Dwelling units shall be a multiple residences dwelling. No detached single residence dwelling unit shall be permitted from and after March 1, 2016. For all lots created for single detached residence dwelling units prior to March 1, 2016, all such single detached dwelling units shall be developed to the design and development standards of an "R1-6" zoning district.
>
> (B) Permitted uses - "R-2" Zoning District.
>
> (1) Attached or detached single residence dwellings, including townhouses, provided the maximum density does not exceed ten dwelling units per acre. No single detached residence dwelling units shall be permitted effective as of March 1, 2016. For lots for single detached residence units created prior to March 1, 2016 in a multiple residence zoning district, all single detached dwelling units shall be developed to the design and development standards of an "R1-6" zoning district.

SECTION 3: In the event of a conflict between the provisions of this Ordinance and any other ordinance, resolution, regulation, code, or policy of the City of San Luis, the conflicting provisions are hereby repealed, superseded, and replaced, and the provisions of this Ordinance shall govern.

SECTION 3: If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

PASSED AND ADOPTED by the Mayor and Council of City of San Luis, Arizona, on this _____ day of _____, 2017.

_____
Gerardo Sanchez, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

_____
Kay Marion Macuil, City Attorney