SECOND AMENDED AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 5, 2015 at 6:30 P.M.

ADDING ITEM 4 F

4F. POSSIBLE APPROVAL TO MOVE $8,000.00 FROM CONTINGENCY BUDGET LINE TO THE MAINTENANCE CONTRACT LABOR BUDGET LINE IN THE FY 15 BUDGET. STAFF RESOURCE: MIKE SHOWERS.

Support your local merchants.

SECOND AMENDED AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 5, 2015 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**

4. **Consent Agenda –** All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
   a) **Approval of the Minutes:**
      1) Council Hears Planning & Zoning Matters - July 22, 2015
      2) Executive Session – July 22, 2015 (recorded)
      3) Special Session – July 15, 2015
      4) Regular Session – July 15, 2015
   b) **Set Next Meeting, Date and Time:**
      1) Wednesday, August 12, 2015 at 5:30 p.m. Work Session
      2) Friday, August 14, 2015 at 9:00 a.m. Manager Evaluation and Goal Setting
      3) Wednesday, August 19, 2015 at 6:30 p.m. Council Hears Planning & Zoning Matters-Cancelled
   c) **Possible approval of Resolution 2015-950 a Resolution of the Mayor and Common Council of the Town of Camp Verde, Arizona, declaring as a public record that certain document filed with the Town Clerk and entitled "The 2012-2014 Amendments to the Tax code of the Town of Camp Verde".** Staff Resource: Mike Showers
   d) **Possible approval or Ordinance 2015-A411, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Arizona, relating to the Transaction Privilege Tax; adopting "The 2012-2014 amendments to the tax code of the Town of Camp Verde" by Reference; establishing effective dates; providing penalties for violations.** Staff Resource: Mike Showers
   e) **POSSIBLE APPROVAL TO RESCIND THE JULY 15, 2015 MOTION CALLING FOR A SPECIAL RECALL ELECTION TO BE HELD ON NOVEMBER 3, 2015 FOR THE RECALL OF COUNCIL MEMBER BRUCE GEORGE, AS ADVISED BY THE TOWN ATTORNEY.**
   f) **POSSIBLE APPROVAL TO MOVE $8,000.00 FROM CONTINGENCY BUDGET LINE TO THE MAINTENANCE CONTRACT LABOR BUDGET LINE IN THE FY 15 BUDGET.** STAFF RESOURCE: MIKE SHOWERS.

5. **Special Announcements and presentations:**
   - **There are no Special Announcements or Presentations**

6. **Call to the Public for Items not on the Agenda.**

7. **Discussion, consideration and possible approval of Special Event Liquor License application for**

Montezuma Rimrock Fire District Auxiliary for a fundraiser to be held at 115 Camp Lincoln In Camp Verde, AZ 86322 on September 26, 2015. Staff Resource: Virginia Jones

8. **Discussion, consideration, and possible instruction to the Mayor as to how to vote on the proposed League Resolutions at the League of Arizona Cities and Towns (LACT) League Resolution Committee meeting on August 18, 2015 at 1:30 p.m. located at the Starr Pass Resort in Tucson. The following is a summary of the proposed resolutions (the resolution numbers are established by the LACT) :**

- **Resolution BFED1-Establish a statutory mechanism enabling local government to create renewable energy and conservation financing districts for commercial properties. City of Flagstaff Sponsoring City.**
- **Resolution BRED-2-Seek legislation to allow cities and towns to invest in infrastructure and other improvements in a designated area, and pay for the investments via the increased property tax revenue generated by the new development. City of Surprise Sponsoring City**
- **Resolution GAHRE 1-Conduct thorough reform of the PSPRS (Public Service Retirement System) based on the principles provided by the PSPRS Task Force in the Yardstick document adopted by the League of Arizona Cities and Towns Executive Committee. This also includes specific aid for cities and towns to deal with unfunded liability of the system. Submitted by League Staff**
- **Resolution GAHRE 2-Urges the Legislature to amend ARS 39-121.01 to allow cities and towns to place reasonable balances on public record requests that are overbroad or abusive and on the frequency on requests. Submitted by the City of Yuma.**
- **GAHRE 3 – Develop and pass legislation to make the requirements for annexation a more simple and flexible process. Submitted by Town of Oro Valley and City of Yuma.**
- **GAHRE 4 – Provide relief from the proportional width and length requirements of current annexation statute if the minimum adjoin boundary of the property meets the minimum 300 foot requirement, there is a single property owner, and both the city or town and the property owner desire annexation, thus allowing the annexation of the entire parcel in one process. Submitted by Town of Queen Creek.**
- **Resolution NSQL 1-Partner with cities and towns for the operation and maintenance of Arizona State Parks under long term leases, for a nominal amount, and participate financially by providing for a dedicated fund mechanism to share a portion of the costs. Submitted by City of Yuma.**
- **Resolution NSQL 2-Restore the Arizona Housing Trust Fund. Submitted by the City of Flagstaff.**
- **Resolution NSQL 3 – Recommendation for the authorization of expenditure and full appropriations through the reenactment of repealed ARS 41-501, 503 and 504 to restore the Arizona State Park Heritage Funds. Submitted by Town of Sahuarita.**
- **Resolution NSQL 4-Proposing the expansion of state licensure requirements and local enforcement authority for sober living housing. Submitted by City of Prescott.**
- **Resolution TIPW 1-Urge the Federal Aviation Administration (FAA) to improve its communication with municipalities when studying changes to potential flight paths that would have a significant adverse aircraft noise impact on residential communities and urge Congress to amend key portions of the FAA Modernization and Reform Act of 2012**

that would help achieve the aforementioned request. Submitted by City of Phoenix.

- **Resolution TIPW 2-Urges the Legislature to stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns, and to restore HURF funding to FY2008 levels. Submitted by City of Yuma.**
- **Resolution TIPW 3-Support the inclusion of funding to accelerate design and construction of State Route 189 in ADOT's Five-Year Transportation Facilities Construction Program. Submitted by City of Tucson.**

9. **Call to the Public for items not on the agenda.**

10. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Fire District, Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

11. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

12. **Adjournment**

Posted by:_____ Date/Time:_____

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

4.1.

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: August 5, 2015

☒ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation* ☐ *Special Session*

Requesting Department: Finance

Staff Resource/Contact Person: Mike Showers

Agenda Title (be exact): Request to move $8,000.00 from the Contingency budget line to the Maintenance Contract Labor budget line in the FY15 Budget.

List Attached Documents: 1) Budget Change/Re-Appropriation Form

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

☒ ***Department Head:*** ☐ ***Town Attorney Comments:***

Finance Review: ☐ **Budgeted** ☒ **Unbudgeted** ☐ **N/A**

Finance Director Comments/Fund:

Fiscal Impact: No fiscal impact.

Comments: Maintenance is requesting this transfer as this was not a part of their expected budget. No part of the Contingency budget has been used so far for the FY15 budget year.

Background Information: Required clean-up to the McCracken property.

Recommended Action (Motion): Approve the request to move $8,000.00 from the Contingency budget line to the Maintenance Contract Labor budget line in the FY15 Budget.

Instructions to the Clerk: N/A

Town of Camp Verde
Budget Change/Re-Appropration Form

Date: 12/16/2014

Department Making Request: Public Woreks

Department Head Approval: [signature]

Council Agenda Date: 8/5/15

Account Transferred FROM

Fund	Department	Account Number	Account Name	Amount
1	General	999900	Contingency	8,000.00

Account Transferred TO

Fund	Department	Account Number	Account Name	Amount
420	Maintenance	712000	Contract Labor	8,000.00

Finance Director Approval: [signature]

Date: 7/8/15

Comments: Required to clean up Town owned property on McCracken Lane

AMENDED AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 5, 2015 at 6:30 P.M.

ADDING ITEM 4 e

Support your local merchants.

AMENDED AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 5, 2015 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**

4. **Consent Agenda –** All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
   a) **Approval of the Minutes:**
      1) Council Hears Planning & Zoning Matters - July 22, 2015
      2) Executive Session – July 22, 2015 (recorded)
      3) Special Session – July 15, 2015
      4) Regular Session – July 15, 2015
   b) **Set Next Meeting, Date and Time:**
      1) Wednesday, August 12, 2015 at 5:30 p.m. Work Session
      2) Friday, August 14, 2015 at 9:00 a.m. Manager Evaluation and Goal Setting
      3) Wednesday, August 19, 2015 at 6:30 p.m. Council Hears Planning & Zoning Matters-Cancelled
   c) **Possible approval of Resolution 2015-950 a Resolution of the Mayor and Common Council of the Town of Camp Verde, Arizona, declaring as a public record that certain document filed with the Town Clerk and entitled "The 2012-2014 Amendments to the Tax code of the Town of Camp Verde".** Staff Resource: Mike Showers
   d) **Possible approval or Ordinance 2015-A411, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Arizona, relating to the Transaction Privilege Tax; adopting "The 2012-2014 amendments to the tax code of the Town of Camp Verde" by Reference; establishing effective dates; providing penalties for violations.** Staff Resource: Mike Showers
   e) **POSSIBLE APPROVAL TO RESCIND THE JULY 15, 2015 MOTION CALLING FOR A SPECIAL RECALL ELECTION TO BE HELD ON NOVEMBER 3, 2015 FOR THE RECALL OF COUNCIL MEMBER BRUCE GEORGE, AS ADVISED BY THE TOWN ATTORNEY.**

5. **Special Announcements and presentations:**
   - **There are no Special Announcements or Presentations**

6. **Call to the Public for Items not on the Agenda.**

7. **Discussion, consideration and possible approval of Special Event Liquor License application for Montezuma Rimrock Fire District Auxiliary for a fundraiser to be held at 115 Camp Lincoln In Camp Verde, AZ 86322 on September 26, 2015.** Staff Resource: Virginia Jones

8. **Discussion, consideration, and possible instruction to the Mayor as to how to vote on the proposed League Resolutions at the League of Arizona Cities and Towns (LACT) League Resolution Committee meeting on August 18, 2015 at 1:30 p.m. located at the Starr Pass Resort in Tucson. The following is a summary of the proposed resolutions (the resolution numbers are established by the LACT) :**

- **Resolution BFED1-Establish a statutory mechanism enabling local government to create renewable energy and conservation financing districts for commercial properties. City of Flagstaff Sponsoring City.**
- **Resolution BRED-2-Seek legislation to allow cities and towns to invest in infrastructure and other improvements in a designated area, and pay for the investments via the increased property tax revenue generated by the new development. City of Surprise Sponsoring City**
- **Resolution GAHRE 1-Conduct thorough reform of the PSPRS (Public Service Retirement System) based on the principles provided by the PSPRS Task Force in the Yardstick document adopted by the League of Arizona Cities and Towns Executive Committee. This also includes specific aid for cities and towns to deal with unfunded liability of the system. Submitted by League Staff**
- **Resolution GAHRE 2-Urges the Legislature to amend ARS 39-121.01 to allow cities and towns to place reasonable balances on public record requests that are overbroad or abusive and on the frequency on requests. Submitted by the City of Yuma.**
- **GAHRE 3 – Develop and pass legislation to make the requirements for annexation a more simple and flexible process. Submitted by Town of Oro Valley and City of Yuma.**
- **GAHRE 4 – Provide relief from the proportional width and length requirements of current annexation statute if the minimum adjoin boundary of the property meets the minimum 300 foot requirement, there is a single property owner, and both the city or town and the property owner desire annexation, thus allowing the annexation of the entire parcel in one process. Submitted by Town of Queen Creek.**
- **Resolution NSQL 1-Partner with cities and towns for the operation and maintenance of Arizona State Parks under long term leases, for a nominal amount, and participate financially by providing for a dedicated fund mechanism to share a portion of the costs. Submitted by City of Yuma.**
- **Resolution NSQL 2-Restore the Arizona Housing Trust Fund. Submitted by the City of Flagstaff.**
- **Resolution NSQL 3 – Recommendation for the authorization of expenditure and full appropriations through the reenactment of repealed ARS 41-501, 503 and 504 to restore the Arizona State Park Heritage Funds. Submitted by Town of Sahuarita.**
- **Resolution NSQL 4-Proposing the expansion of state licensure requirements and local enforcement authority for sober living housing. Submitted by City of Prescott.**
- **Resolution TIPW 1-Urge the Federal Aviation Administration (FAA) to improve its communication with municipalities when studying changes to potential flight paths that would have a significant adverse aircraft noise impact on residential communities and urge Congress to amend key portions of the FAA Modernization and Reform Act of 2012 that would help achieve the aforementioned request. Submitted by City of Phoenix.**
- **Resolution TIPW 2-Urges the Legislature to stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns, and to restore HURF**

funding to FY2008 levels. Submitted by City of Yuma.

- **Resolution TIPW 3-Support the inclusion of funding to accelerate design and construction of State Route 189 in ADOT's Five-Year Transportation Facilities Construction Program. Submitted by City of Tucson.**

9. **Call to the Public for items not on the agenda.**

10. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Fire District, Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

11. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

12. **Adjournment**

Posted by: Virginia Jones Date/Time: 8-3-2015 4:50 p.m.

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

L. C.

SIMS MURRAY

2020 North Central Avenue
Suite 670
Phoenix, Arizona 85004
P: 602-772-5500 F: 602-772-5509

William J. Sims III
Direct Line: 602-772-5501
wjsims@simsmurray.com

VIA U.S. Mail and Electronic Mail (lynn.constabile@yavapai.us)

July 30, 2015

Lynn A. Constabile
Yavapai County Elections Director
1015 Fair Street
Prescott, AZ 86305

Re Recall Election – November 3, 2015

Dear Ms. Constabile:

I write as the Town of Camp Verde, Town Attorney. On July 3, 2015, A.R.S. § 19-201.01 became effective. That statute requires the Town and the County to strictly comply with the statutory requirements for recall elections.

As you know, the Town of Camp Verde submitted petitions and requested Yavapai County to conduct a recall election at the November 3, 2015 election. The Town Clerk used forms of petitions that had been prepared by the League of Arizona Cities and Towns, but the petitions did not include the acknowledgement regarding whether or not the circulator was a paid or volunteer circulator, as required by A.R.S. § 19-204.

In light of the clear language of A.R.S. § 19-201.01 that expressly requires all recall elections now to strictly comply with statutory requirements, and in light of the fact that the petitions failed to comply with A.R.S. § 19-204, I ask you to cancel the November 3, 2015, recall election.

Sincerely,

William J. Sims III
Camp Verde Town Attorney

cc: Russ Martin, Town Manager
Virginia Jones, Town Clerk

Support your local merchants.

AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 5, 2015 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**

4. **Consent Agenda –** All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
   a) **Approval of the Minutes:**
      1) Council Hears Planning & Zoning Matters - July 22, 2015
      2) Executive Session – July 22, 2015 (recorded)
      3) Special Session – July 15, 2015
      4) Regular Session – July 15, 2015
   b) **Set Next Meeting, Date and Time:**
      1) Wednesday, August 12, 2015 at 5:30 p.m. Work Session
      2) Friday, August 14, 2015 at 9:00 a.m. Manager Evaluation and Goal Setting
      3) Wednesday, August 19, 2015 at 6:30 p.m. Council Hears Planning & Zoning Matters-Cancelled
   c) **Possible approval of Resolution 2015-950 a Resolution of the Mayor and Common Council of the Town of Camp Verde, Arizona, declaring as a public record that certain document filed with the Town Clerk and entitled "The 2012-2014 Amendments to the Tax code of the Town of Camp Verde".** Staff Resource: Mike Showers
   d) **Possible approval or Ordinance 2015-A411, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Arizona, relating to the Transaction Privilege Tax; adopting "The 2012-2014 amendments to the tax code of the Town of Camp Verde" by Reference; establishing effective dates; providing penalties for violations.** Staff Resource: Mike Showers

5. **Special Announcements and presentations:**
   - **There are no Special Announcements or Presentations**

6. **Call to the Public for Items not on the Agenda.**

7. **Discussion, consideration and possible approval of Special Event Liquor License application for Montezuma Rimrock Fire District Auxiliary for a fundraiser to be held at 115 Camp Lincoln In Camp Verde, AZ 86322 on September 26, 2015.** Staff Resource: Virginia Jones

8. **Discussion, consideration, and possible instruction to the Mayor as to how to vote on the proposed League Resolutions at the League of Arizona Cities and Towns (LACT) League Resolution Committee meeting on August 18, 2015 at 1:30 p.m. located at the Starr Pass Resort in Tucson. The following is a summary of the proposed resolutions (the resolution numbers are established by the LACT) :**

- **Resolution BFED1-Establish a statutory mechanism enabling local government to create renewable energy and conservation financing districts for commercial properties. City of Flagstaff Sponsoring City.**
- **Resolution BRED-2-Seek legislation to allow cities and towns to invest in infrastructure and other improvements in a designated area, and pay for the investments via the increased property tax revenue generated by the new development. City of Surprise Sponsoring City**
- **Resolution GAHRE 1-Conduct thorough reform of the PSPRS (Public Service Retirement System) based on the principles provided by the PSPRS Task Force in the Yardstick document adopted by the League of Arizona Cities and Towns Executive Committee. This also includes specific aid for cities and towns to deal with unfunded liability of the system. Submitted by League Staff**
- **Resolution GAHRE 2-Urges the Legislature to amend ARS 39-121.01 to allow cities and towns to place reasonable balances on public record requests that are overbroad or abusive and on the frequency on requests. Submitted by the City of Yuma.**
- **GAHRE 3 – Develop and pass legislation to make the requirements for annexation a more simple and flexible process. Submitted by Town of Oro Valley and City of Yuma.**
- **GAHRE 4 – Provide relief from the proportional width and length requirements of current annexation statute if the minimum adjoin boundary of the property meets the minimum 300 foot requirement, there is a single property owner, and both the city or town and the property owner desire annexation, thus allowing the annexation of the entire parcel in one process. Submitted by Town of Queen Creek.**
- **Resolution NSQL 1-Partner with cities and towns for the operation and maintenance of Arizona State Parks under long term leases, for a nominal amount, and participate financially by providing for a dedicated fund mechanism to share a portion of the costs. Submitted by City of Yuma.**
- **Resolution NSQL 2-Restore the Arizona Housing Trust Fund. Submitted by the City of Flagstaff.**
- **Resolution NSQL 3 – Recommendation for the authorization of expenditure and full appropriations through the reenactment of repealed ARS 41-501, 503 and 504 to restore the Arizona State Park Heritage Funds. Submitted by Town of Sahuarita.**
- **Resolution NSQL 4-Proposing the expansion of state licensure requirements and local enforcement authority for sober living housing. Submitted by City of Prescott.**
- **Resolution TIPW 1-Urge the Federal Aviation Administration (FAA) to improve its communication with municipalities when studying changes to potential flight paths that would have a significant adverse aircraft noise impact on residential communities and urge Congress to amend key portions of the FAA Modernization and Reform Act of 2012 that would help achieve the aforementioned request. Submitted by City of Phoenix.**
- **Resolution TIPW 2-Urges the Legislature to stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns, and to restore HURF funding to FY2008 levels. Submitted by City of Yuma.**
- **Resolution TIPW 3-Support the inclusion of funding to accelerate design and construction of State Route 189 in ADOT's Five-Year Transportation Facilities Construction Program. Submitted by City of Tucson.**

9. **Call to the Public for items not on the agenda.**

10. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Fire District, Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

11. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

12. **Adjournment**

Posted by: _____ Date/Time: 07/30/15 9:40AM

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

4a.1

DRAFT MINUTES

COUNCIL HEARS PLANNING & ZONING MATTERS
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, JULY 22, 2015 at 6:30 P.M.

1. **Call to Order**
Mayor German called the meeting to order at 6:30 pm.

2. **Roll Call**
Mayor German, Vice Mayor George, Councilors Baker, Gordon, German, Jones present. Councilor Whatley absent.

Also Present: Community Development Director Mike Jenkins, Assistant Planner Jenna Owens, Town Clerk Virginia Jones, Town Attorney William Sims joined the meeting telephonically at 7:00 p.m., Administrative Assistant Julie Scott and Recording Secretary Marie Moore.

3. **Pledge of Allegiance**
Vice Mayor George led the pledge.

4. **Consent Agenda –** All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
   a) **Approval of the Minutes:**
      1) No Minutes for approval
   b) **Set Next Meeting, Date and Time:**
      1) Wednesday, July 29, 2015 at 5:30 p.m. Executive Session Manager Evaluation
      2) Wednesday, August 5, 2015 at 6:30 p.m. Regular Session
      3) Friday, August 7, 2015 at 9:00 a.m. Manager Evaluation and Goal Setting
      4) Wednesday, August 12, 2015 at 5:30 p.m. Work Session
      5) Wednesday, August 19, 2015 at 6:30 p.m. Council Hears Planning & Zoning Matters-Cancelled

   Item B (3) is changed to August 14th, 2015 at 9:00 am.

On a motion by George, seconded by Baker, Council unanimously passed the Consent Agenda.

5. **Special Announcements and presentations:**
   - **There are no Special Announcements or Presentations**

6. **Call to the Public for Items not on the Agenda.**

Bob Johnson thanked the Town, Mayor and Town Manager for the funding money toward flooding issues in Verde Lakes. Johnson also spoke of his disappointment toward the recall for Vice Mayor George and spoke in high regards of his character and what he has done for the town thus far.

7. **Public Hearing, discussion and possible approval of Ordinance 2015-A410, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, an Ordinance for Zoning Map change 20150170 per an application submitted by Chester-Campbell, LLC, Betty Chester & Dowling Campbell owners of parcel 404-02-005C, which is 12.35 acres. The property owner is requesting to go from a zoning of R1L-35 & R1L-175 (Residential: Single Family Limited) to PUD (Planned Unit Development). The property is located at 30 E State Route 260.** Staff Resource: Michael Jenkins

On a motion by George, seconded by Councilor German, Council approved of Ordinance 2015-A410, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, an Ordinance for Zoning Map change 20150170 per an application submitted by Chester-Campbell, LLC, Betty Chester & Dowling Campbell owners of parcel 404-02-005C, which is 12.35 acres. The property owner is

requesting to go from a zoning of R1L-35 & R1L-175 (Residential: Single Family Limited) to PUD (Planned Unit Development). The property is located at 30 E State Route 260 and the applicant shall comply with the recommendations of the Fire Marshal.

Community Development Director Mike Jenkins gave a brief history and overview of the property in question of zoning change. Jenkins used two parcel drawings designated as "Exhibit A" for the Council's review for a better understanding of the current zoning and property boundary. Jenkins indicated the application meets the needs of the General Plan and Open Space requirements. The Building Official indicated the buildings on the property will need to be modified to meet the R-3 residential codes and there will need to be surfacing requirements on the road to meet the Fire Marshal's requirements. Jenkins indicated it is the recommendation of the Planning & Zoning Commission to approve the application with stipulations regarding a parking area south of the sanitary pump, bollards around the existing transformer and comply with the Fire Marshal requirements. Jenkins indicated that after further review of the property and provided pictures for Council review, the first two recommended stipulations are not necessary.

Vice Mayor George questioned the distance of the propane tanks, Jenkins explained that the Building Official will review that and take appropriate action if necessary.

Councilor Baker questioned the resurfacing necessary for the Fire Department. Jenkins indicated the area by using Exhibit A. Baker requested where the Yavapai Apache Nation property was located; Jenkins explained the easement is located on the Chester Newton Property.

Councilor German questioned the size of the water line and the availability for a hydrant. Jenkins explained that this is a zoning issue and that the Fire Department would deal with it.

Applicant Keven Chester explained that the reason for the request to rezone is so that he and his nephew may live on the property legally and to be able to rent out the other buildings on the property. The applicant indicated he felt it was impossible to hit the transformer due to the location.

Mayor German indicated he agreed with staff that the bollards are not necessary and any additional fire hydrants were the decision of the Fire Marshal; therefore, he feels it is not necessary to include the stipulations recommended by the Planning & Zoning Commission.

8. **Discussion with the Town Attorney regarding the proposed Camp Verde Water Franchise Agreement to include, but not limited to Possible approval of the agreement, possible approval of a Call of Election or direction to staff or to the Town Attorney** Staff Resource: Bill Sims

At 7:00 pm Town Attorney Bill Sims was called and attended the meeting telephonically. Sims explained he has been in contact with the Water Franchise Attorney and is awaiting response. Sims indicated that this matter is premature at this point because the comments have yet to be received back at this point. Sims explained that this should be readdressed on the meeting on July 29, 2015 after the Town has received the draft from the Water Company's attorney; noting that if the item is going to be placed on the November 3, 2015 ballot, the Call of Election must be done no later than August 5, 2015. .

Councilor Gordon requested clarification on Page two, paragraph 3. Sims indicated that the wording could be changed to "Shall". Gordon felt that the town should be notified automatically if the Water Franchise was to be working in the right of way of Town property, rather than the town having to require that information. Gordon also questioned Page 6, paragraph 1 and felt that there was not a termination agreement. Sims explained that through operation by law it would condemn the agreement. Gordon questioned the ability to keep certain water lines and Sims explained that is not possible unless you are a water company.

Stan Bullard, owner of the Camp Verde Water Franchise indicated he felt that Mr. Sims was correct in the need to rework the wording of the agreement to be able to move forward with simple understanding for everyone.

Councilor Baker questioned the time frame indicated, Stan Bullard indicated the statute that covers the franchise indicates that it can go up to 25 years and due to the fact that it must go to election the cost is raised for customers. Baker questioned the fact that the Water Company is required to get a permit for construction. Bullard indicated that is correct, a permit is required, but the Franchise is also under State Regulations that must be followed and the State Laws are defaulted back to because the Town cannot override the Arizona Corporation Commission.

Mayor German called a recess at 7:27 p.m.
The meeting reconvened at 7:43 p.m.

9. **Discussion or consultation with the Town Attorney regarding the Special Election.** Note Council may vote to go into Executive Session pursuant to ARS §38-431.03(A)(3) for discussion or consultation with the attorney for legal advice and ARS §38-431.03(A)(4) discussion or consultation with the Town Attorney to consider Council's position and instruct the Attorney(s) regarding Council's position in contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. Staff Resource: Bill Sims

On a motion by Councilor Gordon, seconded by Vice Mayor George, Council voted to adjourn to Executive Session for discussion or consultation with the attorney for legal advice regarding the Special Election.

Regular Session reconvened at 8:31

The Mayor stated that Council has given the attorney direction, and there is nothing further to report at this time.

10. **Call to the Public for items not on the agenda.**
There was no public input or comments

11. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Fire District, Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Brad Gordon stated that he and the Mayor attended the Arizona Forward meeting in Sedona, featuring Geo-Tourism, he also volunteered at the Cornfest and attended American Heritage Academy Ribbon Cutting and Open House.

Vice Mayor Bruce George stated he was out of Town and had nothing to report.

Mayor Charlie German acknowledged that he and Councilor Gordon attended the Arizona Forward-Geo Tourism event in Sedona and he attended the American Heritage Academy Ribbon Cutting and Open House.

Councilor Jackie Baker stated she volunteered at the Cornfest, attended the groundbreaking ceremonies in Cottonwood for the Military Park at Garrison Park and was delighted with Mayor Joens speech. Baker stated that attending were two World War II Veterans.

Councilor Jessie Jones indicated that she volunteered at the Cornfest, attended the Ribbon Cutting and Grand Opening for the Yavapai Apache Market place, and the American Heritage Academy Ribbon Cutting and Open House. Councilor Jones stated that in light of the events in Chattanooga, she wanted to thank everyone that has served our Country to keep us all safe, whether on United States soil or abroad. Thank you to everyone.

Councilor Carol German stated she volunteered at the Cornfest on Saturday along with attending the Ribbon cutting and Grand Opening of the Yavapai Apache Market Place. Councilor German said that because of the rain at the

Cornfest, Camp Verde Promotions had over 60 dozen ears of corn that they donated to the Senior Center, Meals on Wheels and Bread of Life. Councilor German stated she also attended the American Heritage Academy Ribbon Cutting and Open House. Councilor German stated that on July 29 a representative from the Yavapai College Governing Board would be at the Parks & Recreation Conference room, in Camp Verde to visit with the public. She will be sending our more information prior to that date.

12. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

13. **Adjournment**

The meeting adjourned at 8:41 p.m.

_____
Charles German, Mayor

_____
Marie Moore, Recording Secretary

CERTIFICATION
I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session of the Town Council of Camp Verde, Arizona, held on July 22, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2015.

_____
Virginia Jones, Town Clerk

4a 3

DRAFT MINUTES
SPECIAL SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS - 473 S. MAIN STREET, ROOM #106
WEDNESDAY, JULY 15, 2015 AT 6:00 P.M.

Minutes are a summary of the discussion. They are not verbatim.
Public input is placed after Council discussion to facilitate future research.

1. **Call to Order**
Mayor German called the meeting to order at 6:00 p.m.

2. **Roll Call**
Mayor German, Vice Mayor Bruce George, and Councilors, Carol German, Brad Gordon, Robin Whatley, Jackie Baker and Jessie Jones are present.
Also Present
Town Manager Russ Martin, Finance Director Mike Showers, Community Development Director Mike Jenkins, CVMO Dispatch Supervisor Mary Newton, Town Clerk Virginia Jones and Recording Secretary Lynn Riordan.

3. **Pledge of Allegiance**
Mayor German led the pledge

Public Hearing for comments on the proposed FY 2015/16 Budget

- **Staff report**
Town Manager Russ Martin addressed the Mayor and Council expressing thanks to the Council and Staff for continued interest and hard work in considering and preparing the Fiscal Budget. Finance Director Mike Showers stated this budget has involved more discussion and continuous work than any other budget in recent years. Mr. Showers explained that the budget must make consideration for "potential" revenue, including revenue from sales tax and grants, and expenditures accordingly. Mr. Showers requested that the Council, and the public, keep in mind that if the revenue is not present, the expenditures will be cut accordingly.

- **Public hearing open for comments**
Patricia George addressed the Mayor and Council thanking them for their continuous service to the community, expressing support for the proposed Fiscal Budget 2015-16. Ms. George expressed distain for the residents that continuously complain, spawn discontent and fail to support the community.

Barbara Goetting addressed the Mayor and Council requesting her permit be approved to allow her to open for business (which supports the Town tax base).

David Higgins addressed the Mayor and Council thanking them for their service to the community and expressing support for the CVMO purchase of Spillman CAD standalone system.

Sherri Wischmeyer addressed the Mayor and Council questioning the line item in the budget showing Court anticipated revenue of $250,000, when the actual revenue (as provided by the State website) consistently shows a decline and remains at below $200,000 ($110,000 for 2014, $168,000 for 2013, $172,000 for 2012). Ms. Wischmeyer also expressed support for the Council allocating additional and continuous funding for the Senior Center and Meals on Wheels.

Leah Robbins addressed the Mayor and Council stating support for community events and marketing, requesting the Town continue to tie together events, business and family. Ms. Robbins made suggestions for increasing Parks and Recreation programs and activities.

Irene Peoble addressed the Mayor and Council thanking them for their continuous service to the community. Ms. Peoble stated concerns that the 2015-16 budget is proposed with an increase of over $333,000 in salaries alone, but expressing approval of the CIP proposed budget to accomplish some needed things for the Town and its resident. Ms. Peoble also stated support for the Town allocating additional and continuous funding for the Senior Center and Meals on Wheels.

Tom Pitts addressed the Mayor and Council stating he had attended several regional and state meeting, and stating support for marketing, increasing tourism and economic development. Mr. Pitts stated concern that the budget did not include money for advertising and marketing of Camp Verde.

Kathy Davis addressed the Mayor and Council thanking the Council for their service to the community and thanked the residents for attending the council meeting tonight and showing interest in the community. Ms. Davis stated support for the cost of living increase proposed for staff stating the staff has provided continuous quality service to the Town even during the "lean" years when no increases were available. Ms. Davis also stated support for the sales tax increase and believes the Council has, and continues to, serve and act in the best interest of the Town and its residents.

- Response from Mayor, Council or Staff: Vice Mayor Baker stated she did not support the $20,000 Contract Attorney Services for CVMO, referencing the letter from Sheila Polk, Yavapai County Attorney. Mayor German stated support for the $20,000 expenditure for the CVMO Contract Attorney Services and referred to a series of letters to/from the Mayor and Mr. Bast. These letters are attached hereto as part of the record (Minutes). Mayor German addressed the public's concerns regarding additional funding and support of the Senior Center and Meals on Wheels, stating the Council can and will revisit additional support in the future, however, all requests for statistical information regarding actual services and needs from the Senior Center has not been available, the operations of the Senior Center and Meals on Wheels are not transparent.

Recess proclaimed at 6:31 p.m. to allow the Mayor to Call to Order the Regular Session of the Common Council of the Town of Camp Verde.
Regular Session having been declared at recess, the Special Session resumed.

Dave Boily addressed the Mayor and Council stating he does not support 1) salary increases or cost of living increases for CVMO as the Council and public were misled last year creating wage increases across the board within CVMO of 4.5%, and no COLA increases for Town Staff, 2) $20,000 for an attorney contract for CVMO when they should be utilizing the services of the County Attorney (free of charge).

Steve Goetting addressed the Mayor and Council-expressing disappointment with the Town's lack of marketing stating the Town has spent $7,200 establishing a web site that still is inoperable, expenditure of $60,000 for grant writing program that has produced no revenue, and spent $21,000 on attorney fees for the Council. Mr. Goetting expressed support for marketing and signage on I-17 stating the Town needs to focus on creating revenue and providing services to the residents, families, the elderly and the young, not give out wage increases to Department Heads and Supervisors whose wages already exceed the area average.

- Response from Mike Showers: Mr. Showers acknowledged the Court struggles to meet its anticipated revenue, but the revenue stated for 2015 is only through April 2015, and is not an accurate figure. The numbers shown for the Court revenue is always in arrears. Taking in consideration the Court's revenue does not always meet the anticipated revenue; the Court adjusts its budgeted expenditures accordingly.

- **Public hearing closed**

4. **Discussion, consideration and possible approval of the FY 2015-16 Budget.** Staff Resource: Mike Showers On a Motion by Vice Mayor George, Seconded by Councilor Gordon, the Mayor and Council passed the proposed (Council version) of the FY 2015-16 Budget, with Councilor Baker and Councilor German voting "nay".

Mayor German stated support for the proposed FY 2015-16 Budget stating the Council has worked very hard to balance this budget and obtain the greatest benefit for the community from the potential revenue that may/will be available. The Mayor addressed the Council and public stating the proposed budget includes all sources of anticipated revenue, and that the Town will adjust expenditures according to actual revenue to continue operating within the limits of the actual revenue and grant money. Mayor German stated support for the expenditure of $20,000 for attorney services for CVMO, as this expenditure may save the Town thousands in potential litigation.

Councilor Jones stated support for the proposed FY 2015-16 Budget. Councilor Jones spoke passionately and eloquently about her dedication and support, and the Council's continued dedication and support of the Town and its residents. Councilor Jones stated that every line item in the budget this year has been reviewed and considered, which has been difficult and time consuming. Councilor Jones stated support for staff, including CVMO, cost of living increases. Councilor Jones stated the budget is tight again this year, and cannot be reduced any more without eliminating services. Councilor Jones stated she would like to see an increase in services and recreation, however an increase in services requires more revenue and additional staff. Councilor Jones encourages the public, the residents, to join the Mayor and Council in investing in, and supporting their community.

Councilor German stated support in most areas of the proposed FY 2015-16, however she could not support passing the proposed FY 2015-16 budget as presented tonight. Councilor German advised the Town employees received 6% increase in wages over the past three years. Councilor German stated she also would like to see an increase in services and recreation, acknowledging that this requires additional funding and staff. Councilor German supports having all letters with respect to attorney services for CVMO be made part of the record. Councilor German applauded the Library Director for providing so many services with so few increases in budget requests, stating the Library is open 6 days a week, and the Library continues to apply for and receive a variety of grants and utilizing a wonderful volunteer staff.

Councilor Whatley stated support for the proposed FY 2015-16 Budget. Councilor Whatley objects to having all letters become part of the record (Minutes), as the letter(s) from Mr. Bast do not have any address, and she feels that Mr. Bast should present himself before the Council, not stand on a letter. Councilor Whatley supports having CVMO rely on the County Attorney for legal services, not pay $20,000 for a contract attorney. Councilor Whatley stated support for CVMO and cost of living increases for Town Staff, including CVMO. Councilor Whatley stated support for the expenditure of sewer sleeves along the 260 corridor, which will save thousands of dollars in the future to have this completed while the "trenches are open" and be available as infrastructure to market the Town for potential investors and businesses. Councilor Whatley would also like to see an increase in services and recreation, stating the Town currently has 118-acre parcel designated for a park, but currently is lacking the funding to develop the property and construct a road into the area.

Councilor Baker stated support in most areas, but not all areas, of the proposed FY 2015-16, stating support for cost of living increases for all Town employees as they stayed loyal, and continued to provide excellent service during the "lean" years. Councilor Baker said the budget process was easy and services were abundant when times were good, but now things are tight and the Council is doing the very best they can with the revenue available. Councilor Baker stated concern regarding the amount of money spent on staff and the reduction of services to the residents stating the Town provided more services with less staff and less budget years ago, and the Town should strive to regain that philosophy, rather than spending more on attorneys and additional staff.

Councilor Gordon stated support for the proposed FY 2015-16 Budget. Councilor Gordon advised the residents that this Budget process started months ago, and the Council, Manager and staff have been working diligently

and meeting weekly (sometimes twice weekly) to resolve all issues. Councilor Gordon stated he was pleased to see so many residents appearing and being involved tonight, and encouraged all residents to participate in next year's budget process, which generally begins in the spring. Councilor Gordon stated support for the $20,000 expenditure for CVMO attorney services.

Vice Mayor George stated support for the proposed FY 2015-16 Budget. Vice Mayor George commented that the new sales tax increase goes into the general fund, however, the Council (per the proposed budget) has allocated all of the increased revenue for CIP projects for the benefit of the Town and its residents; expenditures, per the proposed budget, will be adjusted according to the actual revenue received.

Adjournment
Mayor German pronounced Adjournment of the Special Session at 7:23 p.m.

_____
Charles German, Mayor

_____
Lynn Riordan, Recording Secretary

CERTIFICATION
I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Special Session of the Town Council of Camp Verde, Arizona, held on July 15, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2015.

_____
Virginia Jones, Town Clerk

Town of Camp Verde

Gateway to the Verde Valley

473 S. Main Street, Suite 102 ♦ Camp Verde, Arizona 86322 ♦
Telephone: 928.554.0000 ♦ Fax: 928.567.9061 ♦
www.campverde.az.gov

handed out on meeting 7-15-2015

July 14, 2015

Thomas A Bast
360 W Finnie Flat Rd Apt 16
Camp Verde, AZ 86322

RE: Legal Counselor

Dear Mr. Bast:

Thank you for your letter to me and Council. Please find listed below some of my particular reasons and deliberations for voting to have a contracted attorney to render legal advice for the Marshal's Office.

1. There were three (3) or more ongoing active litigations with the Marshal's Office upon Marshal Gardner's arrival..
2. She was hired to bring up the level of service and professionalism of the Marshal's Department among other things.
3. She was given a budget and a reasonable expectation to prioritize her needs for the department and to meet her mission.
4. I do understand our Town Attorney represents the Town of Camp Verde. Mr. Bill Sims was contacted for his opinion as to whether to hire Eric Edwards and Bev Ginn and he stated he did feel that was a good idea. Mr. Sims is the Town Attorney, however he does not specialize in many areas of police work such as "when to kick a door in," "when to make an arrest," "how to process a crime scene," "custodial issues," or even "domestic violence situations," just to name a few. Although the Town Attorney can be called at any time, he is rarely immediately available while officers are on a traffic stop or during other critical scenes, and then the officer must leave a message. Obviously, the scene will not wait for such a delayed response.
5. Through the current Marshal's leadership and training standards for the department, including the use of current legal advisor, there have been no litigations involving improper application of the law by sworn officers of the Marshal's Department.
6. In a response to my letter requesting what services were specifically covered by the County Attorney's Office, they indicated they do not offer legal advice. Also one area which was reoccurring with the Marshal's Office was whether to impound vehicles (or not) at the scene. This required legal advice to which the County Attorney's Office would not provide.

Town of Camp Verde
Gateway to the Verde Valley
♦ 473 S. Main Street, Suite 102 ♦ Camp Verde, Arizona 86322 ♦
♦ Telephone: 928.554.0000 ♦ Fax: 928.567.9061 ♦
♦ www.campverde.az.gov ♦

7. Documented judgments against the Town of Camp Verde's Risk Management Insurance Pool for such kind of incidents included one which $250,000 against the Town which included an improper impound of a vehicle.
8. The Marshal's Office works closely with the County Attorney's Office on cases that will potentially go to trial (such as homicides, fatal accident's involving impairment etc.), The County Attorney's Office can be a very real help to officers in their preparation to take their incidents to trial.
9. Just having any attorney available to respond to officer's questions 24/7 would not necessarily provide any different legal advice beyond what the County Attorney's Office could or would provide. However, what can and does provide is tremendous assistance by an attorney with exceptional experience and background in being a police officer.
10. Additionally, one more individual reason for my voting to have a special contracted attorney for the Marshal's Office is because as a professional enforcement officer, Marshal Gardner has deem it essential to improve her department's effectiveness, professionalism and most likely reduce the number of legal claims against the Town. Furthermore, this contracted attorney and associates come with numerous years of police and law enforcement experience. This specific attorney comes with over 26 years' experience as an officer. That is the crucial difference between services we have under contract and what the Town Attorney or the County Attorney's Office can or would provide. Eric Edwards and Bev Ginn currently contract with 19 other agencies – they also expect Sedona and Cottonwood to soon be part of that list. Unfortunately in some agencies they cannot afford a full time legal advisor and that is where Eric Edwards and Bev Ginn are beneficial as part time contracted legal advice. County Attorney Sheila Polk confirmed this through a letter to me, explaining that the County Attorney's Office cannot provide legal counsel nor advice about certain other issues.
11. For me it is about making wise decisions and planning ahead so we work to ensure officers have the tools to make good decisions, ultimately saving the Town money (from litigations) and our making better business decisions about such services.
12. The level of training provided under this contract is geared to the specific needs of this department and is highly interactive with our officers. It should also be noted that this contract attorney incorporates the latest changes in Arizona State Statutes as they occur and how that will affect our officers. Yes, additional education may be sought through other means which would be an additional cost. However, having the very attorney who provides legal advice to officers providing the training, brings with him the history of this department and the officers with whom he has already interacted during their contacts with him for legal advice. Mr. Edwards also brings the educational sessions directly to the Camp Verde Department.

Finally, although I cannot speak for the other four (4) Council Members who voted in favor of this budget, we all spent a lot of time and effort to make this the very best operational budget we could present for adoption. To think of imply by anyone that this Council merely adopts what the Manager recommends, nor investigates the merits of all aspects of the budget, really

Town of Camp Verde
Gateway to the Verde Valley
473 S. Main Street, Suite 102 Camp Verde, Arizona 86322
Telephone: 928.554.0000 Fax: 928.567.9061
www.campverde.az.gov

has not paid close attention to the Council Session or actions we have taken. We have taken an oath to "faithfully execute the duties of our office," I take that very seriously.

Thank you for your concern and opinions, I hope this helped to clarify the need for a legal advisor for the Marshal's Office and why I voted in favor of the entire budget which included this item.

Respectfully.

Charles C. German
Mayor

CC: Council

Requested by Carol Jarvis
to be included w/ minutes
7-15-2015

10 July 2015

TO: Mayor Charles German, Town Council Members., and Mr. Russ Martin.

FROM: Tom Bast, Camp Verde Citizen

SUBJ: Legal Counselor

An Advisor. One whose profession is to give advice in Law.

1. The Town Attorney is Mr. William Sims.

- He has an outstanding reputation in our Town.
- He is available for attendance at all important Town Meetings.
- It is understood that all Town Legal issues are reviewed by Mr. Sims.

2. Yavapai County Attorney (928 771 3344)

- A Yavapai County Lawyer is **"On Call" Twenty-four/Seven.** He is especially available for law enforcement officers.
- All other Towns in Yavapai County utilize this County Attorney for legal advice after hours.
- Yavapai County Deputy Attorney shared that he and his colleagues even assist with Search Warrant issues and technicalities.

3. Edwards & Ginn

- Appears to be an Advisor from a Home Business in TUCSON.
- Advises.
- Offered Continuing Education is a positive. Continuing Education is available from other agencies. Doctors, Nurses, Firefighters, and other Professionals are required to obtain X number of hours of Continuing Education annually. Continuing Ed for Police Officers is also available elsewhere.

THEREFORE, Why the added expenditure of $20 K when we have Mr. William Sims - a Rhodes Scholar Oxford U, '76-'81, and an Air Force Academy Graduate; PLUS a Yavapai County Attorney Available 24/7 ?

There are so so many needs in our Community, let us spend wisely.

Thank You ,

Tom Bast

hand out in meeting 7/07.
Special by
Bruce George

Yavapai County Attorney

255 East Gurley Street
Prescott, AZ 86301
(928) 771-3344 (Criminal & Civil)
Facsimile (928) 771-3110

SHEILA POLK
Yavapai County Attorney

April 21, 2014

Nancy Gardner
Camp Verde Town Marshal
646 South 1st Street
Camp Verde, Arizona 86322

Dear Marshal Gardner,

I write to clarify the role of the office of the Yavapai County Attorney in providing legal advice your officers. As explained below, this office works with law enforcement officers within the scope of particular cases which have been charged for prosecution or are pending a charging decision. We also work hand-in-hand with law enforcement as we prepare a case for trial. Additionally, we have a prosecutor on call 24/7 to answer questions on a particular case from law enforcement as they do their work.

The scope of the legal advice we give to law enforcement is limited to the issue immediately at hand, to cases being prepared for submittal, or to cases currently being prosecuted by our office. We are not authorized by statute to provide general legal advice to law enforcement agencies, other than the Yavapai County Sheriff's Office; indeed, in providing advice beyond the prosecutors' role, my office would lose our absolute immunity and be subject to lawsuits based on our advice.

I am aware that police departments and officers face a myriad of legal issues that far exceed the scope of the legal advice this office providess. Calls that deal with civil matters, public records, landlord tenant, child custody, liens, towing and impound issues, best practices in police operations, employment issues, internal investigations, use of force, pursuits, and emergency driving are all examples of calls beyond the scope of our legal advice. When a prosecutor receives such a call, he or she will simply advise the officer to contact their legal counsel for advice.

I appreciate the positive working relationship between your office and mine, and the efforts you have made since your appointment as Marshal to improve the quality of your department's criminal investigations and reports. Working together, we produce good quality cases for prosecution that hold up in court.

Very truly yours,

Sheila S Polk

Sheila Sullivan Polk
Yavapai County Attorney

Yavapai County Attorney

255 East Gurley Street
Prescott, AZ 86301
(928) 771-3344 (Criminal & Civil)
Facsimile (928) 771-3110

SHEILA POLK
Yavapai County Attorney

May 15, 2014

Charles German, Mayor
Town of Camp Verde
473 S. Main Street, Suite 102
Camp Verde, Arizona 86322

Dear Mayor German,

I write to respond to your letter dated May 13, 2014, wherein you seek clarification of my letter of April 21, 2014. Specifically, you ask the following two questions:

1) Is legal counsel available from my office at 2:30 a.m. if an officer at the scene of an incident has a legal question relating to the incident before the case has been charged and assigned to a prosecutor?

ANSWER: "Legal counsel" is not available but "legal advice." The Yavapai County Attorney is never the legal counsel for local police agencies but we do work hand-in-hand with police officers at crime scenes in order to secure a strong case that will hold up in court. A deputy county attorney is on "duty" 24/7 to answer questions from officers that relate to a specific crime scene even if the case has not yet been charged or assigned. There are some limitations with the scope of our advice. For example, we will not provide advice on whether to arrest a suspect, how to execute search warrants, we cannot answer questions about towing a vehicle at the scene of a DUI, or questions pertaining to the custody of children inside the vehicle. During daytime hours, there may be some delay in our response to calls depending on whether the prosecutor is in court or otherwise unavailable due to work demands.

2) Does the County attorney's Office provide training to local law enforcement departments relating to reoccurring incidents that have caused litigation and loss due to inadequate training or policies?

ANSWER: No. My office does not provide any training to local law enforcement departments outside of the Sheriff's Office (our client) relating to officer conduct, civil litigation, police policies, or training.

If you have further questions or wish to discuss this matter with me via telephone, please feel free to call me at (928) 777-7352.

Very truly yours,

Sheila S Polk

Sheila Sullivan Polk
Yavapai County Attorney

4a4

DRAFT MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS - 473 S. MAIN STREET, ROOM #106
WEDNESDAY, JULY 15, 2015 AT 6:30 P.M.

Minutes are a summary of the discussion. They are not verbatim.
Public input is placed after Council discussion to facilitate future research.

1. **Call to Order**
Mayor German called the meeting to order at 6:31 p.m.

2. **Roll Call**
Mayor German, Vice Mayor Bruce George, and Councilors, Carol German, Brad Gordon, Robin Whatley, Jackie Baker and Jessie Jones are present.
Also Present
Town Manager Russ Martin, Finance Director Mike Showers, P&Z Chairman B.J. Davis, Mike Jenkins, CVMO Dispatch Supervisor Mary Newton, Ed Lee, Town Clerk Virginia Jones and Recording Secretary Lynn Riordan

Recess proclaimed at 6:31 p.m. to allow the Special Session of the Common Council of the Town of Camp Verde to continue (Called to Order at 6:00 p.m.).
Resumed Regular Session at 7:35 p.m. following conclusion of the Special Session.

3. **Pledge of Allegiance**
Mayor German led the pledge at the beginning of the Special Session at 6:00 p.m.

4. **Consent Agenda –** All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
   a) **Approval of the Minutes:**
      1) June 24, 2015 – Council Hears Planning & Zoning Matters
      2) July 1, 2015 – Regular Session
      3) July 8, 2015 – Work Session
   b) **Set Next Meeting, Date and Time:**
      1) Wednesday, July 22, 2015 at 6:30 p.m. Council Hears Planning & Zoning Matters
      2) Wednesday, July 29, 2015 at 5:30 p.m. Executive Session Manager Evaluation
      3) Wednesday, August 5, 2015 at 6:30 p.m. Regular Session
      4) Friday, August 7, 2015 at 9:00 a.m. Manager Evaluation and Goal Setting
      5) Wednesday, August 12, 2015 at 5:30 p.m. Work Session
      6) Wednesday, August 19, 2015 at 6:30 p.m. Council Hears Planning & Zoning Matters-Cancelled
   c) **Possible approval of Fiscal Year 2015-16 Intergovernmental Agreement (IGA) between Yavapai County Flood Control District (District) and the Town of Camp Verde. Wherein the District has approved and budgeted a $75,000 financial contribution to the Town for the Verde Lakes Estates Drainage Improvements, Phase I.** Staff Resource Ron Long
   d) **Possible approval of Resolution 2015-945, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, pertaining to the Marshal's Office purchasing a Spillman CAD System.** Staff Resource: Nancy Gardner

On a **motion** by Vice Mayor George, seconded by Councilor Baker, the council unanimously voted to approve the Consent Agenda.

5. **Special Announcements and presentations:**

Proclamation designating August 2015 as Drowning Impact Awareness Month
Mayor German pronounced the Proclamations, and stated that the continued efforts by Parks and Recreation (pool programs) and the residents of Camp Verde may save lives.

6. **Call to the Public for Items not on the Agenda.**

Bob Johnson addressed the Mayor and Counsel requesting the Town look into a resolution for repair or removal (abatement) of the old house that is falling down across the street from him (Verde Lakes). Mr. Johnson also stated concerns about water conservation and requested the Council make water conservation a priority.

Tony Gioia addressed the Mayor and Counsel to thank them for their continued dedicated service to the community, stating he had no issues or complaints, but wanted the Council and public to know how proud he is by the representation of the Town (by council members) at a variety of community, valley-wide, regional and state meetings.

Ron Posten addressed the Mayor and Counsel thanking them for their dedicated service to the community. Mr. Posten requested the Town do something special for Camp Verde Promotions, as they continue to greatly contribute to the interests of the Town. Mr. Posten, as a volunteer for Cornfest, advised that more volunteers are always welcome to come aboard.

Irene Peoble addressed the Mayor and Counsel reminding the Council and public that the Blood Drive will be held on August 18, 2015 from 11 am to 3 pm at the Catholic Church in Camp Verde. Ms. Peoble also stated that with the serious drought in California, the Council should be considering water conservation for the Town, and requested that Council members and public write letters to media sources (i.e. Arizona Republic) and elected representatives regarding the necessity of water conservation.

Tom Pitts addressed the Mayor and Counsel advising that he attended several State and Regional meeting with respect to marketing, tourism and community development. Mr. Pitts stated he believed the Town is lacking vision in the advancement of marketing and tourism. Mr. Pitts stated a Focus Future meeting is scheduled for Saturday from 10 am to 2 pm, and he encouraged the Council and public to attend, get involved, find additional resources, and help with the marketing, tourism, development and services to encourage the Town's growth and revenue.

B. J. Davis addressed the Mayor and Council also reminding everyone of the Focus Future meeting (at the Town Complex Room 207-208) on Saturday from 10 am to 2 pm, which will also include an "Open House" about the Town's general plan and its stages of development.

Steve Goetting addressed the Mayor and Counsel advising that his son's brewery was featured in Arizona Wine Magazine stating that his son continues to use local products in his winery.

7. **PowerPoint Presentation by Keith Vogler-Verde Valley Detachment Marine Corps League - to provide information on a military park that is being constructed in the Verde Valley to honor our veterans for their many sacrifices.** Staff Resource: Virginia Jones
Keith Vogler, Verde Valley Marine Corps League addressed the Mayor and Counsel and gave a power point presentation on the plans and progress for the Verde Valley Memorial Park which will be located in Garrison Park, Cottonwood. Mr. Vogler advised that information would be available on line at verdevalleymilitarypark.com by mid-August. The groundbreaking and ribbon cutting ceremony will be held on location on July 22, 2015 at 2:00 p.m. Mr. Vogler stated he was not asking for any financial support from the Town, although community or individual donations are gratefully accepted, as this project will be completed solely by donations. Applications for names of honorably discharged veterans to be engraved on the memorial(s) will be available by mid-August at a donation cost of $75.00.

The Mayor and Council stated unanimous support for this project and the Verde Valley Detachment Marine Corp League.

8. **Presentation and possible discussion of Quarterly Reports as presented by:**
   - **Planning & Zoning Commission**
   - **Board of Adjustment's & Appeals**

B. J. Davis, Planning and Zoning Commission Chairman, addressed the Mayor and Counsel, and presented a handout that outlined the last quarter business of the Planning and Zoning Commission. Two Use Permits were recently granted 1) bed and breakfast and 2) mining. The General Plan Character Areas (10) are complete and the Commission will move forward on the rest of the General Plan, which should be completed by next year. Mr. Davis stated that the success of the General Plan is greatly due to the hard work and commitment of the sub-committees and staff.

The Mayor and Council commended Mr. Davis, the P & Z Commission, sub-committee members and staff for completing the clarity and excellent work on the General Plan.

Tom Pitts addressed the Mayor and Counsel stating that the P & Z Commission and its sub-committees are all volunteer, and they are committed to the best interests of the community and do an excellent job. Mr. Pitts encouraged the public to get involved and review the General Plan that is in progress.

Jim Bennet, Board of Adjustment and Appeals, addressed the Mayor and Counsel stating the Board has had few requests and/or applications in the past quarter, but they are ready and willing if any need arises.

9. **Public hearing, discussion, consideration, and possible approval of Resolution 2015-947, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving and authorizing the abatement of dangerous structure(s) located on parcel 404-16-088, 3305 Ripple Road, Camp Verde, Arizona' directing and authorizing the Building Official to issue a start work order to Hollamon Generations for the purpose of demolishing and removing the above referenced structure(s); and declaring an emergency; and approving and authorizing the Town Manager to allocate any additional funds, if required, to complete the abatement process.** Staff Resource: Michael Jenkins
This Agenda item was withdrawn.

10. **Discussion consideration and approval of notice and order calling for a Special Recall Election to be held on November 3, 2015 for the Recall of Council Member Bruce George, whose name will automatically appear on the ballot as a candidate.** Staff Resource: Virginia Jones

Mayor German advised that whether or not any council member agrees or disagrees with the recall election, its purpose, or underlying cause, the Council have a legal duty to move upon this matter. On a **motion** by Mayor German, seconded by Councilor Jones, the council voted 6-0 to direct the Town Clerk to notice and move forward with the Special Recall Election of Vice Mayor Bruce George, with Vice Mayor Bruce George abstained from participation or voting on this matter because he was the subject of the recall.
Patricia George addressed the Mayor and Council in support of Vice Mayor Bruce George, passionately advising that Vice Mayor George has, and continues to, contribute to the best interests of the Town and community. Ms. George stated disappointment and disdain for the parties that brought this petition, and causing the Town to burden the unnecessary expense of the recall election.
Helen Zimmeri addressed the Mayor and Council in support of Vice Mayor Bruce George, and stating disappointment and disdain for the parties that brought this petition, and causing the Town to burden the unnecessary expense (which may exceed $30,000) of the recall election.
Kathy Davis addressed the Mayor and Council in support of Vice Mayor Bruce George, and stating this petition for recall was ill thought out and ill timed, and stating disappointment in the parties that circulated the petition and are cause the Town and its residents to burden the unnecessary expense of the recall election ten months before the general election.
Linda Harkness addressed the Mayor and Council in support of Vice Mayor Bruce George, and stating disappointment and disdain for the parties that brought this petition, and causing the Town to burden the unnecessary expense of the recall election.
Kathy Davis addressed the Mayor and Council in support of Vice Mayor Bruce George, and stated that this recall election is self-serving of those that brought this petition, and they are causing Town to burden the unnecessary

expense of the recall election.
Karen Hellman addressed the Mayor and Council in support of Vice Mayor Bruce George, and stating she felt Vice Mayor George as honorable and trustworthy.
Buch Buchanan addressed the Mayor and Council in support of Vice Mayor Bruce George, and encouraged the Council, staff and residents to get out and VOTE!
B. J. Davis addressed the Mayor and Council in support of Vice Mayor Bruce George. Mr. Davis would like to see exactly how much this recall election actually costs the Town and its residents, and stated disappointment that a petition could be filed that causes a recall election without any valid claim against the activities of the Council person or persons under scrutiny. Mr. Davis stated he believed the recall election process was designed for possible removal of an elected official that had acted unethically or illegally, which is not the case in this matter. Mr. Davis stated the parties responsible for causing this recall election are irresponsible and placing the burden of their irresponsibility on the residents of Camp Verde.
Debra Finner addressed the Mayor and Council in support of Vice Mayor Bruce George, and stating she concurred with the statements of all previous citizens that spoke regarding this matter.

Mayor German stated that the recall election has cause political unrest, and has deterred potential corporate activity, business and development. Mayor German is hoping that after the recall election he, and other council members, will be able to do some damage control to regain the trust of (at least some of) the lost potential interests of corporate investors.
Councilor Whatley stated support of Vice Mayor Bruce George and stated she also was targeted in the petition for recall, and stated the parties that created and circulated the petitions causing this recall election have acted irresponsibly.
Councilor Jones stated support of Vice Mayor Bruce George and stated she was also targeted in the petition for recall. Councilor Jones stated she is very disappointed and embarrassed that the Town has to go through a recall election.

The Following items was requested by Vice-Mayor Bruce George.

11. **Discussion regarding implementing a monthly award to be given to a business that keeps their premises clean and attractive looking. Discussion may include, but not limited to 1) who would pick the winner, 2) who would be in charge of the awards and 3) what budget would it come from.**
Vice Mayor George stated he would like to see the Town acknowledge business owners that keep their businesses aesthetically attractive, and business owners that beautify their business fronts and/or common areas in Town. Councilor Jones advised that currently a business owner in Town stated an interest in "adopting" the cannon site at the corner of Finney Flat and Hwy 260 for landscaping and maintenance. The Mayor and Council directed the Town Manager and staff to research the possibility of allowing "adoption" of the cannon site (ADOT easement), and the designing a program to recognize businesses that maintain their businesses, common areas, or sponsorship of public areas, for the aesthetic pleasure of residents and/or visitors.

12. **Call to the Public for items not on the agenda.**
Leah Robbins addressed the Mayor and Council suggesting that the Council could place business owner's names on special events banners recognizing them for their contributions (as an award for aesthetically pleasing maintenance) to beautify the Town.
Dave B2015-948oil addressed the Mayor and Council stating it was nice to see a "Help Wanted" sign at the Ford Dealership.
Pat George addressed the Mayor and Council advising Camp Verde has a "tree committee" and is designated as a "Tree City USA", which contributes to keeping Camp Verde beautiful.
Tom Pitts addressed the Mayor and Council stating he hopes more residents and businesses will get involved in keeping Camp Verde beautiful.

13. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Fire District, Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion

or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Whatley stated she was unable to attend the ADOT update meeting because she was at the Kids at Hope program at the Library. Councilor Whatley stated admiration for Ms. Hellman (Library Director) and all of the staff and volunteers. They are doing an outstanding job and have a simple and effective philosophy.

Councilor Gordon thanked Steve Killingstad for brining breakfast during the Main Street cleanup. Councilor Gordon also stated that he attended (presentation/dedication) by VVLP at the Cottonwood Library, the Archeological Society open house, the ADOT update meeting, and suggested support be given for the Red Rock Monument.

Vice Mayor George stated he attended the Archeological Society open house which included a presentation of the plans for their new facility, the ADOT update meeting (requesting more public input regarding the ADOT VV Master Transit plan), the Verde Valley Basin Board meeting and suggested the Council support (in writing) the Sedona Red Rock Monument to help prevent government land swap and development in that area.

Councilor German stated she attended the Yavapai Apache National Council Meeting and advised that the Chairman would like to meet with the town Council sometime soon. Councilor German also announced that the Marketplace at Cherry Road and Hwy 260 would be celebrating their Grand Opening on Saturday at 10 am.

Councilor Baker advised that she attended the ADOT update meeting. Councilor Baker reminded the Council Members and public that the Cornfest was this weekend.

Councilor Jones stated she had nothing at this time.

Mayor German stated support for the Red Rock Monument on behalf of himself and the Council. Mayor German stated he also attended the ADOT update meeting and the Yavapai College committee meeting.

14. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Town Manager Russ Martin stated (in reference to comments – Public Comment – during the Special Session) that the business permit for Barbara Goetting was issued this morning.

Adjournment

With all business having been addressed, Mayor German adjourned the meeting at 9:24 p.m.

_____
Charles German, Mayor

_____
Lynn Riordan, Recording Secretary

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session of the Town Council of Camp Verde, Arizona, held on July 15, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2015.

_____
Virginia Jones, Interim Town Clerk

4c

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: August 5, 2015

☒ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation* ☐ *Special Session*

Requesting Department: Finance ***Staff Resource/Contact Person:*** Mike Showers

Agenda Title (be exact): Possible approval of Resolution 2015-950, A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE TOWN CLERK AND ENTITLED "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE".

List Attached Documents: 1) Resolution 2015-950, 2) THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE.

Estimated Presentation Time: N/A ***Estimated Discussion Time:*** N/A

Reviews Completed by:

☒ ***Department Head:*** ☒ ***Town Attorney Comments:*** Approved

Finance Review: ☐ **Budgeted** ☐ **Unbudgeted** ☒ **N/A**

Finance Director Comments/Fund:

Fiscal Impact: No direct fiscal impact

Comments: The amendments are required adjustments to stay current with the State Model City Tax Code.

Background Information: These are changes that we (as well as other Arizona cities and towns) receive from the League of Cities and AzDOR. Our last update was in June of 2012. The amendments should not be changed and are to be accepted as provided by the League of Arizona Cities and Towns.

Recommended Action (Motion): Approval of Resolution 2015-950, A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE TOWN CLERK AND ENTITLED "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE".

Instructions to the Clerk: N/A

RESOLUTION 2015-950

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE TOWN CLERK AND ENTITLED "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE".

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA:

THAT certain document entitled "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE", three copies of which are on file in the office of the town clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the town clerk.

PASSED AND ADOPTED BY THE Mayor and Council of the Town of Camp Verde, Arizona, this 19th day of August, 2015.

_____
Mayor

ATTEST:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE

Section I. Model City Tax Code Section 8-100 is amended as follows, with an effective date of January 1, 2007 for the change to "Business"; October 1, 2007 for the change to "Prosthetic."

Sec. 8-100. 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" ~~means~~ INCLUDES all activities or acts, personal or corporate, engaged in ~~and~~ OR caused to be engaged in with the object of gain, benefit, or advantage, either directLY or indirectLY, but DOES not INCLUDE EITHER: casual activities or sales, OR THE TRANSFER OF ELECTRICITY FROM A SOLAR PHOTOVOLTAIC GENERATION SYSTEM TO AN ELECTRIC UTILITY 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 Town 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 ___-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-Town 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 Town; and

(2) the stock from which such personal property was taken was not within the corporate limits of the Town; and

(3) the order is received at a permanent business location of the seller located outside the Town; 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 Town, including, but not limited to, accounting, invoicing, payments, centralized purchasing, and supply to out-of-Town storehouses and out-of-Town retail branch outlets from a primary storehouse within the Town.

"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) ORTHODONTIC DEVICES DISPENSED BY A DENTAL PROFESSIONAL WHO IS LICENSED UNDER TITLE 32, CHAPTER 11 TO A PATIENT AS PART OF THE PRACTICE OF DENTISTRY.

~~(7)~~(8) 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 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 Town" means in cases other than individuals, whose legal addresses are determinative of residence, the engaging, continuing, or conducting of regular business activity within the Town.

"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 anytime, improved real property (as provided in Section ___-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 Town, 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 _____ or his 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 8-515 AND 8-516. 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.

Section II. Model City Tax Code Section 8-120 and Model Option #2 is repealed, with an effective date of July 1, 2013.

~~**Sec. 8-120. Definitions: food for home consumption.**~~

~~(a) 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 or 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 (a)(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.~~

~~(b) "Food for home consumption" means all food, except food for consumption on the premises, if sold by any of the following:~~

~~(1) An eligible grocery business.~~

~~(2) 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.~~

~~(3) A person who sells food and does not provide or make available any facilities for the consumption of food on the premises.~~

~~(4) 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.~~

~~(5) (Reserved)~~

~~(6) Vending machines and other types of automatic retailers.~~

~~(7) 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.~~

Section III. Model City Tax Code Section 8-200 is amended as follows, with an effective date of July 1, 2013.

Sec. 8-200. 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.

Section IV. Model City Tax Code Article III is REPEALED AND REPLACED IN ITS ENTIRETY with the following sections 8-300 through 8-380, effective January 1, 2015.

Article III - Licensing and Recordkeeping

Sec. 8-300. 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 or town 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 or town 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 or town.

(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. 8-310. 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 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 manager or 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. ___-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 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 ($2.00) 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. 8-330. Licensing: duration; transferability; display; penalties; penalty waiver; relicensing; fees collectible as if 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 8-540.

(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 8-540.

(e) Any licensee who permits his license to expire through cancellation as provided in Section 8-340, 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 8-320.

(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~~Town for all applicable fees and penalties and shall be subject to the provisions of Sections 8-580 and 8-590, to the same extent as if such fees and penalties were taxes and penalties under such Sections.

Sec. 8-340. 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. 8-350. 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. 8-360. 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. 8-362. 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 Town.

(b) The gross income taxable under this Chapter, divided into categories as stated in the official Town tax return.

(c) The gross income subject to Arizona Transaction Privilege Taxes, divided into categories as stated in the official State tax return.

(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 Town 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 name, 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 which would establish the applicability of the exemption to a reasonably prudent businessman acting in good faith. Ordinary business documentation which would reasonably indicate the applicability of an exemption shall be sufficient to relieve the person on whom the tax would otherwise be imposed from liability therein, if he acts in good faith 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. 8-364. 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 Town.

(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 Town.

(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

(B) Telecommunication 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) (Reserved)

(8) Payments of tax to the Arizona Department of Transportation and computations therefor, when a motor-vehicle transporter claims such the exemption.

(9) (Reserved)

(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. 8-366. Recordkeeping: out-of-Town and out-of-State sales.

(a) Out-of-Town Sales. Any person engaging or continuing in a business who claims out-of-Town 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-Town 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 tangible personal property sold to such buyer.

Sec. 8-370. 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. 8-372. Proof of exemption: sale for resale; sale, rental, lease, or license of 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. 8-380. 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.

This change also eliminates the following Regulations, effective January 1, 2015:

~~**Regulation 8-300.1. Who must apply for a license.**~~

~~**Regulation 8-300.2. (Reserved)**~~

~~**Regulation 8-310.1. (Reserved)**~~

~~**Regulation 8-310.2. (Reserved)**~~

~~**Regulation 8-310.3. (Reserved)**~~

~~**Regulation 8-350.1. Recordkeeping: income.**~~

~~**Regulation 8-350.2. Recordkeeping: expenditures.**~~

~~**Regulation 8-350.3. Recordkeeping: out-of-Town and out-of-State sales.**~~

~~**Regulation 8-360.1. Proof of exemption: sale for resale; sale, rental, lease or license of rental equipment.**~~

~~**Regulation 8-360.2. Proof of exemption: exemption certificate.**~~

Section V. Model City Tax Code Section 8-422 is added as follows to correct an obsolete reference, with an effective date of July 20, 2011.

Sec. 8-422. (Reserved)

Section VI. Model City Tax Code Section 8-425 is amended as follows with new Subsection (7) added with an effective date of September 21, 2006.

Sec. 8-425. Job printing.

(a) The tax rate shall be at an amount equal to three and six and one-half tenths percent (3.65%) 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-Town 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.

Section VII. Model City Tax Code Section 8-445 is amended as follows, with an effective date of July 20, 2011.

Sec. 8-445. Rental, leasing, and licensing for use of real property.

(a) The tax rate shall be at an amount equal to two percent (2%) 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 Town for a consideration, to the tenant in actual

possession, or the licensing for use of real property to the final licensee located within the Town 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 8-470.

(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) A person who has less than three (3) apartments, houses, trailer spaces, or other lodging spaces rented, leased or licensed or available for rent, lease, or license within the State and no units of commercial property for rent, lease, or license within the State, is not deemed to be in the rental business, and is therefore exempt from the tax imposed by this Section on such income. However, a person who has one (1) or more units of commercial property is subject to the tax imposed by this Section on rental, lease and license income from all such lodging spaces and commercial units of real estate even though said person may have fewer than three (3) lodging spaces.

(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 8-444 of this code.

(k) (Reserved)

(l) (Reserved)

(m) (Reserved)

(n) Notwithstanding the provisions of Section 8-200(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 sales or gross income derived from a commercial lease in which a reciprocal insurer or a corporation leases real property to an affiliated corporation is exempt. For the purposes of this paragraph:~~

~~(1) "Affiliated corporation" means a corporation that meets one of the following conditions:~~

~~(A) The corporation owns or controls at least eighty per cent of the lessor.~~

~~(B) The corporation is at least eighty per cent owned or controlled by the lessor.~~

~~(C) The corporation is at least eighty per cent owned or controlled by a corporation that also owns or controls at least eighty per cent of the lessor.~~

~~(D) The corporation is at least eighty per cent owned or controlled by a corporation that is at least eighty per cent owned or controlled by a reciprocal insurer.~~

~~(2) For the purposes of subsection (1), ownership and control are determined by reference to the voting shares of a corporation.~~

~~(3) "Reciprocal insurer" has the same meaning as prescribed in A.R.S. Section 20-762.~~

(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, BUSINESSES, PERSONS OR RECIPROCAL INSURERS" MEANS THE LESSOR HOLDS A CONTROLLING INTEREST IN THE LESSEE, THE LESSEE HOLDS 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 PER CENT 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.

Section VIII. Model City Tax Code Section 8-450 is amended as follows, with an effective date of September 1, 2004.

Sec. 8-450. Rental, leasing, and licensing for use of tangible personal property.

(a) The tax rate shall be at an amount equal to three and six and one-half tenths percent (3.65%) 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 Town 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 8-410, 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 Town, 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. SECTION 28-1301.

Section IX. Model City Tax Code Section 8-460 is amended as follows, with an effective date of October 1, 2007.

Sec. 8-460. Retail sales: measure of tax; burden of proof; exclusions.

(a) The tax rate shall be at an amount equal to three and six and one-half tenths percent (3.65%) 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 five thousand dollars ($5,000), the three and six and one-half tenths percent (3.65%) tax rate shall apply to the first $5,000. Above $5,000, the measure of tax shall be at a rate of one percent (1%).

(e) When this Town 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 Town 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.

Section X. Model City Tax Code Section 8-462 is added as follows, with an effective date of July 1, 2013.

SEC. 8-462. RETAIL SALES: FOOD FOR HOME CONSUMPTION.

(a) THE TAX RATE SHALL BE AT 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 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 (A)(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-TOWN 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 UNITED STATES CODE SECTION 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 8-520, 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 RECOMPUTE THE AMOUNT OF TAX TO BE PAID AS PROVIDED IN SECTIONS 8-370 AND 8-545(B).

Section XI. Model City Tax Code Section 8-465 is amended as follows. All changes are effective July 1, 2013, except new subsection (mm), which is effective January 1, 2007.

Sec. 8-465. Retail sales: exemptions.

Income derived from the following sources is exempt from the tax imposed by Section 8-460:

(a) sales of tangible personal property to a person regularly engaged in the business of selling such property.

(b) out-of-Town 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) sales made directly to the Federal government to the extent of:

(1) one hundred percent (100%) of the gross income derived from retail sales made by a manufacturer, modifier, assembler, or repairer.

(2) fifty percent (50%) of the gross income derived from retail sales made by any other person.

(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 8-455 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) ~~sales of food for home consumption.~~(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)~~ SALES OF FOOD AND DRINK TO A PERSON WHO IS ENGAGED IN BUSINESS THAT IS CLASSIFIED UNDER THE RESTAURANT CLASSIFICATION AND THAT PROVIDES SUCH FOOD AND DRINK WITHOUT MONETARY CHARGE TO ITS EMPLOYEES FOR THEIR OWN CONSUMPTION ON THE PREMISES DURING SUCH EMPLOYEES' HOURS OF EMPLOYMENT.

(y) (Reserved)

(z) (Reserved)

(aa) the sale of tangible personal property used in remediation contracting as defined in Section 8-100 and Regulation 8-100.5.

(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. Section 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 8-470, 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 8-470 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. Section 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. Section 49-426 or Section 49-480.

(gg) 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.

(hh) sales of personal hygiene items to a person engaged in the business of and subject to tax under Section 8-444 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. Section 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 Town, 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.

Section XII. Model City Tax Code Section 8-480 is amended as follows, with an effective date of January 1, 2007.

Sec. 8-480. Utility services.

(a) The tax rate shall be at an amount equal to three and six and one-half tenths percent (3.65%) 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 Town.

(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 8-460 and 8-465, 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 cross 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) Tax credit offset for franchise fees. There shall be allowed as an offset any franchise fees paid to the Town pursuant to the terms of a franchise agreement. However, such offset shall not be allowed against taxes imposed by any other Section of this Chapter. Such offsets shall not be deemed in conflict with or violation of subsection 8-400(b).

(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. Section 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. Section 49-426 or Section 49-480.

(I) THE TAX IMPOSED BY THIS SECTION SHALL NOT APPLY TO 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.

(J) 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.

(K) (RESERVED)

Section XIII. Model City Tax Code Section 8-485 is amended as follows, with an effective date of July 1, 2013.

Sec. 8-485. ~~(Reserved)~~WASTEWATER REMOVAL 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 RATEPAYERS WHO RESIDE WITHIN THE TOWN.

(2) CONSUMERS OR RATEPAYERS OF THIS TOWN, WHETHER WITHIN THE TOWN OR WITHOUT, TO THE EXTENT THAT THIS TOWN 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 TOWN 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.

Section XIV. Model City Tax Code Section 8-660 is amended as follows. All changes are effective July 1, 2013, except new subsection (mm), which is effective January 1, 2007.

Sec. 8-660. Use tax: exemptions.

The storage or use in this Town of the following tangible personal property is exempt from the Use Tax imposed by this Article:

(a) tangible personal property brought into the Town by an individual who was not a resident of the Town at the time the property was acquired for his own use, if the first actual use of such property was outside the Town, unless such property is used in conducting a business in this Town.

(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 Town 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 8-410, 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 8-455, 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) ~~food for home consumption.~~(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)~~ FOOD AND DRINK PROVIDED BY A PERSON WHO IS ENGAGED IN BUSINESS THAT IS CLASSIFIED UNDER THE RESTAURANT CLASSIFICATION WITHOUT MONETARY CHARGE TO ITS EMPLOYEES FOR THEIR OWN CONSUMPTION ON THE PREMISES DURING SUCH EMPLOYEES' HOURS OF EMPLOYMENT.

(y) Tangible personal property donated to an organization or entity qualifying as an exempt organization under 26 U.S.C Section 501(c)(3); if and only if:

(1) the donor is engaged or continuing in a business activity subject to a tax imposed by Article IV; and

(2) the donor originally purchased the donated property for resale in the ordinary course of the donor's business; and

(3) the donor obtained from the donee a letter or other evidence satisfactory to the Tax Collector of qualification under 26 U.S.C. Section 501(c)(3) from the Internal Revenue Service or other appropriate federal agency; and

(4) the donor maintains, and provides upon demand, such evidence to the Tax Collector, in a manner similar to other documentation required under Article III.

(z) (Reserved)

(aa) tangible personal property used in remediation contracting as defined in Section 8-100 and Regulation 8-100.5.

(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 by a commercial airline, as defined in A.R.S. Section 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 8-470.

(ee) (Reserved)

(ff) alternative fuel as defined in A.R.S. Section 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. Section 49-426 or Section 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 8-444 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. Section 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)

Section XV. Model City Tax Code Regulation 8-120.1 is repealed, with an effective date of July 1, 2013.

~~**Reg. 8-120.1. Food for home consumption: recordkeeping and reporting requirements.**~~

~~(a) Reporting. Such persons who sell food for home consumption shall, in conjunction with the return required pursuant to Section 8-520, 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.~~

~~(b) 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 recompute the amount of tax to be paid as provided in Sections 8-370 and 8-545(b).~~

Section XVI. Model City Tax Code Regulation 8-270.1 is amended as follows, with an effective date of July 1, 2013.

Reg. 8-270.1. Proprietary activities of municipalities are not considered activities of a governmental entity.

The following activities, when performed by a municipality, are considered to be activities of a person engaged in business for the purposes of this Chapter, and not excludable by reason of Section 8-270:

(a) rental, leasing, or licensing for use of real property to other than another department or agency of the municipality.

(b) producing, providing, or furnishing electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.

(c) sale of tangible personal property to the public, when similar tangible personal property is available for sale by other persons, as, for example, at police or surplus auctions.

(d) PROVIDING WASTEWATER REMOVAL SERVICES TO CONSUMERS OR RATEPAYERS BY MEANS OF SEWER LINES OR SIMILAR PIPELINES.

Section XVII. Model City Tax Code Regulation 8-460.1 is amended as follows, with an effective date of July 1, 2013.

Reg. 8-460.1. Distinction between retail sales and certain other transfers of tangible personal property.

(a) Charges for transfer of tangible personal property included in the gross income of the business activity of persons engaged in the following business activities shall be deemed only as gross income from such business activity and not sales at retail taxed by Section 8-460:

(1) tangible personal property incorporated into real property as part of reconstruction or construction contracting, per Sections 8-415 through 8-418.

(2) (Reserved)

(3) job printing, per Section 8-425.

(4) mining, timbering, and other extraction, but not sales of sand, gravel, or rock extracted from the ground, per Section 8-430.

(5) publication of newspapers, magazines, and other periodicals, per Section 8-435.

(6) rental, leasing, and licensing of real or tangible personal property, per Sections 8-445 or 8-450.

(7) restaurants and bars, per Section 8-455.

(8) FOOD FOR HOME CONSUMPTION, PER SECTION 8-462.

~~(8)~~(9) telecommunications services, per Section 8-470.

~~(9)~~(10) utility services, per Section 8-480.

(11) WASTEWATER REMOVAL SERVICES, PER SECTION 8-485.

(b) Distinction between construction contracting, retail, and certain direct customer service activities.

(1) When an item is attached or installed on real property, it is a construction contracting activity and any subsequent repair, removal, or replacement of that item is construction contracting.

(2) Items attached or installed on tangible personal property are retail sales.

(3) Transactions where no tangible personal property is attached or installed are considered direct customer service activities (for example: carpet cleaning, lawn mowing, landscape maintenance).

(4) Demolition, earth moving, and wrecking activities are considered construction contracting.

(c) The sale of sand, rock, and gravel extracted from the ground shall be deemed a sale of tangible personal property and not mining or metallurgical activity.

(d) Sale of consumable goods incorporated into or applied to real property is considered a retail sale and not construction contracting. Examples of consumable goods are lubricants, faucet washers, and air conditioning coolant, but not paint.

(e) Installation or removal of tangible personal property which has independent functional utility is considered a retail activity.

(1) "Tangible personal property which has independent functional utility" must be able to substantially perform its function(s) without attachment to real property. "Attachment to real property" must include more than connection to water, power, gas, communication, or other service.

(2) Examples of tangible personal property which has independent functional utility include artwork, furnishings, "plug-in" kitchen equipment, or similar items installed by bolts or similar fastenings.

(3) Examples of tangible personal property which does not have independent functional utility include wall-to-wall carpeting, flooring, wallpaper, kitchen cabinets, or "built-in" dishwashers or ranges.

(4) The installation of window coverings (drapes, mini-blinds, etc.) is always a retail activity.

Section XVIII. Model City Tax Code, Appendix IV, Section 8-570 is amended as follows to conform the Appendix language with prior changes made to Section 8-570 of the Model language, with an effective date of July 1, 2008.

Sec. 8-570. 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 ~~12~~8-571.

(2) (Reserved)

(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. 8-570. 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 8-540(g).

(2) Extension to file a petition. In all cases, the taxpayer may request ~~only one (1)~~AN 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~~ A FORTY-FIVE (45) DAY 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~~. THE TAX COLLECTOR MAY GRANT AN ADDITIONAL EXTENSION AND MAY DETERMINE THE CORRESPONDING TIME OF ANY SUCH EXTENSION AT HIS SOLE DISCRETION.

(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/town shall designate a Hearing Officer, who may be other than an employee of the (city/town). The Tax Collector, if designated to receive petitions, shall forward any petition to the Municipal Tax Hearing Officer 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 8-545(a) and 8-555(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 8-575.

(e) The provisions of the state taxpayer bill of rights (A.R.S. Section 42-2051 et. seq.) shall not apply.

4D

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: August 5, 2015

☒ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation* ☐ *Special Session*

Requesting Department: Finance ***Staff Resource/Contact Person:*** Mike Showers

Agenda Title (be exact): Possible approval of Ordinance 2015-A411, AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, RELATING TO THE TRANSACTION PRIVILEGE TAX; ADOPTING "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE" BY REFERENCE; ESTABLISHING EFFECTIVE DATES; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.

List Attached Documents: 1) Ordinance 2015-A411

Estimated Presentation Time: N/A ***Estimated Discussion Time:*** N/A

Reviews Completed by:

☒ ***Department Head:*** ☒ ***Town Attorney Comments:*** Approved

Finance Review: ☐ **Budgeted** ☐ **Unbudgeted** ☒ **N/A**

Finance Director Comments/Fund:

Fiscal Impact: No direct fiscal impact

Comments: The amendments are required adjustments to stay current with the State Model City Tax Code.

Background Information: These are changes that we (as well as other Arizona cities and towns) receive from the League of Cities and AzDOR. Our last update was in June of 2012. The amendments should not be changed and are to be accepted as provided by the League of Arizona Cities and Towns. See Resolution 2015-950 for further background information.

Recommended Action (Motion): Approval of Ordinance 2015-A411, AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, RELATING TO THE TRANSACTION PRIVILEGE TAX; ADOPTING "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE" BY REFERENCE; ESTABLISHING EFFECTIVE DATES; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.

Instructions to the Clerk: N/A

ORDINANCE 2015-A411

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, RELATING TO THE TRANSACTION PRIVILEGE TAX; ADOPTING "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE" BY REFERENCE; ESTABLISHING EFFECTIVE DATES; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA:

Section 1: That certain document known as "The 2012-2014 Amendments to the Tax Code of the Town of Camp Verde", three copies of which are on file in the office of the town clerk of the Town of Camp Verde, Arizona, which document was made a public record by Resolution 2015-950 of the Town of Camp Verde, 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 herein above described.

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.

PASSED AND ADOPTED by the Mayor and Council of the Town of Camp Verde, Arizona, this 19th day of August, 2015.

_____
Mayor

ATTEST:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

7

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: Aug 5, 2015

☐ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☒ *Action/Presentation*

Requesting Department: Clerk's Office

Staff Resource/Contact Person: Virginia Jones

Agenda Title (be exact: **Possible approval of a Special Event Liquor License application for Montezuma Rimrock Fire District Auxiliary to be held on Sept 26, 2015 at 115 Camp Lincoln, Camp Verde AZ 86322.**

List Attached Documents: – Application for Special Event License

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

☒ ***Department Head:*** ***Virginia Jones*** ☐ ***Town Attorney Comments: N/A***

☐ ***Finance Department N/A***

Fiscal Impact: None

Budget Code: ***N/A*** ***Amount Remaining:*** _____

Comments:

Background Information:

Recommended Action (Motion): Approve **Special Event Liquor License application for Montezuma Rimrock Fire District Auxiliary- held on Sept 26, 2015 at 115 Camp Lincoln, Camp Verde AZ 86322.**

Instructions to the Clerk: Section II not required. Process application.

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLLC USE ONLY
Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE

Fee= $25.00 per day for 1-10 days (consecutive)

A service fee of $25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.
The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: MONTEZUMA RIMROCK FIRE DISTRICT AUXILLIARY

SECTION 2 Non-Profit/IRS Tax Exempt Number: [redacted]

SECTION 3 The organization is a: (check one box only)
☒Charitable ☐Fraternal (must have regular membership and have been in existence for over five (5) years)
☐Religious ☐Civic (Rotary, College Scholarship) ☐Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises? ☐Yes ☒No

Name of Business _____ License Number _____ Phone (include Area Code) _____

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

☐Place license in non-use
☐Dispense and serve all spirituous liquors under retailer's license
☒Dispense and serve all spirituous liquors under special event
☐Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

SECTION 6 What is the purpose of this event? ☒On-site consumption ☐Off-site (auction) ☐Both

SECTION 7 Location of the Event: CAMPO DE ENSUEÑO

Address of Location: 115 CAMP LINCOLN (Street) CAMP VERDE (City) YAVAPAI (COUNTY) AZ (State) 86322 (Zip)

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐Yes ☒No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: LANE (Last) LOU (First) _____ (Middle) [redacted] (Date of Birth)
2. Applicant's mailing address: 4370 N MONTEZUMA RIMROCK (Street) AZ. (City) 86335 (State) (Zip)
3. Applicant's home/cell phone: 928 301-0061 Applicant's business phone: (___) SAME
4. Applicant's email address: _____

Individuals requiring ADA accommodations call (602)542-9027

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
   ☐Yes ☒No **(If yes, attach explanation.)**

2. How many special event licenses have been issued to this location this year? -0-
   (The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. Is the organization using the services of a promoter or other person to manage the event? ☐Yes ☒No
   (If yes, attach a copy of the agreement.)

4. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

   Name MONTEZUMA RIMROCK FIRE DIST AUX Percentage: 100%

   Address 3240 E BEAVER CREEK RD (Street) RIMROCK (City) AZ (State) 86322 (Zip)

   Name _____ Percentage: _____

   Address _____ (Street) _____ (City) _____ (State) _____ (Zip)

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.
   Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
   "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
   (List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

   4 Number of Police 10 Number of Security Personnel ☒Fencing ☐Barriers

   Explanation: _____

SECTION 11

Date(s) and Hours of Event. May not exceed 10 consecutive days.
See A.R.S. § 4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	09/26/2015	SATURDAY	5:00PM	9:00PM
DAY 2:				
DAY 3:				
DAY 4:				
DAY 5:				
DAY 6:				
DAY 7:				
DAY 8:				
DAY 9:				
DAY 10:				

Individuals requiring ADA accommodations call (602)542-9027

SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.

SEE ATTACHED

N↑

SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, LOU LANE declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON
(Print Full Name)
appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event Liquor License.

X Lou Lane _____ 7-24-2015 928-301-0061
(Signature) Title/ Position Date Phone #

The foregoing instrument was acknowledged before me this 24th July 2015
Day Month Year

State AVAPAI County of YAVAPAI

DEBORAH L. DICKISON
Notary Public - State of Arizona
YAVAPAI COUNTY
My Commission Expires
September 17, 2017

My Commission Expires on: Sept 17, 2017 Deborah L. Dickison
Date Signature of Notary Public

SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, _____ declare that I am the APPLICANT filing this application as
(Print Full Name)
listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

X _____ _____ _____
(Signature) Title/ Position Date Phone #

The foregoing instrument was acknowledged before me this _____
Day Month Year

State _____ County of _____

My Commission Expires on: _____ _____
Date Signature of Notary Public

Please contact the local governing board for additional application requirements and submission deadlines. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ _____ recommend ☐APPROVAL ☐ DISAPPROVAL
(Government Official) (Title)

on behalf of _____, _____, _____, _____
(City, Town, County) Signature Date Phone

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

☐APPROVAL ☐ DISAPPROVAL BY: _____ DATE: _____

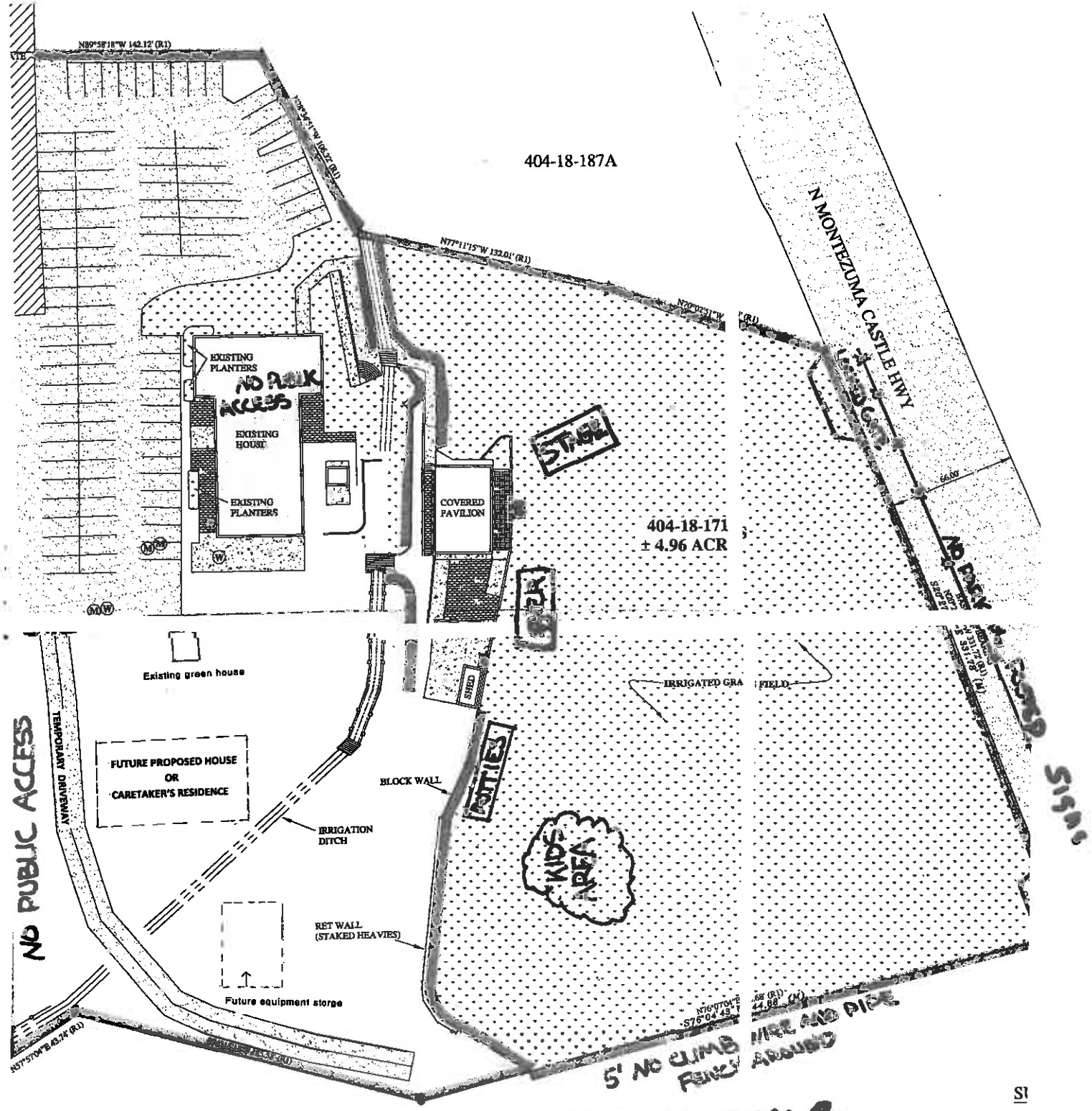
A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.


404-18-187A
N MONTEZUMA CASTLE HWY
N89°58'18"W 142.12' (R1)
N77°11'15"W 132.01' (R1)
EXISTING PLANTERS
NO PUBLIC ACCESS
EXISTING HOUSE
EXISTING PLANTERS
COVERED PAVILION
STAGE
404-18-171
± 4.96 ACR
NO PUBLIC
Existing green house
TEMPORARY DRIVEWAY
FUTURE PROPOSED HOUSE
OR
CARETAKER'S RESIDENCE
BLOCK WALL
IRRIGATION DITCH
RET WALL
(STAKED HEAVIES)
Future equipment storge
IRRIGATED GRA FIELD
PORTIES
KIDS AREA
NO PUBLIC ACCESS
SIGNS
5' NO CLIMB WIRE AND PICKET FENCE AROUND
404-19-204 B

League of Arizona Cities and Towns

1820 W. Washington · Phoenix, AZ 85007 · Phone: (602) 258-5786 · Fax: (602) 253-3874
Email: league@azleague.org · Web site: www.azleague.org

July 10, 2015

Dear Mayor:

It is my privilege to appoint you to the 2015 Resolutions Committee of the League of Arizona Cities and Towns. Former League President Doug Von Gausig, Mayor of Clarkdale and a member of the League's Executive Committee, has agreed to serve as Chairman.

The Committee is responsible for recommending items for inclusion in the League's legislative program based upon a review of the Resolutions submitted by Arizona's cities and towns. The adopted Resolutions are outlined in the annual Municipal Policy Statement which serves as the principal guide for the League's legislative program for the upcoming session.

The Chairs of the five newly formed League Policy Committees will present the Resolutions discussed in their respective committees to the Resolutions Committee at the Annual Conference.

Included in this packet you will find the:

- Resolutions Committee Calendar
- Resolutions Committee Procedures
- Policy Committee Reports and Resolutions

The Resolutions Committee will meet on Tuesday, August 18, 2015 at 1:30 p.m. as the first item of business at the League Annual Conference at the Starr Pass Resort in Tucson. Lunch will be provided before the meeting. The actions of the full Resolutions Committee will be formally adopted at the League's Annual Business Meeting on **Thursday August 20, 2015** at 4:00 p.m.

Please officially accept your appointment or designate a council representative to serve your city/town on the 2015 Resolutions Committee, by clicking here www.leagueaz.org/resolutions.

We look forward to having all 91 cities and towns participate on the Resolutions Committee. If you have any questions or comments regarding the Resolutions Committee, your appointment or the resolution submittal process, please do not hesitate to contact the League office.

Sincerely,

Mark W Mitchell

Mayor Mark Mitchell, Tempe
League President

Enclosures
cc (via email): Managers, Clerks without Managers, Intergovs

2015 Resolutions Committee Calendar

April:	Mayor Von Gausig appointed as 2015 Resolutions Chairman.
May-June	Policy Committees meet.
July 10:	League to send out resolutions packets to membership.
August 18:	Resolutions Committee meeting at the Annual Conference in Tucson.
August 20:	Resolutions ratified at the Annual Business Meeting.

LEAGUE OF ARIZONA CITIES AND TOWNS RESOLUTIONS COMMITTEE PROCEDURES

1. Resolutions Committee Appointment

   The President shall appoint the Chairman and members of the Resolutions Committee. Only one elected official from each city or town shall be appointed to the Committee.

2. Duties

   The Resolutions Committee shall adopt statements of policy amending the annual Municipal Policy Statement, special resolutions and such other resolutions of courtesy, commendation or appreciation as the Committee deems appropriate.

3. Submission of Resolutions

   A. All resolutions, including resolutions of courtesy, commendation or appreciation, may be considered by the Committee provided such resolutions are submitted to the Chairman of the Committee or to the League office for consideration by the Policy Committees. The new resolutions process allows cities and towns to submit policy ideas to the League at any time during the year without the requirement of a co-sponsoring city or town. If approved by a policy committee, League staff will draft the resolution for presentation to the full Resolutions Committee. Sponsoring cities and towns, or other interested stakeholders may be consulted to provide more information on the idea and also may be invited to speak to the issue at one of the policy committee meetings. Submissions received after May 15 may not be processed in time for the Annual Conference.

   B Except in the case of emergency as determined by the chair of the committee, no resolutions submitted after the deadline specified in subsection A of this section or that have not been vetted by the Policy Committees may be considered.

4. Resolutions Committee Process

   A. The President shall assign submissions to the relevant Policy Committee. The Policy Committees will review submissions and develop pertinent resolutions for consideration by the Resolutions Committee. Only resolutions advanced by the Policy Committees shall be discussed at the Annual Conference Resolutions Committee.

   B. Resolutions shall be amended according to the process established by the Chairman of the Committee.

   C. The completed resolutions will go to the full Resolutions Committee at the Annual Conference for consideration. The chairs of each policy committee will be responsible for presenting the resolutions and their committee activities to the full Resolutions Committee. Notice shall be given to each member at least four weeks in advance of the meeting.

5. Final Report

   After the Resolutions Committee meeting, the Chairman of the Committee or a designee shall report to the entire league membership at the Annual Business Meeting those resolutions adopted by the Committee. Resolutions adopted by the Committee shall be formally adopted by the membership at the Annual Business Meeting and become the basis for the annual Municipal Policy.

The following policy committee reports and resolutions are arranged in alphabetical order. The recommended resolutions are categorized by their respective committee initials and numbered according to the order in which they were approved.

Budget, Finance and Economic Development – BFED

General Administration, Human Resources and Elections – GAHRE

Neighborhoods, Sustainability and Quality of Life – NSQL

Public Safety, Military Affairs and the Courts – PSMAC*

Transportation, Infrastructure and Public Works – TIPW

* No items were submitted to this committee.

Chair's Report of the Budget, Finance, and Economic Development Policy Committee

Mayor Kenny Evans, Payson, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 18, 2015

On June 10 and June 30, the Budget, Finance, and Economic Development Policy Committee (BFED) convened to discuss six policy issues submitted by cities and towns for consideration in by the newly established policy committee process. Below is a summary of each of the policy issues considered by BFED:

1. Request and encourage the Arizona State Legislature to establish a mechanism enabling local government to establish renewable energy and conservation financing districts for commercial properties. – **Flagstaff**

2. Change ARS 32-144, Professions & Occupations, registration requirement where a commercial tenant improvement project of less than $10,000 would not require an Arizona Registrant to design and stamp the project. – **Flagstaff**

3. Equalize the tax credit treatment (maximum allowable credits and collection deadlines) of contributions made to qualified charitable organizations, private schools, and public schools. – **Eagar**

4. Seek legislation to allow cities and towns to invest in infrastructure and other improvements in a designated area, and pay for the investments via the increased property tax revenue generated by the new development. – **Surprise**

5. Seek a study by the League staff to examine the structure of the state shared sales tax distribution formula and make recommendations on possible improvements.– **Scottsdale**

6. Seek legislation to provide for additional revenue generation authority to address the changing landscape of the Arizona economy, and address the shift in growth that directly impacts the current statewide revenue models. – **Prescott**

Below is a summary of the committee discussion and the recommendation:

The City of Flagstaff presented policy issue number 1. This proposal is seeking legislation to form an opt-in financing mechanism for renewable energy and conservation districts. Flagstaff noted that this issue is being discussed as an economic development tool among a number of cities and Tucson has led recent efforts to meet with business community representatives, finance experts, and other stakeholders. The committee also noted that the legislature has been resistant to creating additional special districts, but if the resolution is broad enough, the League can continue to work on finding the appropriate legislative "mechanism." Committee members voted to move this issue forward as a resolution with the understanding that it remain broad as the details continue to be developed (now resolution BFED 1 on the resolutions summary chart).

The City of Flagstaff also presented policy issue number 2. The motivation for this proposal is to make it easier to complete work on commercial improvements that meet certain conditions. Flagstaff noted that they had worked on similar legislation in the past that created an exemption for residential improvements that met specified conditions. The committee raised a number of questions about how the legislation would ensure public safety and satisfy design professional concerns. Committee members voted to work on this issue with League staff and other interested parties.

The Town of Eagar presented policy issue number 3. The town noted that equalizing tax credit treatment among the beneficiaries is an important issue for rural Arizona and many White Mountain communities approved resolutions reflecting that. There is currently a deadline disparity and allowable credit disparity between public school tax credits and private school tax credits. The committee acknowledged that a strong public school system is an important community resource and considered it an economic development tool. The committee also remarked that this issue would be more

appropriate for public school associations to advocate for and that the League should maintain its core focus of advocating on behalf of direct municipal interests. The Committee voted to work on this issue with League staff and other interested parties.

The City of Surprise presented policy issue number 4. They are seeking a new economic development tool that would be available to cities and towns to help facilitate projects while nearly eliminating taxpayer risk. The tool is designed to be a financing mechanism that reimburses eligible projects costs using the incremental gains attributed to project activity. Oversight over the mechanism will be thorough and collaborative with affected property taxing jurisdictions. There are some outstanding questions that have yet to be answered, but stakeholders continue to be consulted in an effort to resolve them to ensure that the legislation has broad support and passes legal hurdles. Committee members voted to move this issue forward as a resolution (now resolution BFED 2 on the resolutions summary chart).

The City of Scottsdale presented policy issue number 5. The stated purpose of the issue is to explore the state shared sales tax revenue system to determine if there are inequities that can be resolved. Committee members noted that the data necessary to accurately determine how much each city contributes to the shared system may not be currently available among all cities and towns. Without that data, it is difficult to measure the statewide impact. After significant deliberation, the committee amended the original proposal and recommended that League staff further study the issue.

The City of Prescott provided background on policy issue number 6 informing the committee that this issue is appropriate for ongoing study of the policy committee and League staff. The town remarked that revenue sources are increasingly restricted and the changing economy requires municipalities to study alternative methods of raising revenue. Committee members voted to work on this issue with League staff and other interested parties.

The table below summarizes the BFED Committee's actions:

Policy Issue	**Disposition by Committee**
1	Resolution BFED 1
2	Continued committee work
3	Continued committee work
4	Resolution BFED 2
5	Continued committee work
6	Continued committee work

Kenny Evans
Mayor of Payson
Chair, Budget, Finance, and Economic Development Policy Committee

League of Arizona Cities & Towns Resolution

Resolution: BFED 1

Establish a statutory mechanism enabling local government to create renewable energy and conservation financing districts for commercial properties.

Submitted by: City of Flagstaff

A. Purpose and Effect of Resolution

A renewable energy and conservation financing district authorizes local governments to facilitate the financing for related improvements for commercial property owners. Participation in the program should be voluntary, so property owners can opt-in to use the mechanism to finance their own energy efficiency improvements, renewable energy installation, and water conservation improvements. Such programs can deliver benefits beyond energy independence, including new economic development opportunities, increase property value, provide protection from increasing energy costs, and enhance community awareness.
Numerous communities across the nation already have energy efficiency, water conservation, and renewable energy financing programs. At least 30 states have passed enabling legislation allowing local government to establish similar financing districts. They also define energy efficiency, water conservation, and renewable energy as a public benefit, and grant local government the authority to issue bonds.

B. Relevance to Municipal Policy

State law (A.R.S. 9-461.05) requires local governments over a certain size to adopt energy efficiency elements in their general plan. This resolution supports municipalities that choose to promote energy efficiency, renewable energy and water conservation practices within their communities. Many Arizona communities are working to improve the efficiency of existing building stock in the residential and commercial sectors to promote sustainability and help protect community members from rising energy costs.

C. Fiscal Impact to Cities and Towns

With enabling legislation, local governments could voluntarily elect to establish an energy efficiency, renewable energy and water conservation financing program and participation in the program would be completely voluntary for interested property owners. There would be no fiscal impact on the city or town.

D. Fiscal Impact to the State

There are no fiscal impacts to the State. Energy district authority would allow for opt-in energy efficiency and renewable energy financing programs at the fiscal responsibility of the property owner.

E. Contact Information

Sponsoring City or Town: City of Flagstaff

Name: Jerene Watson, Deputy City Manager
Phone: 928-213-2073 Email: jerenewatson@flagstaffaz.gov

League Staff: Ryan Peters

League of Arizona Cities & Towns Resolution

Resolution: BFED 2

Seek legislation to allow cities and towns to invest in infrastructure and other improvements in a designated area, and pay for the investments via the increased property tax revenue generated by the new development.

Submitted by: City of Surprise

A. Purpose and Effect of Resolution

Economic Development Reimbursement Authority (EDRA) is a mechanism that allows cities and towns to stimulate new development that may not otherwise take place by reimbursing developers for eligible costs within the authority's boundaries. The reimbursements are funded with the incremental difference between property tax collections before the project and after the project. This new tool can attract business and jobs to a community and can also be used to assist in business expansion for existing enterprise. It is also a carefully crafted tool to ensure taxpayers and taxing jurisdictions are protected from private risk. Reimbursement is only authorized if certain conditions are met and an oversight committee made up of city, county, and school district representatives approves the costs.

B. Relevance to Municipal Policy

Promoting economic development and job creation is important to every city in the state of Arizona. Economic Development Reimbursement Authority would give municipalities another option for supporting these projects. For those proposals or projects that are pending financing, this legislation could serve as a catalyst for economic development. For municipalities that choose not to use this tool, this legislation would have no impact.

C. Fiscal Impact to Cities and Towns

The legislation calls for EDRAs to capture NEW property tax revenue that is generated as a result of a project being built and to use only that revenue for reimbursement of approved development related needs. Once the EDRA expires all of the property tax revenue will be distributed as usual. An EDRA cannot be formed without the agreement and support of the county and school districts. Municipal taxpayers located outside the district would also be held harmless.

D. Fiscal Impact to the State

No state funds would be involved in the funding of an EDRA because the legislation pertains only to property tax. However, the state would receive increased income tax collections from the new employees that work within the district in addition to increased corporate income tax receipts from the companies that move into the district.

E. Contact Information

Sponsoring City or Town: City of Surprise

Name: Nicole Lance, Deputy City Manager
Phone: (623) 222-1030 Email: nicole.lance@surpriseaz.gov

League Staff: Ryan Peters

Chair's Report of the General Administration, Human Resources and Elections Policy Committee

Mayor Lana Mook, El Mirage, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 18, 2015

On Friday, June 5, the General Administration, Human Resources and Elections Policy Committee (GAHRE) met at the League of Arizona Cities and Towns Office to discuss fourteen policy issues that had been submitted by cities and towns for consideration in the new policy committee format established by the League Executive Committee in 2014. Those fourteen policy issues and the sponsoring cities are summarized below:

1. Conduct thorough reform of the PSPRS System based on the principles provided by the PSPRS Task Force in the Yardstick document adopted by the League of Arizona Cities and Towns Executive Committee. – **League Staff**

2. Revise state law regarding the Public Safety Personnel Retirement System (PSPRS) to balance contribution rates between employers and employees at a reasonably affordable rate for both. – **Yuma**

3. Public Safety Pension Reform: Adopt further improvements to Arizona's public safety retirement system that will promote affordability for taxpayers while providing for the benefit promised to workers. These improvements should include a plan to effectively deal with the problem of unfunded liability, bringing a balance within a reasonable period of time while ensuring that Arizona remains competitive in its ability to recruit and retain talented public safety employees. – **Flagstaff**

4. All Arizona Cities and Towns would benefit from accurate actuarial, long term rate forecasting, new authority for pension funding options, and pension reform for PSPRS. – **Prescott**

5. Amend Arizona Revised Statutes (A.R.S.) § 39-121.01 to allow cities and towns to place reasonable balances on public record requests that are overbroad or abusive and on the frequency on requests. – **Yuma**

6. Allow publication of ordinances by summary rather than in full, with a statement of where the full text of the ordinance is available; coupled with requirements to publish the ordinances in full on the municipal website and to provide copies free of charge for 30 days. - **Jerome**

7. Affirmatively reject, oppose and renounce legislative proposals that are unfunded, diminish local authority, address matters of purely local concern, or that conflict with the organic law of Arizona's charter cities. – **Yuma**

8. Strengthen efforts of cities and towns to retain local control. Rights of municipalities to self-determine local legislation that reflects the desires of our community residents has been diminished notably in recent years.- **Flagstaff**

9. Develop legislation regarding annexation, resulting in a more simplified and flexible process with less excessive signature requirements.– **Oro Valley**

10. Develop a resolution that would simplify the annexation process when both the municipality and the property owner desire annexation. The proposed legislation would provide relief from the proportional width and length requirements if the minimum adjoining boundary of the property meets the minimum 300 foot requirement, there is a single property owner, and both the city or town and the property owner desire annexation, thus allowing the annexation of the entire parcel in one process. – **Queen Creek**

11. Develop and pass legislation that allows greater flexibility in annexing county islands. - **Yuma**

12. Amend A.R.S. § 48-574 to authorize retention and detention basin improvement districts to levy and expend money to operate, maintain, repair and improve retention and detention basins within a municipality. – **Yuma**

13. Set the super majority requirement as simply being "greater than 2/3." In the case of Phoenix and any other nine-member council, this would not change anything: 6 of 9 would still be required for 2/3, and 7 of 9 would still be required for a super majority. However, seven-member councils would get a more reasonable set of expectations: a 5 of 7 vote, which is 71% of the council, is at the midpoint between 2/3 and 3/4, so it would serve equally well, on average, for both requirements. - **Sedona**

14. Set the requirement(s) to achieve a valid legal protest relating to re-zoning as 20% of the area within the re-zoned area or 20% of the area of lots of property owners within 150 feet of the property to be re-zoned whether adjacent (sharing a border) or non-adjacent (e.g., across the street). – **Sedona**

Below is a summary of the committee discussion and the recommendation:

Discussion on Policy Issues 1-4 related to reform of the Public Safety Personnel Retirement System (PSPRS) was informative with a presentation from Scott McCarty on the "Yardstick" document developed by the League's Pension Task Force. The Yardstick is a statement of those elements that are critical to a healthy, sustainable retirement program. Committee members determined that Issues 2-4 were included within the elements identified by the Yardstick document. Committee members voted to move Policy Issues 1-4 forward as a Resolution (see Resolution GAHRE 1 on Resolutions Listing).

The City of Yuma provided background on Policy Issue 5 and informed the members of the Committee that they had consensus legislation that they had drafted last year with the newspaper Industry and an industry representative at the meeting confirmed that they were in support of the legislation that was considered in last year's session. Committee members voted to move Policy Issue 5 forward as a Resolution (see Resolution GAHRE 2 on Resolutions Listing).

The Town of Jerome provided background on Policy Issue 6 and informed the members of the Committee that they believed that similar legislation in other states had saved money and time for the municipal clerks tasked with the publication of ordinances and other documents in local papers. Committee members discussed that this was a sensitive issue with elected officials and it was suggested that perhaps a non-legislative solution could be found; at the very least, the newspaper association agreed to meet with League Staff and city/town staff to work on the issue. The Committee voted to work on Policy Issue 6 with League staff and other interested parties.

Discussion on Policy Issues 7-8 related to ongoing efforts of the League to protect local control and charter authority. Specific discussion was had concerning how to strengthen the League's ability to fight legislation that diminishes city and town authority to determine its own destiny. Committee members determined that Issues 7-8 were included within the continuing "Guiding Principles" provided each year in the League's Policy Statement. Committee members voted to move Policy Issues 7-8 forward as a Guiding Principles in the League's Policy Statement.

Discussion on Policy Issues 9 & 11 related to simplification of the annexation process as it relates to the signature requirements and eliminating counties islands. Input from the Town of Oro Valley and the City of Yuma stressed that having signature requirements based on both assessed valuation as well as the total number of property owners seemed to be too onerous. Committee members voted to move Policy Issues 9 & 11 forward as a Resolution (see Resolution GAHRE 3 on Resolutions Listing).

The Town of Queen Creek provided background on Policy Issue 10 informing the Committee that length and width requirements in annexation statutes had sometimes caused problems in a very specific situation. If one property owner and the city or town desired for a parcel to be annexed, if the parcel did not meet length and width requirements, it was necessary to do multiple, piecemeal annexations to complete the annexation of the entire parcel. Committee members voted to move Policy Issue 10 forward as a Resolution (see Resolution GAHRE 4 on Resolutions Listing).

The City of Yuma provided background on Policy Issue 12 and informed the members of the Committee that this policy issue is the same as an approved resolution from last year's resolution committee. Committee members voted to move Policy Issue 12 forward as a Resolution (see Resolution GAHRE 5 on Resolutions Listing).

Discussion on Policy Issues 13-14 related to simplification of the rezoning process as it related to supermajority vote and legal protest requirements. The Committee felt that because these issues are complicated and controversial that the Committee needed to have a more in-depth discussion and more work on these two policy issues. The Committee voted

to work on Policy Issues 13-14 with League staff, the City of Sedona and other interested parties.

The table below summarizes the GAHRE Committee's actions:

Policy Issue	Disposition by Committee
Policy Issues 1-4	Resolution GAHRE 1
Policy Issue 5	Resolution GAHRE 2
Policy Issue 6	Continued Committee Work
Policy Issues 7-8	Guiding Principles
Policy Issues 9 & 11	Resolution GAHRE 3
Policy Issue 10	Resolution GAHRE 4
Policy Issue 12	Resolution GAHRE 5
Policy Issues 13-14	Continued Committee Work

Lana Mook
Mayor of El Mirage
Chair, General Administration, Human Resources and Elections Policy Committee

League of Arizona Cities & Towns Resolution

Resolution: GAHRE 1

Conduct thorough reform of the PSPRS System based on the principles provided by the PSPRS Task Force in the Yardstick document adopted by the League of Arizona Cities and Towns Executive Committee. This also includes specific aid for cities and towns to deal with unfunded liability of the system.

Submitted by: League Staff

A. Purpose and Effect of Resolution

The League of Arizona Cities and Towns formed the Pension Task Force in the fall of last year to explore the reasons for the ever-increasing employer costs and unfunded liability related to the Public Safety Personnel Retirement System (PSPRS). The committee has undertaken nearly a year-long process of educating themselves on the various aspects of the system in order to determine what constitutes a healthy retirement system. After consultation with stakeholders as well as subject matter experts, both national and local, the Task Force has developed a tool called "The Yardstick". The Yardstick provides a tool to evaluate proposals related to PSPRS reform by providing criteria that are vital to a healthy system. This resolution would give League staff the flexibility to work with the stakeholders in PSPRS Reform to make reasonable and effective changes to PSPRS based on the principles adopted in the Yardstick as well as explore other ideas that will aid cities and towns to reduce their unfunded liability in the system. Examples include providing an exemption to the state expenditure limit related to the unfunded liability of PSPRS for individual cities and towns as well as authority for cities and towns to finance unfunded liability.

B. Relevance to Municipal Policy

This resolution would lead to solutions and reforms that would save cities and towns significant revenue going forward. Public safety costs make up a significant portion of the budget for all cities and towns. Finding a way to curb those costs while providing a healthy, sustainable system for public safety personnel would be significant.

C. Fiscal Impact to Cities and Towns

This resolution would have a significant positive impact on the budgets of all cities and towns.

D. Fiscal Impact to the State

Because the Department of Public Safety participates in the PSPRS, they would benefit from the reforms being developed.

E. Contact Information

League Staff: Tom Belshe

League of Arizona Cities & Towns Resolution

Resolution: GAHRE 2

Urges the Legislature to amend A.R.S. § 39-121.01 to allow cities and towns to place reasonable balances on public record requests that are overbroad or abusive and on the frequency on requests.

Submitted by: City of Yuma

A. Purpose and Effect of Resolution

This Resolution seeks amendments to public records access laws that will allow cities and towns to facilitate and maintain timely and complete citizen's access to public records while discouraging frequent, overbroad, or abusive requests.[1]

Municipalities receive and process thousands of requests for public records each year. Most of these requests are reasonable, coming from the media and persons who may or may not make other requests but who seek specific and limited information. However, there are times when filling these requests is delayed because of frequent, extensive, or excessive numbers of requests of other persons. Requests from these few individuals require a significant and disproportionate amount of staff time to locate, review, redact, and prepare voluminous amounts of documents or materials from multiple departments for inspection and/or copying. In some cases the requesting party doesn't review the records after having been notified they are available for inspection. This creates unnecessary work for employees, delays other important work (including filling public records requests from other persons), and drains the public coffers.

Some requests by these individuals are overbroad, such as requests for "All documents, e-mail, memoranda, etc. pertaining to the city action ....." These documents can cover many years, require production of hundreds or thousands of documents, and involve research and review by several City departments. Again, after spending many hours locating, assembling, redacting, and copying these records, some are never inspected by the requestor.

This resolution requests amendment of Title 39 to give municipalities the ability, in limited instances, to place reasonable restrictions on the number or frequency of requests made by a single individual and to limit certain requests such as those with a broad scope or that cover an extensive time period, and where the individual is unwilling to narrow the request. Such restrictions will allow cities to both comply with the spirit and intent of public records laws while discouraging the frequent, numerous, overbroad, or abusive requests. These limited restrictions will discourage abusive requests while maintaining public records access for all citizens. Those individuals making frequent, numerous or overbroad requests may be limited in the number of requests accepted within a specified time and have new requests held until all previous requests have been inspected. Additional requests beyond these numbers would still be filled, however the taxpayer would not have to continue bear costs of over-burdensome requests.

B. Relevance to Municipal Policy

Transparency is an essential component of a responsive, representative government. Cities endeavor at all times to be open, accessible and responsive to their citizens. Making records available for inspection by the public and the media is important to maintaining transparency and trust in government. Most citizens and the media are conscientious and purposeful in their requests. However, requests by a few individuals that are overbroad or abusive and require disproportionate amounts of city-wide staff time do not further the goal of transparency and will hurt citizen access to, and the availability of, public records. Last year, legislation was crafted that included the cities and towns and newspaper associations that recognized the importance of government transparency,

[1] Nothing in this Resolution is intended to limit media access to public records.

while recognizing those requests that were abusive and overreaching. We hope to pursue that same legislation this year.

Here are some bullet points of the specifics in last year's language:

- Establishes, as a defense to any action related to a request for access to public records, that the request is unduly burdensome or harassing.
- Specifies that a request for public records may be unduly burdensome if either of the following apply:
    - the request does not identify the requested records with reasonable particularity; or
    - the request cannot be narrowed or reduced to a manageable degree after the officer or public body explains in writing both why the request is not manageable and provides the person seeking the records a reasonable opportunity to narrow or reduce the request to a manageable degree.

C. Fiscal Impact to Cities and Towns

Cities will still respond to public records requests in the spirit of transparency and openness in government. Allowing cities some relief from abusive public records requests or to identify potentially abusive practices will free staff to perform other governmental functions.

D. Fiscal Impact to the State

There will be no fiscal impact to the State. However an amendment could include public records requests of the State, which will result in savings.

E. Contact Information

Sponsoring City or Town: City of Yuma

Name: Steve Moore: City Attorney
Phone: 928 373-5057 Email: steve.moore@yumaaz.gov

League Staff: Tom Belshe

League of Arizona Cities & Towns Resolution

Resolution: GAHRE 3

Develop and pass legislation to make the requirements for annexation a more simple and flexible process.

Submitted by: Town of Oro Valley; City of Yuma

A. Purpose and Effect of Resolution

The annexation process is cumbersome and needs examination. This resolution proposes to advocate for reasonable solutions to the annexation dilemma.

Excessive signature requirements are a deterrent to annexation. Cities and towns are required to obtain signatures from utility companies, and other entities, that do not own real property in the proposed annexation area. Cities and towns are also required to meet an assessed valuation threshold; but when the city or town does not levy a property tax, the value of the property is irrelevant.

Over time, cities created county islands by annexing around the areas that did not meet the statutory signature requirements for annexation. This has resulted in pockets of non-incorporated areas dotted throughout cities. These county islands do not receive the same level of public services, such as improved infrastructure, water and sewer services, sanitation, and public safety and emergency services, as the property as close as next door. An unintended consequence is that when an emergency arises in an unincorporated area that is wholly within or adjoining a city's boundaries, there is often confusion over which agency should respond. For example, when emergency assistance calls from an unincorporated area are received by a city, there may be delays in responding while the call is routed to the county. Or, both jurisdictions may respond to a public safety event when the boundaries are not readily known, and in the worst case neither may respond.

The irony is that unincorporated areas contribute to a city's economy, but cannot participate in decisions affecting their community, and, at the same time, create burdens on cities that adjoin or surround them, and on the counties they look to for services. This resolution seeks to alleviate this situation and will benefit all property owners within a city's annexation area and county islands.

The League, interested members, and other stakeholders should convene to discuss these problematic areas and design legislation that will enhance the annexation process without undue burden to any one party.

B. Relevance to Municipal Policy

Statutes regarding municipal annexation have become more complicated over time. Simplifying the annexation process to allow cities and towns to provide important urban services within their boundaries is good policy. Annexation also fosters civic engagement in the democratic process and a sense of shared responsibility for our communities.

C. Fiscal Impact to Cities and Towns

Residents living in unincorporated areas are affected by decisions made by cities and towns, yet they have no voice in the governing process. Reducing the unincorporated population is a key strategy for cities and counties to maintain fiscal stability. Annexation allows cities and towns a way to expand their retail sales tax base, providing greater fiscal stability. This increased governance capacity ensures that cities and towns are able to provide adequate services to all Arizona citizens. If legislation moves forward that allows greater flexibility in annexing county islands, it would be up to cities and towns themselves to determine when and if they annex these areas. Those communities that choose to move forward will need to extend their services to newly annexed areas. Those costs would be different for each community. But nothing in the legislation should require a city or town to annex county islands if they feel they cannot provide services.

D. Fiscal Impact to the State

There is no fiscal impact to the state when it comes to which local government provides local services. Minor adjustments in state-shared revenues would be made based on population changes, but it would be a reshuffling of the total allocation, not an increase in state revenues to local government. Eliminating barriers to annexation would also encourage economic development, which would ultimately result in increased revenue to the state.

E. Contact Information

Sponsoring City or Town: Town of Oro Valley, City of Yuma
Name: Chris Cornelison: Intergovernmental Relations Director
Phone: 520 229-4723 Email: ccornelison@orovalleyaz.gov
Name: Steve Moore: City Attorney
Phone: 928 373-5057 Email: steve.moore@yumaaz,gov

League Staff: Tom Belshe

League of Arizona Cities & Towns Resolution

Resolution: GAHRE 4

Provide relief from the proportional width and length requirements of current annexation statute if the minimum adjoining boundary of the property meets the minimum 300 foot requirement, there is a single property owner, and both the city or town and the property owner desire annexation, thus allowing the annexation of the entire parcel in one process.

Submitted by: Town of Queen Creek

A. Purpose and Effect of Resolution

The purpose of this resolution is to enact a change in state statute to simplify what can be an unnecessarily cumbersome annexation process. This legislative change would reduce the cost and time associated with the multi-step process that is currently required for certain annexations.

Under the current annexation statute it is possible to have a scenario where a large single property owner may wish to annex into a municipality, and the municipality wishes to annex the property, however due to the overall shape of the parcel the annexation is required to take place in several steps over a significant period of time due to the proportional width and length requirements. The proposed resolution would provide relief from the proportional width and length requirements if the property meets the minimum adjoining boundary requirement of 300 feet, there is a single property owner, and both the municipality and the property owner desire annexation, thus allowing the annexation of the entire parcel in one process.

B. Relevance to Municipal Policy

Annexation offers cities and towns the opportunity to expand their retail sales tax base, providing greater fiscal stability and promotes economic development. Annexation also improves cities' and towns' ability to plan for future growth and level of service needs for their community.

C. Fiscal Impact to Cities and Towns

This change would have a positive fiscal impact on cities and towns. It would lower the cost of annexation and increase municipal sales tax revenues in many cases.

D. Fiscal Impact to the State:

There would be no direct cost to the state to make this change.

E. Contact Information:

Sponsoring City or Town: Town of Queen Creek
Name: Tracy Corman: Assistant to the Town Manager
Phone: 480-358-3740 Email: tracy.corman@queencreek.org

League Staff: Tom Belshe

League of Arizona Cities & Towns Resolution

Resolution: GAHRE 5

Explore methods to finance the operation and maintenance of retention and detention basins including amending A.R.S. § 48-574 to authorize retention and detention basin improvement districts to levy and expend money to operate, maintain, repair and improve retention and detention basins within a municipality.

Submitted by: City of Yuma

A. Purpose and Effect of Resolution

Maintenance and operation of retention and detention basins has become an increasingly difficult and expensive proposition for cities and towns. This resolution would allow League staff to work on legislation that would help secure a funding mechanism in state law for such basins.

A.R.S. § 48-574 currently authorizes improvement districts for the operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities and parkways. The proposed statutory change makes retention and detention basins eligible for operation and maintenance cost payment through an improvement district.

Under current state law, improvement districts are not specifically authorized to maintain retention and detention basins. As a result, off-site retention, which benefits only a small, localized area, is often subsidized by landowners outside of the area receiving the benefit (and who may already bear the burden of on-site retention on their parcel). Alternatively, under current law, a municipality could require the formation of a homeowner's or neighborhood association to maintain basins. Permitting a developer the flexibility to form an improvement district would allocate such costs directly to and in proportion to the benefit without the requirement of a homeowner's or neighborhood association.

The proposed legislation would allow operation, maintenance, improvement and repair costs for retention and detention basins to be included in the tax levy as part of a property owner's tax bill in accordance with assessed value or assessment of each lot within the improvement district in proportion to the benefit to each lot. The district would not have the authority to issue improvement bonds or to engage in any activity other than operation, maintenance, repair and improvement of the retention and/or detention basin.

B. Relevance to Municipal Policy

Improvement districts are prevalent across the state. A uniform process that allows cities and towns to more fairly distribute the perpetual maintenance costs of retention and detention basins will provide long-term cumulative savings to municipalities, provide developers with an alternative to homeowner's or neighborhood associations, and facilitate ease of payment for homeowners.

C. Fiscal Impact to Cities and Towns

Cities and towns that approve retention and detention basin improvement districts would realize savings that could be spent for other improvements or services.

D. Fiscal Impact to the State

There is no fiscal impact to the state.

E. Contact Information:

Sponsoring City or Town: City of Yuma
Name: Steve Moore: City Attorney
Phone: 928 373-5057 Email: steve.moore@yumaaz.gov

League Staff: Tom Belshe

Chair's Report of the Neighborhoods, Sustainability and Quality of Life Policy Committee

Councilman Gilbert Lopez, Coolidge, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 18, 2015

On Wednesday, June 24, and Monday, July 6 the Neighborhoods, Sustainability and Quality of Life (NSQL) Policy Committee met at the League of Arizona Cities and Towns to discuss five policy issues submitted by cities and towns for. Below is a summary of each of the policy issues considered by NSQL along with the sponsoring municipalities:

1. Make provisions to allow towns, in certain circumstances, to bill property owners rather than tenants for utilities. - **Jerome**

2. Partner with cities and towns for the operation and maintenance of Arizona State Parks under long term leases, for a nominal amount, and to participate financially by providing for a dedicated funding mechanism to share a portion of the costs. – **Yuma**

3. Restore the Arizona Housing Trust Fund. – **Flagstaff**

4. Recommend the authorization of expenditures and full appropriations to restore the Arizona State Park Heritage Funds. **Sahuarita**

5. Expand the State Licensure Requirements and Local Enforcement Authority for Sober Living Housing - **Prescott**

Below is a summary of the committee discussion and the recommendations:

The Town of Jerome presented policy issue number 1. They proposed that there be revisions to statute to allow cities/towns, within certain circumstances, to bill property owners rather than tenants for utilities. After a historical review of the statute and other discussion it was concluded that this issue could be solved non-legislatively within the League. Stephanie Karlin, Vice Mayor of Avondale, volunteered to send information to Jerome as Avondale has already addressed the issue. Therefore, this submission will not become a resolution.

The City of Yuma presented policy issue number 2. Yuma would like to see a partnership between cities and towns and the state for the operation and maintenance of state parks under long term leases (e.g., 25 years) instead of having a short term lease (perhaps three years). The long term lease would justify the investments made to maintain the parks associated with Yuma and other municipalities that have parks in their areas. This would be enabling legislation, not a mandatory requirement. Committee members moved this issue forward as a resolution (now resolution NSQL 1 on the resolutions summary chart).

The City of Flagstaff presented policy issue number 3. They proposed that the state should restore the Arizona Housing Trust Fund. Currently the fund is capped at $2.5 million. At its height it was $55 million, and $350 million was then leveraged through the Arizona Housing Alliance. Committee members moved this issue forward as a resolution (now resolution NSQL 2 on the resolutions summary chart).

The Town of Sahuarita presented policy issue number 4. They seek to restore the Heritage Fund. There was discussion about the need to keep this issue in front of the legislature even if there will be a ballot initiative on the matter in 2016. Committee members moved this issue forward as a resolution (now resolution NSQL 3 on the resolutions summary chart).

The City of Prescott presented policy issue number 5. They seek to expand the state's requirements and

local authority for sober living housing in order to have proper licensure, code enforcement, and tracking systems. There are other cities that have similar problems with these facilities. Problems include neighbor complaints, safety concerns due to overcrowding and potential fire hazards, and neighborhood deterioration. However, attention must simultaneously be paid to certain HUD regulations. The city has been working with experts and stakeholders across the state to help address this issue. There will be an ad hoc legislative committee as well, with the goal of finding a balanced regulatory scheme for resolving this issue. Committee members moved this issue forward as a resolution (now resolution NSQL 4 on the resolutions summary chart).

The table below summarizes the NSQL Committee's actions:

Policy Issue	**Disposition by Committee**
1	To be resolved non-legislatively.
2	Resolution NSQL 1
3	Resolution NSQL 2
4	Resolution NSQL 3
5	Resolution NSQL 4

Gilbert Lopez
Councilman, Coolidge
Chair, Neighborhoods, Sustainability and Quality of Life Policy Committee

League of Arizona Cities & Towns Resolution

Resolution: NSQL 1

Partner with cities and towns for the operation and maintenance of Arizona State Parks under long term leases, for a nominal amount, and participate financially by providing for a dedicated funding mechanism to share a portion of the costs.

Submitted by: City of Yuma

A. Purpose and Effect of Resolution

Local governments and non-profit groups in Arizona have already entered into short term agreements to operate and maintain the parks in or near their jurisdictions. These agreements have proven to be successful. However, the state has been reluctant to enter into leases for longer than three years. In order to make the current partnerships between the state and local governments more viable over time and to encourage partnerships with both public and private non-profit organizations, longer term leases and a continuing, dedicated, and reliable funding stream from the state, local governments and non-profits will be needed.

Longer term leases and a dedicated funding stream will assure that Arizona's State Parks (ASP) remain open to the public as a recreational, environmental, and cultural benefit that supports and generates tourism, and provides important revenue to not only local, but also to the regional and statewide, economies. In addition, the availability of the State Parks system will continue to provide a high quality of life for Arizona residents and serve as an attraction to visitors and new residents.

B. Relevance to Municipal Policy

State parks are essential to the rural economies and people of Arizona. In addition, Arizona's natural environment, including access to the environment through availability of state parks across the state draws millions of tourists to Arizona, benefiting every entity that relies on tourism as part of its economy. ASP is reliant on partnerships with local governments to make its state parks viable.

C. Fiscal Impact to Cities and Towns

Increased tourism from state park activity means increased visitors to neighboring towns and cities. In 2007 this meant over $20 million in state and local taxes. (Source available upon request.)

D. Fiscal Impact to the State

Calculated at the state level for FY07, the total economic impact of Arizona State Parks (direct, indirect and induced) on the state was $266,436,582. (Source available upon request.)

E. Contact Information:

Sponsoring City or Town: City of Yuma

Name: Steven W. Moore, City Attorney
Phone: (928) 373-5050 Email: steve.moore@yumaaz.gov

League Staff: Dale Wiebusch

League of Arizona Cities & Towns Resolution

Resolution: NSQL 2

Restore the Arizona Housing Trust Fund.

Submitted by: City of Flagstaff

A. Purpose and Effect of Resolution

Created in 1988 to provide a flexible funding source to assist in meeting the needs of low-income households in Arizona, the Housing Trust Fund receives money from the sale of unclaimed property, such as stocks or savings accounts abandoned by the owner, often due to a death without a will. The Housing Trust Fund was initially funded by 35% of unclaimed property proceeds, and then increased over time to 55% to better address rural housing needs. Prior to the Great Recession, the Housing Trust Fund received over $30 million annually. Due to state budgetary constraints, in 2010 the Housing Trust Fund was capped at $2.5 million.

B. Relevance to Municipal Policy

Cities and towns, as well as non-profits, are eligible to apply to receive an allocation of the Housing Trust Fund to further housing objectives within their communities. Restoration of funding to the Trust Fund will enable a greater number of grant applications to be funded and other funding to be leveraged.

C. Fiscal Impact to Cities and Towns

Funding from the Housing Trust Fund has the potential to bring much needed funding to communities to address housing needs, either through the city, town or a non-profit application for use to further local housing objectives.

D. Fiscal Impact to the State

When the Housing Trust Fund was capped at $2.5 million in 2010, the funding from the sale of unclaimed property was reallocated to other areas. Restoration of funding to the Trust Fund will potentially pull funding away from the areas to which it was reallocated.

E. Contact Information

Sponsoring City or Town: City of Flagstaff

Name: Jerene Watson, Asst. City Manager
Phone: (928) -213-2073 Email: jerenewatson@flagstaffaz.gov

League Staff: Dale Wiebusch

League of Arizona Cities & Towns Resolution

Resolution: NSQL 3

Recommendation for the authorization of expenditure and full appropriations through the reenactment of repealed ARS 41-501, 503 and 504 to restore the Arizona State Park Heritage Funds.

Submitted by: Town of Sahuarita

A. Purpose and Effect of Resolution

For years the Heritage Fund was swept into the General Fund, and in 2011 was eliminated entirely. This resolution seeks to restore the Fund so that State Parks and local governments could once again avail themselves of these funds.

B. Relevance to Municipal Policy

Approval of this resolution and resulting policy changes would provide a vehicle for funding to continue municipalities' and the states' ability to provide and enhance the conservation of our state's natural, cultural, and historic resources. It would shift the responsibility for these programs back to the state and reinforce the voter approved initiative that originally placed the burden on the state.

C. Fiscal Impact to Cities and Towns

Reenactment of Arizona Heritage Fund appropriations would have a significant positive impact on recreational opportunities, environmental education for the K-12 curriculum and enrichment for educators, grants and research, and response to and help with ameliorating human-wildlife conflicts in urban areas. It also positively impacts the viability of State Parks as the sweep of funds has left them without funds for capital improvements or for any structural emergency. The loss of Heritage Funds has a direct impact on cities and towns due to the economic impact of State Parks.

D. Fiscal Impact to the State

The restoration of Arizona Heritage Fund dollars to pre-2009 levels would require $10 million that currently is used by the state for other purposes.

E. Contact Information

Sponsoring City or Town: Town of Sahuarita

Name: Teri Bankhead, Asst. to the Town Manager
Phone: 520-344-7110 Email: tbankhead@sahuaritaaz.gov

League Staff: Dale Wiebusch

League of Arizona Cities & Towns Resolution

Resolution: NSQL 4

Proposing the expansion of state licensure requirements and local enforcement authority for sober living housing.

Submitted by: City of Prescott

A. Purpose and Effect of Resolution

Sober living homes have proliferated in recent years and they have little to no oversight. As they do not provide therapy per se, they are not regulated by the Arizona Department of Health. This resolution seeks to allow for increased state and local licensing and regulation authority.

B. Relevance to Municipal Policy

Sober living housing is a type of group housing that offers an alcohol and drug-free living environment for individuals recovering from alcohol or substance use disorders. Most sober living homes are considered "group homes for disabled persons" and therefore entitled to some level of protection under the Fair Housing Act of 1968, as amended. As one of the conditions of occupancy, residents agree not to use alcohol or prohibited substances. With the growth of these group homes, neighbors and other stakeholders have expressed concerns to municipalities, legislators, and the AZ Department of Health about the presence of these homes particularly in residentially zoned areas. Concerns also have been expressed regarding the need to protect the residents of some of these homes from unscrupulous providers.

C. Fiscal Impact to Cities and Towns

Due to the unregulated nature of these facilities, there are often issues related to complaints of deterioration of neighborhood aesthetics and potential decrease in property values. In addition, if some type of licensing was available the city could receive revenue from these fees.

D. Fiscal Impact to the State

Minimal costs to the state are expected for increased regulation and oversight, which could be offset through the establishment of a licensing fee.

E. Contact Information

Sponsoring City or Town: City of Prescott

Name: Alison Zelms, Deputy City Manager
Phone: 928-777-1220 Email: alison.zelms@prescott-az.gov

League Staff: Dale Wiebusch

Chair's Report of the Transportation, Infrastructure, and Public Works Policy Committee

Mayor Jonathan Rothschild, Tucson, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 18, 2015

On June 12 and July 8, the Transportation, Infrastructure, and Public Works Policy Committee (TIPW) met to discuss policy issues submitted by cities and towns for consideration in by the newly established policy committee process. Below is a summary of each of the policy issues considered by TIPW:

1. Urge the Federal Aviation Administration (FAA) to improve its communication with municipalities when studying changes to potential flight paths that would have a significant adverse aircraft noise impact on residential communities and urge Congress to amend key portions of the FAA Modernization and Reform Act of 2012 that would help achieve the aforementioned request. – **Phoenix**

2. Stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns, and to restore HURF funding to FY2008 levels.-**Yuma**

3. Support the inclusion of funding to accelerate design and construction of State Route 189 in ADOT's Five-Year Transportation Facilities Construction Program. - **Tucson**

Below is a summary of the committee discussion and the recommendation:

The City of Phoenix presented policy issue one. They are seeking greater collaboration between local communities and the Federal Aviation Administration when flight route changes are proposed. The goal of the collaboration is to avoid disruptions in the affected communities. In order to achieve this, portions of the FAA Modernization and Reform Act of 2012 need to be amended to require more timely notices of proposed changes. Committee members voted to move this issue forward as a federal resolution (now TIPW 1 on the resolutions summary chart).

The City of Yuma presented policy issue two. Statute provides a method of distributing HURF funds for the purpose of construction, improvements and maintenance of streets and roadways. The State has swept portions of these revenues each year since FY2008, mainly to support Arizona Department of Public Safety (DPS). These sweeps directly contribute to delayed maintenance on streets which has caused many streets to now need total replacement, at a much greater cost. Poor condition of transportation infrastructure is a detriment to attracting new commerce and industry. Committee members voted to move this issue forward as a resolution (now resolution TIPW 2 on the resolutions summary chart).

The City of Tucson presented policy issue three. Municipalities across Arizona are in need of transportation infrastructure projects. The expansion of SR-189 is an investment in Arizona's transportation infrastructure that facilitates trade, keeping Arizona competitive as an import and export hub. Nogales and Santa Cruz County cannot accelerate the construction without the help of partners throughout the state, nor will they be the sole beneficiaries of the completed project, as an unrestricted flow of goods between Arizona and Mexico benefits businesses throughout the state. Committee members voted to move this issue forward as a resolution (now resolution TIPW 3 on the resolutions summary chart).

The table below summarizes the TIPW Committee's actions:

Policy Issue	Disposition by Committee
1	Resolution TIPW 1
2	Resolution TIPW 2
3	Resolution TIPW 3

Jonathan Rothschild
Mayor of Tucson
Chair, Transportation, Infrastructure, and Public Works Policy Committee

League of Arizona Cities & Towns Resolution

Resolution: TIPW 1

Urge the Federal Aviation Administration (FAA) to improve its communication with municipalities when studying changes to potential flight paths that would have a significant adverse aircraft noise impact on residential communities and urge Congress to amend key portions of the FAA Modernization and Reform Act of 2012 that would help achieve the aforementioned request.

Submitted by: City of Phoenix

A. Purpose and Effect of Resolution

On September 18, 2014, the Federal Aviation Administration (FAA) implemented changes in flight paths to and from Phoenix Sky Harbor International Airport as part of its effort to streamline departures and arrivals using Next Generation Air Transportation (NextGen) satellite-based navigation. Congress approved the program in 2003, and since then, the technology has been implemented in some of the busiest airports around the country. Phoenix was the tenth city on the FAA's list.

The FAA is now beginning a new Metroplex process, looking at the Phoenix regional airspace. The goal of the Phoenix Metroplex Project is to improve the efficiency of aircraft arrival and departure procedures to and from various airports, including but not limited to: Phoenix Sky Harbor International Airport (PHX), Phoenix-Mesa Gateway Airport (IWA), Scottsdale Airport (SDL), Deer Valley Airport (DVT), Falcon Field Airport (FFZ), Glendale Municipal Airport (GEU), Phoenix Goodyear Airport (GYR), and Tucson International Airport (TUS). The Project may involve changes in aircraft flight paths and altitudes in certain areas.

B. Relevance to Municipal Policy

Requiring collaboration between the FAA and affected cities, wherever flight path changes are being considered, will help achieve the intended goals of efficiency while mitigating impacts on the local communities. Municipalities know their constituencies well and better positioned to report on how flight path changes affects neighborhoods. Without municipal input, the federal agencies may miss some key data that would be adverse to the quality of life for many residents.

C. Fiscal Impact to Cities and Towns

FAA's rearrangement of flight routes since implementation upended decades of land-use compatibility planning that directed billions of dollars of private investment while the city invested hundreds of millions of dollars of noise mitigation efforts all based on the previous stable flight tracks.

D. Fiscal Impact to the State

There is no fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: City of Phoenix

Name: Thomas Remes, Government Relations Director
Phone: (602) 262-4413 Email: thomas.remes@phoenix.gov

League Staff: Ryan Peters

League of Arizona Cities & Towns Resolution

Resolution: TIPW 2

Urges the Legislature to stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns, and to restore HURF funding to FY2008 levels.

Submitted by: City of Yuma

A. Purpose and Effect of Resolution

HURF funds come from a number of sources including use fuel taxes, motor carrier fees, vehicle license taxes and motor vehicle registration fees. Statutes provide a method of distributing these funds among the state, counties, and cities for the purpose of construction, improvements and maintenance of streets and roadways within their jurisdictions. The State has swept portions of these revenues each year since FY2008, mainly to support Arizona Department of Public Safety (DPS). These sweeps affect every municipality and county in the state. As a result of these sweeps, more than 38% of Yuma's major roadways are in poor or below average condition. Delayed maintenance on streets has caused many streets to now need total replacement, at a much greater cost. The poor condition of transportation infrastructure is a detriment to attracting new commerce and industry.

In addition to the direct impact on cities' streets and roadways, this slowdown and halt of street construction and maintenance has cost jobs. The Arizona chapter of the Associated General Contractors estimated in 2011 that an estimated 42,000 jobs have been lost due to the lack of highway construction. This loss has had a negative impact on the economic viability of the State.

B. Relevance to Municipal Policy

The longer the attention to street maintenance is neglected, the more costly it becomes to bring streets up to even average condition. Many Arizona counties, cities, and towns experience a significant rise in population during the winter months. The declining street infrastructure negatively affects the states' tourism industry and makes other warm states more attractive to these visitors.

C. Fiscal Impact to Cities and Towns

The sweeps have touched every county, city and town in Arizona. There are no replacement revenues for cities to tap. As maintenance is delayed, the cost rises. Restoring full HURF funding to local jurisdictions will allow much needed street replacement, repair, and maintenance.

D. Fiscal Impact to the State

Reinstating the statutory distribution of HURF monies, including the funds to be allocated to DPS pursuant to statutes, may require the State find other sources for revenue for DPS.

E. Contact Information

Sponsoring City or Town: City of Yuma

Name: Steven Moore, City Attorney
Phone: (928) 373-5050 Email: steve.moore@yumaaz.gov

League Staff: Ryan Peters

League of Arizona Cities & Towns Resolution

Resolution: TIPW 3

Supports the inclusion of funding to accelerate design and construction of State Route 189 in ADOT's Five-Year Transportation Facilities Construction Program.

Submitted by: City of Tucson

A. Purpose and Effect of Resolution

State Route 189 provides a critical international commerce connection from the Mariposa Land Port of Entry (LPOE) to Interstate 19, serving as a bypass route for commercial truck traffic to and from Mexico. Municipalities, county governments, and regional planning agencies throughout Arizona have advocated for the expansion of SR-189 to relieve congestion and protect this key trade corridor. ADOT has also recognized the importance of SR-189, having recently funded engineering and design work in the current five-year program. However, construction funding is not anticipated until 2021, a delay that will only benefit our competitors—Texas, New Mexico, and California.

The Mariposa LPOE is one of the ten busiest cargo ports along the U.S.-Mexico border, processing more than 85% of the commercial vehicles and approximately 89% of the trade value crossing the Arizona-Sonora border. The recent expansion of the Mariposa LPOE has further congested the state's most significant bottleneck in the flow of cross-border commerce, severely impacting Arizona's ability to compete in international trade. Arizona is in danger of losing significant portions of this trade, a key economic engine for the state, to Texas and other border states.

To support trade and relieve the current congestion, it is necessary to accelerate the improvements to SR-189 in ADOT's Five-Year Transportation Facilities Construction Program.

B. Relevance to Municipal Policy

Municipalities across Arizona are in need of transportation infrastructure projects. The expansion of SR-189 is an investment in Arizona's transportation infrastructure that facilitates trade, keeping Arizona competitive as an import and export hub. Nogales and Santa Cruz County cannot accelerate the construction without the help of partners throughout the state, nor will they be the sole beneficiaries of the completed project, as an unrestricted flow of goods between Arizona and Mexico benefits businesses throughout the state.

D. Fiscal Impact to Cities and Towns

Arizona cities and towns share a mutual interest in growing and strengthening our economy. Mexico is a growing world market, as well as Arizona's most important trading partner. A robust relationship with Mexico provides many opportunities for Arizona businesses, and helps grow our economy.

If we neglect to make this needed investment, our Mexican trading partners will look to Texas and other border states for business-friendly transportation infrastructure that facilitates trade.

D. Fiscal Impact to the State

Mexico is the largest bilateral trading partner with Arizona, accounting for an estimated $30 million in two-way trade each day. Trade between the U.S. and Mexico is expected to increase dramatically over the next decade, and Arizona is well-positioned to become a global leader in international commerce by virtue of our proximity

to what is projected to become the world's 5th largest economy by 2050.

We must ensure that international commerce can efficiently and safely travel between Arizona and Mexico at the Mariposa Land Port of Entry, one of the busiest land ports in the United States.

E. Contact Information

Sponsoring City or Town: City of Tucson

Name: Ryan Anderson, Policy Advisor to Mayor Rothschild.
Phone: (520) 548-9755 Email: ryan.anderson@tucsonaz.gov

League Staff: Ryan Peters