

## **TITLE 4 REVENUE AND FINANCE**

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## **CHAPTER 4.01 FISCAL POLICIES AND PROCEDURES**

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### **Section 4.01.010 Capital Facilities Planning and Procedures**

A. Definitions. In the construction of this Section the following words and phrases shall be as defined as set forth in this Section unless a different meaning is specifically defined elsewhere in this Section and specifically stated to apply:

1. Capital Facilities Project Budget. The authority to expend funds for specific capital facilities projects as authorized in the annually adopted City budget and subsequent budget resolutions.
2. Capital Facilities Project Fund. Any of the several funds created in the City's annual budget which account for financial resources to be used for acquisition or construction of capital facilities projects.
3. Capital Facilities Plan. The five-year plan approved and adopted by the City Council for the scheduling, financing and construction of capital facilities to be undertaken by the City in the next fiscal year and projected to be undertaken in the following four fiscal years. The Capital Facilities Plan is not adopted as part of the Midway City General Plan, but should be consistent with such Plan.
4. Capital Facilities Project. An activity set forth in the Capital Facilities Plan for the acquisition of property, the construction of new facilities, or the physical betterment or improvement of City property including but not limited to:
  - i. Design and construction of any addition to the City's physical plant, including buildings, streets, utility lines, parks, or other public facilities; or
  - ii. Rehabilitation or reconstruction of an element of the City's physical plant to increase capacity; and
  - iii. Is projected to cost more than thirty thousand dollars (\$30,000).
5. Capital Facilities Reserve. Appropriations made to a capital facilities fund from estimated revenue or fund balance for the purpose of financing future specific capital facilities identified in the Capital Facilities Plan.

### **B. Capital Facilities Plan.**

1. By December 31<sup>st</sup> of each year the Mayor, with assistance of City staff, shall prepare and submit to the City Council an annual capital facilities plan. This plan shall include a summary of each capital facilities project and, at least, the following information:

- a. A statement of the purpose.
- b. A description of proposed projects, including:
  - i. Sufficient narrative to facilitate prioritization of the project, and
  - ii. A vicinity map and/or description of the proposed location of the project,
- c. Current status of any related projects.
- d. The anticipated schedule and estimated budget for planning and design, land acquisition, construction and any other associated capital facilities needs associated with the project.
- e. Proposed source of funding or other funding resources that might be available.
- f. A numerical priority City staff would assign to the project as compared to other capital improvement projects.

(2011-08, Sub-section Amended, eff. 12/14/2011)

**C. Budget Restrictions.**

1. Capital facilities projects shall be funded only by monies appropriated in the Capital Facilities Budget.
2. Monies appropriated for a specific capital facilities project shall not be used for another capital facilities project without the approval of the City Council.
3. When a specific capital facility project is complete, any balance remaining in the applicable capital project fund shall be transferred as follows:
  - a. If required by debt covenants, to the appropriate debt service fund;
  - b. For capital facilities projects, to the appropriate capital facilities reserve fund.
4. A contingency account shall be created within the capital facilities project budget for each capital facilities fund which shall be used only for cost overruns of an authorized capital facilities project. The amount of contingency fund monies which may be used for any one capital facilities project shall not exceed 10 percent of the budgeted cost of such project unless otherwise approved by the City Council.
5. A capital facilities reserve fund shall be created for accumulation of resources needed for future capital facilities projects. Reserves may accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for a particular capital facilities project. Disbursements from such reserves shall be made only by transfer to a revenue or transfer account within the capital facilities project fund, under a budget appropriation in a budget for the fund adopted in the manner provided by the Uniform Fiscal Procedures Act for Utah Cities, Utah Code. If monies are intended for specific projects, pending final design or other conditions of funding, the fund balance may be identified by a separately designated fund balance account.

**D. Capital Facilities Project Reporting.** No later than December 31<sup>st</sup> of each year the Mayor, with the assistance of City staff, shall submit to the City Council a report on the status of each active capital facilities project. This report shall include at least the following information:

1. Budgeted amount for the project;
2. Estimated total cost, as revised by final design estimates, actual contract amounts, or cost overruns;
3. The cost to date;
4. Description and review of anticipated cost overruns;
5. Estimated completion date;
6. Whether the project is on schedule; and

7. Changes, if any, in anticipated funding.

(2010-10, Sub-section Amended, eff. 5/26/2010; 2011-08, Sub-section Amended, eff. 12/14/2011)

E. Emergency Expenditures.

1. In the event an "emergency", as defined in Subsection 3 of this Section, occurs in the construction of a capital facilities project, which emergency requires an expenditure in excess of the amount budgeted for the project including a ten percent (10 %) contingency, the applicable city council member over the department may authorize, with approval of the Mayor, such expenditure from the following monies, subject to meeting the requirements of Subsection (2) of this Section:

- a. The fund contingency account; and
- b. Monies designated for other specific capital facilities projects within the applicable fund.

2. If expenditures are made for an emergency pursuant to Subsection 1 of this Section, the Mayor shall notify the City Council of such expenditure and shall within thirty (30) days submit to the City Council a report which describes the nature of the emergency and the source of additional funding. The City Council may review such budgetary action at the next available City Council meeting following submission of the report. As part of such review, the City Council may either ratify the source of funds used or take such other budgetary actions as are determined to be appropriate in order to fund the costs of such emergency.

3. As used in this Section, "emergency" shall mean any circumstance or situation not reasonably anticipated as part of the capital facilities project which:

- a. Threatens immediate injury or damage to persons or property; or
- b. Would delay the capital facilities project and thereby:
  - i. Substantially affect life, property, health or convenience of the public; or
  - ii. Significantly increase the project cost authorized and approved under construction contracts for the project.

F. Conflicting Provisions. To the extent provisions of this Section impose stricter requirements or higher standards than required by the provisions of the Utah Uniform Fiscal Procedures Act for Utah Cities the provisions of this Section shall apply unless prohibited by the Act.

**Section 4.01.020 Investments**

A. Policy. It shall be the policy of Midway City to invest public funds in a manner which will provide for safety of principal, capital, liquidity, and rate of return, respectively. It shall also be the policy of the City that all invested funds shall be made in accordance with applicable State and local statutes, specifically the Money Management Act of the State of Utah which provisions are hereby incorporated as a part of this policy.

B. Scope. This investment policy shall apply to all financial assets of the City including all component units. These fund units are accounted for in the City of Midway's Annual Financial Report. Any new fund created will also be subject to this investment policy. Additional component units shall be subject to this investment policy subject to State statute and rulings of the Money Management Council.

C. Prudence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

D. Objective. The primary objectives, in priority order of Midway City's investment activities shall be:

1. Safety. Safety of principal/capital is the foremost objectives of the investment program. Investments of Midway City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. Liquidity. The City of Midway's investment portfolio will remain sufficiently liquid to enable the City to meet all operational requirements which might be reasonably anticipated.
3. Return of Investment. The City of Midway's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

E. Delegation of Authority. Authority to manage Midway City's investment program is derived from the Utah Code. The responsibility for conducting investment transactions is hereby delegated to the City Treasurer who shall establish procedures for the operation of the investment program consistent with this investment policy, and subject to the City's organizational structure as established. No person may engage in an investment transaction except as provided under the terms of this Title and the general financial policies and procedures as adopted by the City.

F. Ethics and Conflicts of Interest. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper executions of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall avoid any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further avoid any large personal financial/investment positions that could be related to the performance of the City of Midway's portfolio. It shall be the responsibility of employees and investment officials to report to the Mayor any conflicts of interest as stated in this subsection of the investment policy.

G. Authorized Investments. Investments shall be made in compliance with the Utah State Money Management Act.

H. Authorized Dealers and Institutions. The City of Midway will restrict the purchase of securities, and make investments only with dealers and institutions which are qualified by the Money Management Council and any other applicable Sections or rules as may be found in the Money Management Act.

I. Maximum Maturities. To the extent possible, Midway City will attempt to match investments with anticipated cash requirements. Unless matched to a specific cash flow, the City of Midway will not directly invest in securities maturing more than one year from date of purchase.

J. Internal Control. The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

K. Performance Standards. The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City of Midway's investment risk constraints and cash flow needs. In keeping with State of Utah statute and Midway City's investment strategy, funds will be placed for investment and not speculation.

L. Reporting. The Treasurer will report the status of investments as requested by the Mayor and or City Council.

## **CHAPTER 4.02 PROCUREMENT**

### **Section 4.02.010 Purchasing**

#### **Section 4.02.010 Purchasing**

A. Purpose. The underlying purposes of this policy are:

1. To ensure fair and equitable treatment of all persons who wish to, or do conduct business with Midway City.
2. To provide for the greatest possible economy in City procurement activities.
3. To foster effective broad-based competition within the free enterprise system to ensure that the City will receive the best possible service or product at the lowest possible price.

B. Compliance – Exemptions from this Policy.

1. This policy shall not prevent the City from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
2. When the procurement involves the expenditure of federal assistance funds, the City shall comply with applicable federal law and regulations.

C. Definitions.

1. Bid. To offer a commodity for a specified price.
2. Building Improvement. The construction or repair of a public building or structure.
3. Business. Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
4. Change Order. A written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.
5. Commodity.
  - a. a mass-produced unspecialized tangible good; or
  - b. a good or service whose wide availability typically diminishes the importance of factors other than price.
6. Contract. Any City agreement for the procurement or disposal of supplies, services, or construction.
7. Construction Contractor. A person or business licensed by the State of Utah who, for compensation other than wages as an employee, undertakes any work in a construction trade.
8. Cost-plus-a-percentage-of-cost Contract. A contract under which a contractor is reimbursed for the costs incurred, and is paid an agreed upon percentage of such costs as contractor's profit.
9. Cost-reimbursement Contract. A contract under which allowable and reasonable costs incurred by a contractor in the performance of a contract are reimbursed in accordance with the terms of the contract.
10. Estimate. An assessment by a potential supplier of the likely price for a commodity required by the buyer.
11. Formal Sealed Bid. Enclosed in a sealed envelope and submitted in response to a request for bids.

12. Local Contractor. A business that regularly maintains a place of operation and transacts business in, or maintains an inventory of merchandise for sale in, or is licensed by, or pays business taxes to, the State of Utah, Wasatch County, or Midway City at the time the bid or offer is submitted.
13. Long-term Contract for Professional Services. A contract for professional services for a period of one or more years with an individual or a business to provide professional services that would otherwise be rendered by a qualified City employee.
14. Person. Any business, individual, union, committee, club, other organization, or group of individuals.
15. Procurement. Buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
16. Professional Services. Qualification based services provided by a formally certified member of a professional body. Contracts for professional services should be negotiated by the City based on demonstrated competence at fair and reasonable prices. Cost is not the determining factor. Those who provide such services must meet Utah State mandated educational and experience requirements and must hold specific State licenses. Examples of professional services include: accountants, appraisers, architects, attorneys, and engineers.
17. Project Liaison. An individual designated by the City to act as a liaison for a specific project.
18. Purchasing Agent. The person duly authorized by the governing body of the City to administer contracts and make written determinations with respect thereto.
19. Quote. A formal written statement of promise by a potential supplier to supply the commodities required by a buyer at specified prices, and within a specified period. It may also contain terms of sale and payment, and warranties. Written acceptance of a quote by the City constitutes an agreement binding on both parties.
20. Request for Bids. All documents, whether attached or incorporated by reference, used for soliciting bids.
21. Request for Proposals (RFP). All documents, whether attached or incorporated by reference, used for soliciting proposals.
22. Requisition. A written order to the purchasing agent for a commodity or professional service.
23. Responsible Bidder or Offeror. A person who has the capability in all respects to perform fully the contract requirements and who has the integrity and reliability which will assure good faith performance.
24. Responsive Bidder. A person who has submitted a bid which conforms in all material respect to the request for bids.
25. Scope of Work. Itemized statement or division of work to be performed and the schedule to which it is to be performed under a contract or subcontract in the completion of a project.
26. Sole-source Provider. One and only one source that possesses a unique product or service having singular characteristics or performance capability.
27. Specification. Any written description of the physical or functional characteristics, or of the nature of a supply, construction item, or service. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

D. Purchasing Agent. The City Council shall appoint a Purchasing Agent. The Purchasing Agent shall be responsible to make procurements, solicit bids and proposals, administer contracts, and make written determinations for the City.

E. Source Selection. The City Council shall set forth policies for a purchase, or the encumbrance of funds for a purchase, of any commodity or professional service. These policies shall provide guidance for:

1. Small purchases that do not require formal bids or proposals.
2. Purchases or contracts that require formal competitive sealed bids.
3. Contracts for services that can be executed through a request for proposal processes.
4. Capital improvement projects.
5. Budget verification.
6. Draw requests.
7. Release of warranty funds.
8. Contract change orders.

All purchases should provide for the greatest possible economy in City procurement activities.

F. Requisitions. A requisition shall be completed and approved before any purchase, or encumbrances of funds, that has an anticipated cost of \$1,500 or more and does not require formal bids or proposals.

G. Purchases not Requiring Sealed Bids.

1. Purchases not requiring sealed bids:
  - a. Purchases costing less than \$1,500 in total shall not require bids, quotes, or estimates of any type.
  - b. Purchases costing more than \$1,499 but less than \$5,000 in total shall require 3 verbal estimates, which may be solicited by telephone.
  - c. Purchases costing more than \$4,999 but less than \$25,000 (Commodities), \$40,000 (Building improvements), or \$125,000 (Public works projects) in total shall require 3 written quotes, which may be solicited by telephone.
  - d. Purchases made through the cooperative purchasing contracts administered by the Utah State Division of Purchasing.
  - e. Purchases made from an approved sole-source provider.
  - f. Purchases required during an emergency, i.e., an imminent threat to the public's health, welfare, or safety. However, as much competition as is practical should be obtained; and, such purchases should be limited to amounts necessary to the resolution of the emergency.
  - g. Building improvements and public works projects where bids have twice been requested and the City determines in writing that no satisfactory bid has been submitted.
  - h. Building improvements and public works projects constructed using City personnel and equipment as allowed by Utah law.
  - i. Purchases required during extra ordinary circumstances, excluding building improvements costing \$40,000 or more, public works project costing \$125,000 or more, and projects using Class "C" road funds, and approved in writing by the mayor and council member responsible for the appropriate department.

H. Sealed Bids.

1. Contracts or purchases shall be awarded by competitive sealed bidding except as otherwise provided by this policy.
2. A request for bids shall be issued when a contract is to be awarded by competitive sealed bidding. The request shall include a scope of work, specifications, and all contractual terms and conditions applicable to the procurement.
3. Legal notice of the request for bids shall be given for at least 3 weeks in a newspaper of general circulation in Midway City and at least 5 days before the opening of bids.
4. Bids shall be opened publicly in the presence of the Purchasing Agent, appropriate department head, project liaison, or their designees, at the time and place designated in the request for bids. The amount of each bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.
5. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the request for bids.
6. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of the City or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the Purchasing Agent.
7. The contract shall be awarded with reasonable promptness, by written notice, to the lowest responsive, responsible bidder whose bid meets the requirements and criteria set forth in the request for bids.

#### I. Competitive Sealed Proposals.

1. Competitive sealed proposals are most appropriately used for professional service contracts. Those who provide such services must meet Utah State mandated educational and experience requirements for the requested professional services and must hold requisite State licenses. Thus Professional services contracts are qualification-based and may be negotiated by the City based on demonstrated competence at fair and reasonable prices as cost is not the determining factor. Competitive sealed proposals may also be used when the purchasing agent determines, and documents in writing, that the use of competitive sealed bidding is either not practicable or not advantageous to the City, a contract may be entered into by competitive sealed proposals.
2. Proposals shall be solicited through a request for proposals. Legal notice of the request for proposals shall be given at least 3 weeks in a newspaper of general circulation in Midway City. The notice shall be given for a reasonable time, but not less than one week, prior to the advertised date of the opening of proposals.
3. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. All proposals, with the exclusion of proprietary information, shall be open for public inspection after contract award.
4. The request for proposals shall state the relative importance of qualifications, experience and other evaluating factors including price.
5. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

6. The proposer with demonstrated competence, professional qualifications and experience whose proposal is determined to be the most advantageous to the City shall be first considered. The City shall then review the proposal's cost. If the cost is found to be fair and reasonable the award shall be made. No factors or criteria shall be used in the evaluation other than those listed in the RFP and purchasing policy. If the City determines that the cost does not meet the fair and reasonable test the City may choose to negotiate or to select another qualified proposer for the award.

**J. Long-term Contracts for Professional Services.**

1. Long-term contracts for professional services are qualification-based procurements. Requests for such services should follow the procedures for a competitive sealed proposal request, as set forth in item D above, in terms of publicly announcing the solicitation, reviewing the proposals and selecting the successful offeror. Contracts should be negotiated with the successful offeror to assure a fair and reasonable price.
2. As the contract is long-term there are, however, additional considerations:
  - a. It can be expected that there may be three or more types of tasks associated with professionally contracted work:
    - i. General advisory tasks.
    - ii. Specific tasks associated with a defined project.
    - iii. Specific tasks associated with applications for development and other land use activities.
  3. For each type of task and project assignment the contract must:
    - a. Establish a defined procedure for requesting services clarifying task assignment, project scope, schedule, and budget.
    - b. Define an appropriate fee structure for assigned tasks, reimbursement of costs and payment schedule.
    - c. Establish communication procedures, documentation and reporting requirements, and meeting attendance/presentation protocol and accountability procedures.
4. Long-term contract may be extended following review on an annual basis for up to five years.

**K. Determination of Non-responsibility of Bidder or Offeror.** Determination of non-responsibility of a bidder or offeror shall be made in writing. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to the bidder or offeror. Information furnished by a bidder or offeror pursuant to this Section shall not be disclosed outside of the purchasing division without prior written consent by the bidder or offeror.

**L. Cancellation and Rejection of Bids, Proposals, or Other Solicitation.** A request for bids, proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part, as may be specified in the solicitation, when it is in the best interests of the City. The reasons shall be made part of the contract file.

**M. Cost-plus-a-percentage-of-cost Contracts.** Subject to the limitations of this Section, any type of contract which will promote the best interests of the City may be used. Cost-plus-a-percentage-of-cost contracts and cost-reimbursement contracts may be used only when a determination is made in writing that such contract is likely to be less costly to the City than any

other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

N. Division of Cost. The cost of building improvements and public works projects shall not be divided to avoid exceeding a purchase limit.

O. Plans, Specifications, Schedule, and Itemized Estimate of Cost. Plans, specifications, schedule, and an itemized estimate of cost shall be prepared for all building improvements and public works projects.

P. Contract Formation.

1. The Mayor shall enter into contracts. All contracts shall be reviewed by the appropriate department head, appropriate city council member, and city attorney prior to approval.

2. Required contract clauses.

a. "The City has the right to order or approve, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work."

b. "The City has the right to approve variations occurring between estimated quantities of work in a contract and actual quantities."

c. "The City has the right to order the suspension of all work."

d. "(Name of Contractor/Service Provider) at its own expense, agrees to protect, indemnify, pay on behalf of, defend and hold harmless Midway City, its elected and appointed officials, employees and volunteers and their agents from all claims, demands, judgments, expenses, and all other damages of every kind and nature, made, rendered, or incurred by or in half of any person or persons whomsoever, including the parties hereto and their employees, which may arise out of any act or failure to act, work or other activity related in any way to this project under this contract, by the contractor, contractor's agents, employees, subcontractors, or suppliers in the performance and execution of this contract."

e. "Any prevention, delay, or stoppage due to strikes, labor disputes, acts of God, inability to obtain labor, materials or reasonable substitutes therefore, governmental restrictions, controls, or regulations, enemy or hostile governmental action, civil commotion, fire, or any other causes beyond the reasonable control of the parties shall not be deemed to be a breach of this Agreement and the time of performance shall be extended accordingly."

Q. Specifications. All specifications shall seek to promote overall economy and best use for the purpose intended and encourage competition in satisfying the City's needs, and shall not be unduly restrictive. Where practical and reasonable, and within the scope of this article, local contractors and businesses holding a business license from Midway City and their products shall be given preference.

(2013-09, Sub-section Q Amended, eff. 8/14/13)

R. Appeals.

1. Appeals shall apply only to requests for competitive sealed bids and competitive sealed proposals.

2. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract, sealed bid or sealed proposal may appeal to the purchasing

agent. An appeal shall be submitted in writing within five working days after the award of a contract by the City Council.

3. The purchasing agent shall promptly issue a written decision regarding any appeal, if it is not settled by a mutual agreement. The decision shall state the reasons for the action taken and inform the protestor, contractor, or prospective contractor of the right to appeal to the governing body.

4. The City's governing body shall be the final appeal on the City level.

5. All further appeals shall be handled as provided in the Utah State Code.

**S. Ethics in Public Contracting.**

1. No person involved in making procurement decisions may derive any private benefit as a result of a procurement decision. The benefit may be direct or indirect, create a material personal gain or provide an advantage to relatives, friends or groups and associations which hold some share of a person's loyalty.

2. Any person involved in making procurement decisions is guilty of a felony if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization from any person or organization interested in selling to the City.

## **Chapter 4.03 Sales and Use Taxes**

### **Section 4.03.010 Municipal Sales and Use Tax**

### **Section 4.03.020 Municipal Energy Sales and Use Tax**

### **Section 4.03.030 Resort Communities Sales and Use Tax**

### **Section 4.03.040 Road and Highways Sales and Use Tax**

### **Section 4.03.050 Transient Room Tax**

### **Section 4.03.010 Municipal Sales and Use Tax**

#### **A. Purpose.**

It is the purpose of this section to levy and impose a local option sales and use tax, to authorize and designate the Utah State Tax Commission as agent for the municipality to collect the tax and to conform to the requirements of the Sales and Use Tax Act of the State of Utah.

#### **B. Sales Tax.**

1. There is levied and there shall be collected and paid a tax on every retail sale of tangible personal property, services, and meals made within the municipality at the rate of one percent (1%).
2. For the purpose of this article, all retail sales shall be collected in accordance with 59-12-107 of the Utah Code Annotated, 1953. Public utilities as defined by Title 54, Utah Code Annotated (1953), shall not be obligated to determine the place or places within any county or municipality where public utilities services are rendered, but the place of sale or the sales tax revenues arising from such service allocable to the City shall be as determined by the State Tax Commission pursuant to an appropriate formula and other rules and regulations to be prescribed and adopted by it.
3. Except as hereinafter provided and except insofar as they are inconsistent with the provisions of the Local Sales and Use Tax Act, all of the provisions of Chapter 12, Title 59, Utah Code Annotated (1953, as amended), and in force and effect on the effective date of this section, insofar as they relate to sales taxes, are hereby adopted and made a part of this code as though fully set forth herein.
4. Wherever and to the extent that in Chapter 12 of Title 59, Utah Code Annotated (1953) the State of Utah is named or referred to as the taxing agency, the name of this City shall be substituted therefore. Nothing in this subparagraph (4) shall be deemed to require substitution of the name of the municipality for the word "State" when that word is used as part of the title of the State Tax Commission, or of the Constitution of the State of Utah, nor shall the name of the City be substituted for that of the State in any section when the result of that substitution would require action to be taken by or against the State Tax Commission in performing the functions incident to the administration or operation of this ordinance.
5. If an annual license has been issued to a retailer under section 59-12-106 of the Utah Code Annotated (1953), an additional license shall not be required by reason of this section.
6. Sales as defined in 59-12-104 of the Utah Code Annotated, 1953 are exempted from the tax imposed by the ordinance.

#### **C. Use Tax.**

1. An excise tax is hereby imposed in this municipality on the storage, use or other consumption as defined in 59-12-103 Utah Code Annotated, 1953 of tangible personal property from any retailer on or after the operative date of this section at the rate of one percent (1%).
2. Except as hereinafter provided and except insofar as they are inconsistent with the provisions of the Local Sales and Use Tax Act, all of the provisions of Chapter 12, Title 59, Utah Code Annotated (1953, as amended), and in force and effect on the effective date of this section, applicable to use taxes, therein, are hereby adopted and made a part of this section as though fully set forth herein.
3. Wherever and to the extent that in said Chapter 12 of Title 59, Utah Code Annotated (1953) the State of Utah is named or referred to as the taxing agency, the name of this City shall be substituted therefore. Nothing in this subparagraph (3) shall be deemed to require the substitution of the name of the municipality for the word "State" when that word is used as part of the title of the State Tax Commission, or of the Constitution of the State of Utah, nor shall the name of the City be substituted for that of the State in any section when the results of that substitution would require action to be taken by or against the municipality or any agency thereof, rather than by or against the State Tax Commission in performing the functions incident to the administration or operation of this ordinance.
4. Use Taxes as defined in 59-12-104 of the Utah Code Annotated, 1953 are exempted from the tax imposed by this ordinance.

#### D. Contract with State Tax Commission.

Heretofore, this municipality has entered into an agreement with the State Tax Commission to perform all functions incident to the administration or operation of the sales and use tax ordinance of the municipality. That contract is hereby confirmed and the Chief Executive Officer is hereby authorized to enter into such supplementary agreement with the State Tax Commission as may be necessary to the continued administration and operation of the local sales and use tax ordinance of the municipality as re-enacted by this article.

#### E. Penalties.

Any person violating any of the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punishable by the current fine in force or imprisonment for a period of not more than six month, or by both such fine and imprisonment.

### **Section 4.03.020 Municipal Energy Sales and Use Tax**

#### A. Purpose.

The purpose of this Section is to adopt the Municipal Energy Sales and Use Tax, pursuant to, and in conformance with, Utah Code Annotated section 10-1-301 et seq., "The Municipal Energy Sales and Use Tax Act."

#### B. Definitions.

1. Consumer. A person who acquires taxable energy for any use that is subject to the Municipal Energy Sales and Use Tax.
2. Contractual Franchise Fee:
  - a. A fee:

- i. Provided for in a franchise agreement; and
- ii. That is consideration for the franchise agreement; or
- b. A fee;
  - i. Similar to Subsection (2)(a); or
  - ii. Any combination of Subsections (2)(a) or (2)(b).
- 3. Delivered Value. The fair market value of the taxable energy delivered for sale or use in the City and includes:
  - a. The value of the energy itself; and
  - b. Any transportation, freight, customer demand charges, service charges, or other costs typically incurred in providing taxable energy in usable form to each class of customer in the municipality.
  - c. Delivered Value does not include the amount of a tax paid under Part 1 or Part 2 of Chapter 12, Title 59 of the Utah Code Annotated.
- 4. Energy Supplier. A person supplying taxable energy, except for persons supplying a de minimus amount of taxable energy, if such persons are excluded by rule promulgated by the State Tax Commission.
- 5. Franchise Agreement. A franchise or an ordinance, contract, or agreement granting a franchise.
- 6. Franchise Tax:
  - a. A franchise tax;
  - b. A tax similar to a franchise tax; or
  - c. Any combination of Subsections a and b.
- 7. Person. Any individual, firm, partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, the State of Utah, any county, city, municipality, district, or other local governmental entity of the state, or any group or combination acting as a unit.
- 8. Sale. Any transfer of title, exchange, or barter, conditional or otherwise, in any manner, of taxable energy for a consideration. It includes without limitation:
  - a. Installment and credit sales;
  - b. Any closed transaction constituting a sale;
  - c. Any transaction under which the right to acquire, use or consume taxable energy is granted under a lease or contract and the transfer would be taxable if an outright sale were made.
- 9. Storage. Any keeping or retention of taxable energy in the City for any purpose except sale in the regular course of business.
- 10. Use. The exercise of any right or power over taxable energy incident to the ownership or the leasing of the taxable energy. Use does not include the sale, display, demonstration, or trial of the taxable energy in the regular course of business and held for resale.
- 11. Taxable Energy. Gas and electricity.

#### C. Municipal Energy Sales and Use Tax.

- 1. There is hereby levied, subject to the provisions of this Chapter, a tax on every sale or use of taxable energy made within the City. The amount of the tax shall be 6% of the delivered value of the taxable energy to the consumer. This tax shall be known as the Municipal Energy Sales and Use Tax. It shall be levied beginning at 12:01 A.M. on July 1, 1997.
- 2. The tax shall be calculated on the delivered value of the taxable energy to the consumer.
- 3. The tax shall be in addition to any sales or use tax on taxable energy imposed by Midway City Code as authorized by Title 59, Chapter 12, Part 2 of the Utah Code Annotated, "The Local Sales and Use Tax Act."

D. Exemptions from the Municipal Energy Sales and Use Tax.

1. No exemptions are granted from the Municipal Energy Sales and Use Tax except as expressly provided in Subsections (2) and (3) below.
2. No exemption is allowed from a tax imposed under this Section for the sale or use of taxable energy that is exempt from the State Sales and Use Tax under Title 59, Chapter 12, Part 1 of the Utah Code Annotated, except that the following are exempt from the Municipal Energy Sales and Use Tax:
  - a. Sales and use of aviation fuel, motor fuel, and special fuels subject to taxation under Title 59, Chapter 13 of the Utah Code Annotated;
  - b. Sales and use of taxable energy that is exempt from taxation under federal law, the United States Constitution or the Utah Constitution;
  - c. Sales and use of taxable energy purchased or stored in the state for resale;
  - d. Sales or use of taxable energy to a person, if the primary use of the taxable energy is for use in compounding or producing taxable energy or a fuel subject to taxation under Title 59, Chapter 13 of the Utah Code Annotated;
  - e. Taxable energy brought into the state by a nonresident for the nonresident's own personal use or enjoyment while within the state, except taxable energy purchased for use in the state by a nonresident living or working in the state at the time of purchase;
  - f. Sales or use of taxable energy for any purpose other than use as a fuel or energy; and
  - g. Sales of taxable energy for use outside the boundaries of the City.
3. The sale, storage, use, or other consumption of taxable energy is exempt from the Municipal Energy Sales and Use Tax levied by this Section, provided:
  - a. The delivered value of the taxable energy has been subject to a municipal energy sales or use tax levied by another municipality within the state authorized by Title 59, Chapter 12, Part 3 of the Utah Code Annotated; and
  - b. The City is paid the difference between the tax paid to the other municipality and the tax that would otherwise be due under this Section, if the tax due under this Section exceeds the tax paid to the other municipality.

E. No Effect upon Existing Franchises – Credit for Franchise Fees.

1. This Section shall not alter any existing franchise agreements between the City and energy suppliers.
2. There is a credit against the tax due in the amount of a contractual franchise fee paid if:
  - a. The energy supplier pays the contractual franchise fee to the City pursuant to a franchise agreement in effect on July 1, 1997;
  - b. The contractual franchise fee is passed through by the energy supplier to a consumer as a separately itemized charge; and
  - c. The energy supplier has accepted the franchise.

F. Tax Collection Contract with State Tax Commission.

1. On or before the effective date of this section, the City shall contract with the State Tax Commission to perform all functions incident to the administration and collection of the Municipal Energy Sales and Use Tax, in accordance with this Section. This contract may be a supplement to the existing contract with the State Tax Commission to administer and collect the Local Sales and Use Tax, as provided in the Midway City Code. The Mayor, with the approval

of the City Attorney, is hereby authorized to execute agreements with the State Tax Commission that may be necessary to the continued administration and operation of the Municipal Energy Sales and Use Tax enacted by this Chapter.

2. An energy supplier shall pay the Municipal Energy Sales and Use Tax revenues collected from consumers directly to the City monthly if:

a. The City is the energy supplier; or

b. The energy supplier estimates that the Municipal Energy Sales and Use Tax collected annually from its Utah consumers equals One Million Dollars (\$1,000,000.00) or more, and the energy supplier collects the Municipal Energy Sales and Use Tax.

3. An energy supplier paying the Municipal Energy Sales and Use Tax directly to the City may deduct any contractual franchise fees collected by the energy supplier qualifying as a credit and remit the net tax less any amount the energy supplier retains as authorized by Utah Code Annotated section 10-1-307(4).

G. Incorporation of Part 1, Chapter 12, Title 59, Utah Code Annotated, Including Amendments.

1. Except as herein provided, and except insofar as they are inconsistent with the provisions of Title 10, Chapter 1, Part 3 of the Utah Code Annotated, "Municipal Energy Sales and Use Tax Act," as well as this Chapter, all of the provisions of Part 1, Chapter 12, Title 59 of the Utah Code Annotated 1953, as amended, and in force and effect on the effective date of this Chapter, insofar as they relate to sales and use taxes, excepting Sections 59-12-101 and 59-12-119 thereof, and excepting the amount of the sales and use taxes levied therein, are hereby adopted and made a part of this Section as if fully set forth herein.

2. Wherever, and to the extent that in Part 1, Chapter 12, Title 59, Utah Code Annotated 1953, as amended, the State of Utah is named or referred to as the "taxing agency," the name of the City shall be substituted, insofar as is necessary for the purposes of that part, as well as Part 3, Chapter 1, Title 10 Utah Code Annotated 1953, as amended. Nothing in this subparagraph 2 shall be deemed to require substitution of the name of the City for the word "State" when that word is used as part of the title of the State Tax Commission, or of the Constitution of Utah, nor shall the name of the City be substituted for that of the State in any section when the result of such a substitution would require action to be taken by or against the City or any agency thereof, rather than by or against the State Tax Commission in performing the functions incident to the administration or operation of this Chapter.

3. Any amendments made to Part 1, Chapter 12, Title 59, Utah Code Annotated 1953, as amended, which would be applicable to the City for the purposes of carrying out this Chapter are hereby incorporated herein by reference and shall be effective upon the date that they are effective as a Utah statute.

H. No Additional License to Collect the Municipal Energy Sales and Use Tax Required – No Additional License or Reporting Requirements.

No additional license to collect or report the Municipal Energy Sales and Use Tax levied by this Section is required, provided the energy supplier collecting the tax has a license issued under Utah Code Annotated section 59-12-106.

I. Penalties.

Any person violating any of the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punishable by the current fine in force or imprisonment for a period of not more than six month, or by both such fine and imprisonment.

J. Effective Date.

This Section is effective June 30, 1997. The Municipal Energy Sales and Use Tax shall be levied beginning at 12:01 A.M. on July 1, 1997.

**Section 4.03.030 Resort Communities Sales and Use Tax**

A. Purpose.

It is the purpose of this section to levy and impose a resort communities sales and use tax, to authorize and designate the Utah State Tax Commission as agent for the municipality to collect the tax and to conform to the requirements of the Sales and Use Tax Act of the State of Utah.

B. Resort Communities Sales and Use Tax

There is hereby imposed on the purchaser in all transactions listed in Utah Code Section 59-12-103(1) occurring in Midway City a sales and use tax of 1.1%. This tax shall take effect at the earliest time provided and allowed by Utah law, including but not limited to Utah Code Section 59-12-403.

C. Contract with State Tax Commission

This municipality authorizes the State Tax Commission to perform all functions incident to the administration or operation of the Resort Communities Sales and Use Tax section of this Code. The mayor is hereby authorized to enter into such agreement with the State Tax Commission as maybe necessary to the continued administration and operation of the Resort Communities Sales and Use Tax of the municipality as enacted by this section.

F. Penalties.

Any person violating any of the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punishable by the current fine in force or imprisonment for a period of not more than six month, or by both such fine and imprisonment.

**Section 4.03.040 Road and Highways Sales and Use Tax**

A. Purpose.

It is the purpose of this section to levy and impose a road and highways sales and use tax, to authorize and designate the Utah State Tax Commission as agent for the municipality to collect the tax and to conform to the requirements of the Sales and Use Tax Act of the State of Utah. This tax shall be known as the Road and Highways Sales and Use Tax.

B. Road and Highways Sales and Use Tax

There is hereby imposed on the purchaser in all transactions listed in Utah Code Section 59-12-103(1) occurring in Midway City a sales and use tax of 0.30%. This tax shall take effect at the earliest time provided and allowed by Utah law, including but not limited to Utah Code Section 59-12-1001, as amended.

### C. Revenues

Revenues generated from this tax may be used only for the purpose of construction and maintenance of roads and highways within Midway City.

### D. Collection

This municipality authorizes the State Tax Commission to perform all functions incident to the administration or operation of the Road and Highways Sales and Use Tax section of this Code. The mayor is hereby authorized to enter into such agreement with the State Tax Commission as maybe necessary for the continued administration and operation of the Road and Highways Sales and Use Tax of the municipality as enacted by this section.

### E. Penalties.

Any person violating any of the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punishable by the current fine in force or imprisonment for a period of not more than six month, or by both such fine and imprisonment.

(2010-14, Chapter Added, eff. 5/26/2010)

## **Section 4.03.050 Transient Room Tax**

### A. Purpose.

It is the purpose of this section to levy and impose a transient room tax, to authorize and designate the Utah State Tax Commission as agent for the municipality to collect the tax and to conform to the requirements of the Sales and Use Tax Act of the State of Utah. This tax shall be known as the Transient Room Tax.

### B. Definitions

For purposes of this section, the following definitions shall apply to terms used herein:

1. Public accommodation. A place providing temporary sleeping accommodations to the public and includes:
  - a. Motels;
  - b. Hotels;
  - c. Motor courts;
  - d. Inns;
  - e. Bed and breakfast establishment;
  - f. Condominiums; and
  - g. Tourist homes.
2. Rents. Includes:
  - a. Rents (any compensation received in exchange for providing the public accommodation); and
  - b. Timeshare condo fees or dues.
3. Transient. A person who occupies a public accommodation for less than 30 consecutive days.

### C. Transient Room Tax

There is hereby levied a transient room tax equal to one percent (1%) of the rents charged to transients occupying public accommodations within Midway City.

**D. Collection**

This municipality authorizes the State Tax Commission to perform all functions incident to the administration or operation of the Transient Room Tax section of this Code. The mayor is hereby authorized to enter into such agreement with the State Tax Commission as may be necessary for the continued administration and operation of the Transient Room Tax of the municipality as enacted by this section.

**E. Penalties.**

Any person violating any of the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punishable by the current fine in force or imprisonment for a period of not more than six months, or by both such fine and imprisonment.

(2010-27, Chapter Added, eff. 9/29/2010)

## **Chapter 4.04 Utility Taxes**

### **Section 4.04.010 Telecommunications License Tax**

#### **Section 4.04.010 Telecommunications License Tax**

##### **A. Purpose.**

It is the purpose of this section to levy and impose a telecommunications license tax, to authorize and designate the Utah State Tax Commission as agent for the municipality to collect the tax and to conform to the requirements of the Municipal Telecommunications License Tax Act of the State of Utah. This tax shall be known as the Telecommunications License Tax.

##### **B. Definitions**

1. Commission. The State Tax Commission.

2. Customer.

a. Subject to Subsections (2)(b) and (2)(c), means the person who is obligated under a contract with a telecommunications provider to pay for telecommunications service received under the contract.

b. For purposes of this ordinance, means:

i. the person who is obligated under a contract with a telecommunications provider to pay for telecommunications service received under the contract; or

ii. if the end user is not the person described in Subsection (2)(b)(i), the end user of telecommunications service.

c. Does not include a reseller:

i. of telecommunications service; or

ii. for mobile telecommunications service, of a serving carrier under an agreement to serve the customer outside the telecommunications provider's licensed service area.

3. End User.

a. The person who uses a telecommunications service.

b. For purposes of telecommunications service provided to a person who is not an individual, "end user" means the individual who uses the telecommunications service on behalf of the person who is provided the telecommunications service.

4. Gross Receipts Attributed to the Municipality. Those gross receipts from a transaction for telecommunications services that is located within the municipality for the purposes of sales and use taxes under the Sales and Use Tax Act of the State of Utah and determined in accordance with Utah State Code.

5. Gross Receipts from Telecommunications Service. The revenue that a telecommunications provider receives for telecommunications service rendered except for amounts collected or paid as:

a. a tax, fee, or charge:

i. imposed by a governmental entity;

ii. separately identified as a tax, fee, or charge in the transaction with the customer for the telecommunications service; and

iii. imposed only on a telecommunications provider;

b. sales and use taxes collected by the telecommunications provider from a customer under the Sales and Use Tax Act of the State of Utah; or

c. interest, a fee, or a charge that is charged by a telecommunications provider on a customer for failure to pay for telecommunications service when payment is due.

6. Mobile Telecommunications Service. As defined in the Mobile Telecommunications Sourcing Act of the United States.

7. Municipality. Midway City Corporation.

8. Place of Primary Use:

a. for telecommunications service other than mobile telecommunications service, means the street address representative of where the customer's use of the telecommunications service primarily occurs, which shall be:

- i. the residential street address of the customer; or
- ii. the primary business street address of the customer; or

b. for mobile telecommunications service, is as defined in the Mobile Telecommunications Sourcing Act of the United States.

9. Service Address. Notwithstanding where a call is billed or paid means:

a. if the location described in this Subsection (9)(a) is known, the location of the telecommunications equipment:

- i. to which a call is charged; and
- ii. from which the call originates or terminates;

b. if the location described in Subsection (9)(a) is not known but the location described in this Subsection (9)(b) is known, the location of the origination point of the signal of the telecommunications service first identified by:

- i. the telecommunications system of the telecommunications provider; or
- ii. if the system used to transport the signal is not a system of the telecommunications provider, information received by the telecommunications provider from its service provider; or
- c. if the locations described in Subsection (9)(a) or (9)(b) are not known, the location of a customer's place of primary use.

10. Telecommunications Provider:

a. Subject to Subsections (10)(b) and (10)(c), "telecommunications provider" means a person that:

- i. owns, controls, operates, or manages a telecommunications service; or
- ii. engages in an activity described in Subsection (10)(a)(i) for the shared use with or resale to any person of the telecommunications service.

b. A person described in Subsection (10)(a) is a telecommunications provider whether or not the Public Service Commission of Utah regulates:

- i. that person; or
- ii. the telecommunications service that the person owns, controls, operates, or manages.

c. does not include an aggregator as defined in the Utah State Code.

11. Telecommunications Service:

a. telephone service, as defined in the Utah State Code, other than mobile telecommunications service, that originates and terminates within the boundaries of this state; and

b. mobile telecommunications service, as defined in the Utah State Code:

- i. that originates and terminates within the boundaries of one state; and
- ii. only to the extent permitted by the Mobile Telecommunications Sourcing Act of the United States.

B. Levy of Tax.

There is hereby levied a municipal telecommunications license tax on the gross receipts from telecommunications service attributed to this municipality in accordance with the Utah State Code.

**C. Rate**

The rate of the tax levy shall be 4% of the telecommunication provider's gross receipts from telecommunications service that are attributed to the municipality in accordance with the Utah State Code.

**D. Effective Date of Tax Levy.**

This tax shall be levied beginning July 1, 2004, and shall be subject to the requirements of the Utah State Code.

**E. Agreement for Collection of the Tax**

On or before the effective date of the ordinance, the municipality shall enter into the uniform interlocal agreement with the Commission as described in Utah State Code for the collection, enforcement, and administration of this municipal telecommunications license tax.

**F. Repeal of Fees.**

Nothing in this section shall be interpreted to repeal any municipal ordinance or fee which provides that the municipality may recover from a telecommunications provider the management costs of the municipality caused by the activities of the telecommunications provider in the rights-of-way of the municipality, if the fee is imposed in accordance with the Utah State Code and is not related to the municipality's loss of use of a highway as a result of the activities of the telecommunications provider in a right of way, or increased deterioration of a highway as a result of the activities of the telecommunications provider in a right-of-way nor does this section limit the municipalities right to charge fees or taxes on persons that are not subject to the municipal telecommunications license tax under this section and locate telecommunications facilities, as defined in the Utah State Code, in this municipality.

(2010-14, Chapter Added, eff. 5/26/2010)

## **Chapter 4.05 Franchise Fees**

### **Section 4.05.010 Gas Distribution Franchise**

#### **Section 4.05.010 Gas Distribution Franchise**

A. That there is hereby granted to Mountain Fuel Supply Company, a Utah corporation, its successors or assigns, hereinafter called grantee, the right, privilege and franchise to construct, maintain and operate in the present and future streets, alleys and parkways, and other public places in Midway City, a system of gas mains, supply pipes and laterals with all necessary or desirable appurtenances, for the purpose of supplying gas for light, heat, power and other purposes to the Midway City, the inhabitants thereof, and persons and corporations beyond the corporate limits thereof, for the term and under the conditions hereinafter set forth.

B. All mains, pipes and laterals shall be so laid as to interfere as little as possible with traffic over the streets and alleys. The location of all mains, pipelines and laterals may be fixed under the supervision of the governing authorities of Midway City.

C. The grantee may make and enforce reasonable rules and regulations in the conduct of its business and may require before furnishing service the execution of a contract therefore. Grantee shall have the right to contract with each consumer with reference to the installation of service pipelines and the control of service pipes from the connection thereof with the supply lines of the grantee in the streets, to and including the meter located on the consumer's premises. For the purpose of securing safety and good service to the consumer and in the public interest, grantee shall have the right to prescribe the sizes and kinds of the pipe to be used by the consumer in conveying gas on consumer's premises and shall have the right to refuse service to any consumer who neglects or refuses to comply with the rules and regulations of the grantee prescribing such conditions. Grantee shall have the right to classify the consumers of said gas in the corporate limits of said Midway City, according to the time of use, character of use, quantity of gas required, and such other conditions as may be reasonable; and subject to the regulations herein provided for, and the rights herein prescribed and such reasonable classifications, the grantee shall furnish gas without unjust discrimination and at a uniform price to all consumers of the same class, and to all persons along the established lines or mains of the grantee, who have properly observed such rules and regulations and acceded to the rights herein reserved to said grantee.

D. The right is hereby granted unto the said grantee to furnish, distribute, supply, sell and require payment for gas to all persons and corporations in said Midway City, through the said system of gas mains, supply pipes and laterals, and to do all things necessary and incident thereto, in accordance with the terms and conditions herein specified.

E. The gas furnished by the grantee shall be sold and delivered to the consumers through standard meters and Midway City reserves the right to test the accuracy of any meter in service by a competent officer or agent appointed for that purpose by the Mayor and City Council.

F. The rates and prices which the grantee, its successors or assigns, may charge for gas and gas service furnished and delivered and the conditions of service under the terms of this franchise shall be as fixed in accordance with the laws and Constitution of the State of Utah and the laws and Constitution of the United States.

G. Permission is hereby granted unto the said Mountain Fuel Supply Company, its successors or assigns, to assign this franchise and all rights hereunder, and upon assignment of this franchise in accordance herewith, said successors or assigns, whether individuals or corporations, shall become entitled to all the rights and privileges herein granted and shall assume all the obligations and duties herein provided.

H. This franchise and all the rights herein granted shall terminate at the end of fifty years after the date of passage of this ordinance, unless sooner terminated by virtue of the provisions herein contained.

I. This section and the rights herein conferred shall be null and void unless the grantee shall file with the Public Service Commission of Utah, on or before June 1, 1963, an application for a certificate of public convenience and necessity to serve said Midway City, and unless grantee shall commence construction of its distribution system in said Midway City, within fifty (50) days after receiving final authority and approval from the Public Service Commission of Utah, and unless within ninety (90) days after the passage and posting hereof, the said grantee, its successors or assigns, shall file with the Clerk of Midway City a written instrument declaring its acceptance of the terms and conditions hereof and its intention to be bound by and perform the same.

J. This franchise is granted in consideration of the acceptance by the grantee of the terms and conditions of this ordinance as hereinbefore provided and the commencement of construction by the grantee within the time above provided of the necessary facilities to accomplish gas service to Midway City, thereby making the advantages of said service available to said City and its inhabitants, together with the payment by the grantee to the City within ninety (90) days after the passage and posting of said ordinance of the total sum of Fifty Dollars (\$50.00). It is understood and agreed by and between said Midway City and the Mountain Fuel Supply Company that the considerations above provided shall be in lieu of any and all other franchise, occupation, privilege, license, excise, revenue or similar taxes, and all other exactions (except ad valorem property taxes and special assessments for local improvements) upon the revenue, property, gas mains, gas supply and distribution pipes, equipment, fixtures, or other appurtenances of said company, and all other property or equipment of said company, or any part thereof, including but not limited to any tax levies, license fees or payments imposed or which may hereafter be imposed during the term of this franchise.

K. When the grantee shall make or cause to be made excavations, or shall place obstructions in any street, alley, or other public place, the public shall be protected by barriers and lights placed, erected and maintained by the grantee; and in the event of injury to any person or damage to any property by reason of the construction, operation or maintenance of the gas distribution system of the grantee, the grantee shall indemnify and keep harmless Midway City from any and all liability in connection therewith.

**Section 4.05.020 Cable Distribution Franchise**

(2010-14, Chapter Added, eff. 5/26/2010; 2015-13, Section Deleted, eff. 9/9/2015)

## **Chapter 4.06 Impact Fees**

### **Section 4.06.010 Parks and Recreation Impact Fee**

### **Section 4.06.020 Streets and Transportation Impact Fee**

### **Section 4.06.030 Trails Impact Fee**

### **Section 4.06.040 Water Impact Fee**

### **Section 4.06.050 Impact Fee Administrative Appeals**

### **Section 4.06.010 Parks and Recreation Impact Fee**

#### A. Definitions.

1. Dwelling Unit. Any building or portion thereof that is designed or used for residential purposes.
2. Equivalent Residential Unit. As defined in Title 16.
3. Lot. A parcel of land on which a single family residential building is proposed to be constructed.
4. Midway City Park and Recreation Service Area. The corporate limits of the City of Midway as determined at the time of building permit approval.

#### B. Purpose – Park and Recreational Facilities.

The park and recreational facilities for which payment of fees is required by this section are in accordance with the demonstrated need as indicated by actual park land facilities presently in use by the citizens of Midway City. New growth creates a need for new parks and recreational facilities. The health, welfare, safety and community atmosphere are promoted by having adequate park and recreational facilities. Accordingly, the City Council has determined that impact fees are necessary to create new parks and recreational facilities commensurate with the new growth anticipated by new development.

#### C. Requirements.

Every tract of land developed for residential purposes within the Midway City Park and Recreation Service Area shall be assessed a fee as set forth in this section for the purpose of providing park and recreational facilities in accordance with the standards contained in this section. This section shall not apply to alterations or additions to an existing dwelling unit; providing said alteration or addition does not create an additional dwelling unit.

#### D. Formula.

1. In order to satisfy increased recreation facility needs created by new development of park land, the City of Midway shall impose a fee of \$1,000.00 per equivalent residential unit, to be imposed on new development and building activity throughout the City limits which may be adjusted to reflect any significant changes in the underlying data or sections upon which the fee is based.
2. The fee shall be deposited only in a designated, interest bearing account with monies expended only for planned park and recreational facilities.

#### E. Payment of Fees.

1. Prior to the issuance of a building permit the zoning administrator shall determine, pursuant to this section, the amount of fee to be paid by the subdivider. The fee shall be paid before a building permit is issued.
2. As required by the Utah State Code, the City Council may adjust the impact fee charged to a particular development to respond to unusual circumstances in particular cases and ensure that the impact fees are imposed fairly. In addition, a developer may submit studies and data to the City Council to justify adjustment of the impact fee charged to a particular development.

#### F. Land in Lieu of Fee.

1. The City Council may, at its sole discretion, require the dedication of land in lieu of some or all of the fees imposed by this chapter. Land to be dedicated may include all or a part of the proposed facility, or may include only a part of a facility. Such partial dedication may be supplemented by additional land on adjoining property not owned by the subdivider. The subdivider shall be notified prior to final plat approval if dedication of land is to be required in lieu of the fee.
2. The Council may allow a credit against impact fees for any dedication of land for, improvement to, or new construction of, public system improvements by the developer if such improvements are part of the City's overall capital facilities plan and if the City Council requires said improvements as a condition of approving the particular development activity

#### G. General Land Standard.

It is determined that in the public interest, convenience, health, welfare, and safety that 0.0133 acres of property for each dwelling unit within the City be devoted to park and recreational facilities.

#### H. Land Dedication.

When park or recreational facilities approved for dedication are completed and accepted, the property shall be conveyed by warranty deed or dedicated by plat to the City after which supervision and maintenance shall be the responsibility of the City. When park or recreation facilities are reserved, the developer shall establish conditions as to ownership, maintenance, and use of such areas as deemed necessary by the City Council to assure preservation of the intended use.

#### I. Industrial and Commercial Developments.

The provisions of this section shall not apply to commercial or industrial subdivisions; however, the City Council may require, as a condition of approval, that a commercial or industrial subdivider dedicate that portion of a streambed, flood plain, or drainage canal channel within an industrial subdivision which such portions, forms, part of an open space network so designed by the City.

#### J. Mobile Home Parks, Planned Unit Developments and Other Dwelling Unit Groups – Applicability.

In addition to subdivisions, the provisions of this section requiring the payment of a fee, or dedication in lieu of the fee, shall apply to all planned unit developments, mobile home parks, travel vehicle parks, condominiums, and other dwelling unit groupings. The payment of the fee

for the entire development may be required prior to issuance of a building permit for the first dwelling unit.

#### K. Modification of Fee/Dedication – Procedure

If the subdivider or developer believes that the impact of the proposed subdivision, planned unit development, mobile home park, travel vehicle park or dwelling unit group is substantially different than that presumed by this section, the subdivider or developer may apply for a hearing before the City Council to request a modification of the fee, or dedication requirements of this section. The request for the hearing shall be made prior to final approval by the Planning Commission of the subdivision or conditional use approval of the planned unit development, mobile home park, travel vehicle park, condominium, or dwelling unit group. The City Council may grant a modification only if the subdivider or developer proves that what is required under this section is not roughly proportionate and bears no reasonable relationship to the needs for park and recreational facilities created by the subdivision. The City Council's decision may be appealed as provided by law.

### **Section 4.06.020 Streets and Transportation Impact Fee**

#### A. Definitions.

1. Dwelling Unit. Any building or portion thereof that is designed or used for residential purposes.
2. Equivalent Residential Unit. As defined in Title 16.
3. Lot. A parcel of land on which a single family residential building is proposed to be constructed.
4. Midway City Transportation Service Area. The corporate limits of the City of Midway as determined at the time of building permit approval.

#### B. Purpose – Street and Transportation Facilities.

The streets and transportation facilities for which payment of fees is required by this section are in accordance with the demonstrated need as indicated by actual streets and transportation facilities presently in use by the citizens of Midway City. New growth creates a need for improved and new streets. The health, welfare, safety and community atmosphere are promoted by having adequate streets and transportation facilities. Accordingly, the City Council has determined that impact fees are necessary to create new streets and transportation facilities commensurate with the new growth anticipated by new development.

#### C. Requirements.

Every tract of land developed for residential purposes within the Midway City Transportation Service Area shall be assessed a fee as set forth in this section for the purpose of providing streets and transportation facilities in accordance with the standards contained in this section. This section shall not apply to alterations or additions to an existing dwelling unit; providing said alteration or addition does not create an additional dwelling unit.

#### D. Formula.

1. Midway City shall impose a streets and transportation impact fee of \$2,750.00 per equivalent residential unit and \$1,863.00 per unit for apartment housing, to be imposed on new

development and building activity throughout the City limits, which may be adjusted to reflect any significant changes in the underlying data or sections upon which the fee is based.

2. The fee shall be deposited only in a designated, interest bearing account with monies expended only for streets and transportation facilities.

(2012-02, Sub-section D. Amended eff. 03/14/12)

#### E. Payment of Fees.

1. Prior to the issuance of a building permit the zoning administrator shall determine, pursuant to this section, the amount of fee to be paid by the subdivider. The fee shall be paid before a building permit is issued.

2. As required by Utah Code Section 11-36-202, the City Council may adjust the impact fee charged to a particular development to respond to unusual circumstances in particular cases and ensure that the impact fees are imposed fairly. In addition, a developer may submit studies and data to the City Council to justify adjustment of the impact fee charged to a particular development.

#### F. Land in Lieu of Fee.

1. The City Council may, at its sole discretion, require the dedication of land in lieu of some or all of the fees imposed by this chapter. Land to be dedicated may include all or a part of the proposed facility, or may include only a part of a facility. Such partial dedication may be supplemented by additional land on adjoining property not owned by the subdivider. The subdivider shall be notified prior to final plat approval if dedication of land is to be required in lieu of the fee.

2. The Council may allow a credit against impact fees for any dedication of land for, improvement to, or new construction of, public system improvements by the developer if such improvements are part of the City's overall capital facilities plan and if the City Council requires said improvements as a condition of approving the particular development activity

#### H. Land Dedication.

When street and transportation facilities approved for dedication are completed and accepted, the property shall be conveyed by warranty deed or dedicated by plat to the City after which supervision and maintenance shall be the responsibility of the City. When street and transportation facilities are reserved, the developer shall establish conditions as to ownership, maintenance, and use of such areas as deemed necessary by the City Council to assure preservation of the intended use.

#### I. Mobile Home Parks, Planned Unit Developments and Other Dwelling Unit Groups – Applicability.

In addition to subdivisions, the provisions of this section requiring the payment of a fee, or dedication in lieu of the fee, shall apply to all planned unit developments, mobile home parks, travel vehicle parks, condominiums, and other dwelling unit groupings. The payment of the fee for the entire development may be required prior to issuance of a building permit for the first dwelling unit.

#### J. Modification of Fee/Dedication – Procedure

If the subdivider or developer believes that the impact of the proposed subdivision, planned unit development, mobile home park, travel vehicle park or dwelling unit group is substantially different than that presumed by this section, the subdivider or developer may apply for a hearing before the City Council to request a modification of the fee, or dedication requirements of this section. The request for the hearing shall be made prior to final approval by the Planning Commission of the subdivision or conditional use approval of the planned unit development, mobile home park, travel vehicle park, condominium, or dwelling unit group. The City Council may grant a modification only if the subdivider or developer proves that what is required under this section is not roughly proportionate and bears no reasonable relationship to the needs for park and recreational facilities created by the subdivision. The City Council's decision may be appealed as provided by law.

#### **Section 4.06.030 Trails Impact Fee**

##### **A. Definitions.**

1. Dwelling Unit. Any building or portion thereof that is designed or used for residential purposes.
2. Equivalent Residential Unit. As defined in Title 16.
3. Lot. A parcel of land on which a single family residential building is proposed to be constructed.
4. Midway City Trails Service Area. The corporate limits of the City of Midway as determined at the time of building permit approval.

##### **B. Purpose – Trails Facilities.**

The trails facilities for which payment of fees is required by this section are in accordance with the demonstrated need as indicated by actual trails facilities presently in use by the citizens of Midway City. New growth creates a need for new trails. The health, welfare, safety and community atmosphere are promoted by having adequate trail facilities. Accordingly, the City Council has determined that impact fees are necessary to create new trails facilities commensurate with the new growth anticipated by new development.

##### **C. Requirements.**

Every tract of land developed for residential purposes within the Midway City Trails Service Area shall be assessed a fee as set forth in this section for the purpose of providing trails facilities in accordance with the standards contained in this section. This section shall not apply to alterations or additions to an existing dwelling unit; providing said alteration or addition does not create an additional dwelling unit.

##### **D. Formula.**

1. Midway City shall impose a trails impact fee of \$802.00 per equivalent residential unit, to be imposed on new development and building activity throughout the City limits, which may be adjusted to reflect any significant changes in the underlying data or sections upon which the fee is based.
2. The fee shall be deposited only in a designated, interest bearing account with monies expended only for trails facilities.

(2012-02, Sub-section D. Amended eff. 03/14/12)

#### E. Payment of Fees.

1. Prior to the issuance of a building permit the zoning administrator shall determine, pursuant to this section, the amount of fee to be paid by the subdivider. The fee shall be paid before a building permit is issued.

2. As required by Utah Code Section 11-36-202, the City Council may adjust the impact fee charged to a particular development to respond to unusual circumstances in particular cases and ensure that the impact fees are imposed fairly. In addition, a developer may submit studies and data to the City Council to justify adjustment of the impact fee charged to a particular development.

#### F. Land in Lieu of Fee.

1. The City Council may, at its sole discretion, require the dedication of land in lieu of some or all of the fees imposed by this chapter. Land to be dedicated may include all or a part of the proposed facility, or may include only a part of a facility. Such partial dedication may be supplemented by additional land on adjoining property not owned by the subdivider. The subdivider shall be notified prior to final plat approval if dedication of land is to be required in lieu of the fee.

2. The Council may allow a credit against impact fees for any dedication of land for, improvement to, or new construction of, public system improvements by the developer if such improvements are part of the City's overall capital facilities plan and if the City Council requires said improvements as a condition of approving the particular development activity

#### H. Land Dedication.

When trails facilities approved for dedication are completed and accepted, the property shall be conveyed by warranty deed or dedicated by plat to the City after which supervision and maintenance shall be the responsibility of the City. When trails facilities are reserved, the developer shall establish conditions as to ownership, maintenance, and use of such areas as deemed necessary by the City Council to assure preservation of the intended use.

#### I. Industrial and Commercial Developments.

The provisions of this section shall not apply to commercial or industrial subdivisions; however, the City Council may require, as a condition of approval, that a commercial or industrial subdivider dedicate a portion of the subdivision for trails facilities.

#### J. Mobile Home Parks, Planned Unit Developments and Other Dwelling Unit Groups – Applicability.

In addition to subdivisions, the provisions of this section requiring the payment of a fee, or dedication in lieu of the fee, shall apply to all planned unit developments, mobile home parks, travel vehicle parks, condominiums, and other dwelling unit groupings. The payment of the fee for the entire development may be required prior to issuance of a building permit for the first dwelling unit.

#### K. Modification of Fee/Dedication – Procedure

If the subdivider or developer believes that the impact of the proposed subdivision, planned unit development, mobile home park, travel vehicle park or dwelling unit group is substantially

different than that presumed by this section, the subdivider or developer may apply for a hearing before the City Council to request a modification of the fee, or dedication requirements of this section. The request for the hearing shall be made prior to final approval by the Planning Commission of the subdivision or conditional use approval of the planned unit development, mobile home park, travel vehicle park, condominium, or dwelling unit group. The City Council may grant a modification only if the subdivider or developer proves that what is required under this section is not roughly proportionate and bears no reasonable relationship to the needs for park and recreational facilities created by the subdivision. The City Council's decision may be appealed as provided by law.

#### **Section 4.06.040 Water Impact Fee**

##### **A. Definitions**

1. Dwelling Unit. Any building or portion thereof that is designed or used for residential purposes.
2. Equivalent Residential Unit. As defined in Title 16.
3. Lot. A parcel of land on which a single family residential building is proposed to be constructed.
4. Midway City Water Service Area. The corporate limits of the City of Midway as determined at the time of building permit approval.

##### **B. Purpose – Water Supply, Source, Storage, Distribution, and Treatment Facilities.**

The water supply, source, storage, distribution, treatment, fire protection, and other facilities for which payment of fees is required by this chapter are in accordance with the demonstrated need and projected growth in Midway City. New growth creates a need for additional water rights, source water, storage facilities, water distribution facilities, fire flow protection, and associated appurtenant works. Such adequate water supply and facilities are necessary to protect the health, welfare, safety and community atmosphere of Midway City.

The Midway City Council has determined that impact fees are necessary to develop new water supplies, water facilities, retrofit, and upgrade existing facilities to meet the demands of new residents. In addition, the Midway City Council has determined that water impact fees are necessary to ensure that existing residents who have already borne the costs of necessary and adequate water supplies in the past do not disproportionately bear the burden and impacts on the water supply and facilities of Midway City caused by new growth.

##### **C. Requirements.**

Every dwelling unit within the Midway City Water Service Area shall be assessed the standard fee as set forth in this chapter for the purpose of providing adequate water supply and distribution facilities in accordance with city standards. This chapter shall not apply to alterations or additions to an existing dwelling unit; providing said alteration or addition does not create an additional dwelling unit or require an additional water connection.

##### **D. Formula.**

1. In order to meet the water needs resulting from new and projected growth, Midway City shall impose a water impact fee, as shown in Table 1, to be imposed on new development and building

activity throughout the City limits which may be adjusted to reflect any significant changes in the underlying data or sections upon which the fee is based.

2. The fee shall be deposited only in a designated, interest bearing account with monies expended only for water rights, water supply, storage, distribution, treatment and other related facilities.

**TABLE 1**

Meter Size (Inches)	Flow Capacity (GPM)	ERU's	Impact Fee
0.75	30	1	\$2,300
1.0	50	1.67	\$3,833
1.5	100	3.33	\$7,677
2.0	160	5.33	\$12,267
3.0	350	11.67	\$26,833
4.0	1,000	33.33	\$76,667

The impact fee for meter sizes greater than 4.0 inches shall be determined by the City Engineer on a case by case basis.

**E. Payment of Fees.**

1. Prior to the issuance of a building permit the zoning administrator shall determine, pursuant to this section, the amount of fee to be paid by the subdivider. The fee shall be paid before a building permit is issued.

2. As required by the Utah State Code, the City Council may adjust the impact fee charged to a particular development to respond to unusual circumstances in particular cases and ensure that the impact fees are imposed fairly. In addition, a developer may submit studies and data to the City Council to justify adjustment of the impact fee charged to a particular development.

**F. Dedication in Lieu of Fee.**

1. The Midway City Council may, at its sole discretion, require the dedication of water rights, water sources, water storage, treatment, or distribution facilities in lieu of some or all of the fees imposed by this chapter. The subdivider shall be notified prior to final plat approval if a dedication is to be required in lieu of the fee.

2. The Council may allow a credit against impact fees for any dedication of land for, improvement to, or new construction of, public system improvements by the developer if such improvements are part of the City's overall capital facilities plan and if the City Council requires said improvements as a condition of approving the particular development activity.

**G. Dedication.**

When water facilities approved for dedication are completed and accepted, the water rights, property or facilities shall be conveyed by Warranty Deed or other instrument containing warranties as required by the City. After such dedication is completed, those water rights, sources of water supply, or facilities shall be owned, operated, managed and controlled by the City and maintenance of such facilities shall be the responsibility of the City.

#### H. Mobile Home Parks, Planned Unit Developments, and Other Culinary Water Users – Applicability.

In addition to subdivisions, the provisions of this section requiring the payment of a fee, or dedication in lieu of the fee, shall apply to all planned unit developments, mobile home parks, travel vehicle parks, condominiums, and other culinary water users based on equivalent water usage. The payment of the fee for the entire development may be required prior to issuance of a building permit for the first dwelling unit.

#### I. Modification of Fee/Dedication – Procedure.

If the subdivider or developer believes that the impact of the proposed subdivision, planned unit development, mobile home park, travel vehicle park or dwelling unit group is substantially different than that presumed by this section, the subdivider or developer may apply for a hearing before the City Council to request a modification of the fee, or dedication requirements of this section. The request for the hearing shall be made prior to final approval by the Planning Commission of the subdivision or conditional use approval of the planned unit development, mobile home park, travel vehicle park, condominium, or dwelling unit group. The City Council may grant a modification only if the subdivider or developer proves that what is required under this section is not roughly proportionate and bears no reasonable relationship to the needs for park and recreational facilities created by the subdivision. The City Council's decision may be appealed as provided by law.

### **Section 4.06.050 Impact Fee Administrative Appeals**

#### A. Purpose.

This section is enacted pursuant to the provisions of the Utah State Code to establish an administrative appeals procedure for challenges to Midway City's impact fees.

#### B. Appeal Procedure

1. Within 30 days after paying an impact fee imposed by Midway City, any person or entity who has paid the fee and wishes to challenge the fee shall:

- a. File a written request for information with Midway City, requesting the City to provide a written analysis of the impact fee pursuant to the Utah State Code; and
- b. File a written Petition to the City Council requesting review of the impact fee ordinance. The Petition shall be signed by the person requesting the review, or that person's representative, and shall include:
  - i. the names and addresses of all persons to whom a copy of the Petition is sent;
  - ii. the date that the Petition was mailed;
  - iii. a clear and concise statement of the basis for challenging the impact fee, including any legal authority;
  - iv. a statement of the relief or action sought from the City Council.

2. The administrative appeal procedures outlined in this ordinance are a prerequisite to filing an action challenging the impact fees in district court as provided in the Utah State Code.

#### C. Hearing.

1. Within twenty-five (25) days from the date the Petition is filed, and upon notice, the City Council shall hold a hearing on the Petition. At the hearing, the City Council shall accept oral or

written testimony and evidence from the petitioner. The City Council shall have the right to question and examine any witnesses called to present testimony at the hearing. The testimony and statements received at the hearing may be under oath and shall be recorded.

2. The hearing may be conducted in an informal manner and without adherence to the rules of evidence required in a judicial proceeding. The City Council shall admit all relevant and material evidence, except evidence which is unduly repetitious, even though the evidence may be inadmissible under rules of evidence in judicial proceedings. The City Council may take official notice of any facts that could be judicially noticed under the Utah Rules of Evidence or of the record of the proceedings. Upon the conclusion of the taking of evidence, the City Council may, in its discretion, permit the Petitioner to make oral arguments setting forth its position.

#### D. Written Decision.

Following the hearing, but no later than thirty (30) days following the filing of the Petition, the City Council shall issue a written decision on the Petition. The decision shall cite to the record and shall contain the City Council's findings.

#### E. Administrative Record.

1. The record of the administrative appeal proceedings shall include:

- a. the Petition and any responses thereto;
- b. the tape recorded transcript of the hearing; and
- c. the City Council's written decision and findings.

2. If an appeal is taken in the appropriate district court of the decision of the City Council pursuant to the Utah State Code the record of the proceedings shall be transmitted to the reviewing district court.

(2010-14, Chapter Added, eff. 5/26/2010)

## **Chapter 4.07.010 Amounts on Deposit**

### **Section 4.07.010 Forfeiture of Amounts on Deposit**

Except as specifically provided elsewhere in this Code, funds held by the City after being paid to the City by way of any type of deposit, security or escrow requirement shall be forfeited to the General Fund eight (8) years from the time the funds become available for return to the person or entity that paid the deposit, security or escrow amount, if the funds remain unclaimed at the end of such eight-year period.

(2012-17, Chapter and Section Added, eff. 9/12/2012)