

ORDINANCE NO. 2589 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING CHAPTER 21.1 OF THE GLENDALE CITY CODE BY INCREASING THE CITY OF GLENDALE PRIVILEGE (SALES) TAX RATE BY FOUR-TENTHS OF ONE PERCENT (.4%), EXCEPT FOR THE PRIVILEGE (SALES) TAX RATE ON FOOD FOR HOME CONSUMPTION, AND DEDICATING THE INCREASED REVENUE THEREFROM TO ENHANCE PUBLIC SAFETY FUNDING; AND SETTING FORTH AN EFFECTIVE DATE.

WHEREAS, the Council of the City of Glendale submitted to the voters of the City of Glendale, at the September 11, 2007, special election, Proposition Number 401 (Public Safety Funding Enhancement); and,

WHEREAS, the voters of the City of Glendale, on September 11, 2007, approved Proposition Number 401 by a vote of 5,435 "yes" votes (54.4%) to 4,556 "no" votes (45.6%).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That Chapter 21.1 of the Glendale City Code is hereby amended as follows:

Increasing the City of Glendale privilege (sales) tax rate shall have the effect of modifying Chapter 21.1 of the Glendale City Code as follows:

The City of Glendale privilege (sales) tax rate set in Secs. 21.1-405, 21.1-410, 21.1-415, 21.1-416, 21.1-417, 21.1-425, 21.1-427, 21.1-430, 21.1-435, 21.1-444, 21.1-445, 21.1-447, 21.1-450, 21.1-455, 21.1-470, 21.1-475, and 21.1-480 shall be increased by four-tenths of one percent (.4%).

The City of Glendale privilege (sales) tax rate set by Sec. 21.1-422(a), related to the sale of jet fuel, shall be modified to \$.021.

This increase in the City of Glendale privilege (sales) tax rate shall not, however, be applicable to "food for home consumption." Therefore, Chapter 21.1 of the Glendale City Code shall be amended as follows:

Modify Sec. 21.1-460(a) entitled "Retail sales: measure of tax; burden of proof; exclusions" as follows:

[Additions are indicated by underline; deletions by ~~strikeout~~.]

(a) The tax rate shall be at an amount equal to ~~one and eight-tenths~~ two and two-tenths percent (~~1.8~~2.2%) of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail, except that the tax rate shall be at an amount equal to one and eight-tenths percent (1.8%) of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption.

Adopt a new Sec. 21.1-120 entitled "Definitions: food for home consumption" which shall read as follows:

(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 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.

(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 2. That the increase in revenue resulting from the increase referred to in Section 1 shall be dedicated to expenditures that will enhance public safety services by allocating the revenues in the following manner:

LAW ENFORCEMENT FUNDING (66 $\frac{2}{3}$ %)

Two thirds of the revenue generated by that portion of the City of Glendale privilege (sales) tax rate that is dedicated to public safety shall be expended for the purpose of securing the necessary personnel, equipment and other items for the Glendale Police Department to carry out their law enforcement mission efficiently and effectively in order to enhance the public safety of the community. All funds from this category must be spent within the Glendale Police Department.

FIRE AND EMERGENCY MEDICAL SERVICES FUNDING (33 $\frac{1}{3}$ %)

One third of the revenue generated by that portion of the City of Glendale privilege (sales) tax rate that is dedicated to public safety shall be expended for the purpose of securing the necessary personnel, equipment and other items required to continue providing efficient, effective high-quality fire protection and emergency medical services. All funds from this category must be spent within the Glendale Fire Department.

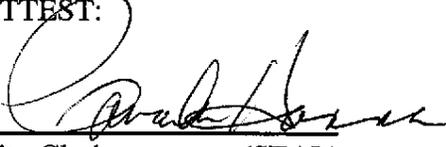
General city administrative or overhead costs not related to public safety shall not be paid from these funds, nor shall the revenues raised by this increase in the privilege (sales) tax rate be used for any other purpose. Further, the funds raised by this increase may not be used to fund the salaries or benefits of public safety personnel already employed by the City or to supplant allocations for on-going expenses budgeted at the time of the effective date of this ordinance.

SECTION 3. The provisions of this Ordinance shall become effective on November 1, 2007.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 25th day of September, 2007.


MAYOR

ATTEST:


City Clerk (SEAL)

APPROVED AS TO FORM:


City Attorney

REVIEWED BY:


City Manager