

State of Arizona  
House of Representatives  
Fifty-third Legislature  
Second Regular Session  
2018

# HOUSE BILL 2371

## AN ACT

AMENDING TITLE 9, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7.2; AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-269.20; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 15; AMENDING TITLE 41, CHAPTER 3.1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-626; AMENDING SECTIONS 42-5074 AND 42-5102, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-6015; RELATING TO BUSINESS REGULATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 9, chapter 4, Arizona Revised Statutes, is amended  
3 by adding article 7.2, to read:

4 ARTICLE 7.2. MOBILE FOOD VENDORS AND MOBILE FOOD UNITS

5 9-485. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "MOBILE FOOD UNIT" MEANS A FOOD ESTABLISHMENT THAT IS LICENSED  
8 BY THIS STATE, THAT IS READILY MOVABLE AND THAT DISPENSES FOOD OR  
9 BEVERAGES FOR IMMEDIATE SERVICE AND CONSUMPTION FROM ANY VEHICLE.

10 2. "MOBILE FOOD VENDOR" MEANS ANY PERSON WHO OWNS, CONTROLS,  
11 MANAGES AND LEASES A MOBILE FOOD UNIT OR CONTRACTS WITH A PERSON TO  
12 PREPARE FOODS AND VEND FROM, DRIVE AND OPERATE A MOBILE FOOD UNIT.

13 9-485.01. Mobile food vendors; mobile food units; operation

14 A. IN RELATION TO A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT, A CITY  
15 OR TOWN BY ORDINANCE OR RESOLUTION MAY:

16 1. IMPOSE OPERATING HOURS ONLY IF THEY ARE THE SAME AS THE  
17 OPERATING HOURS IMPOSED ON RESTAURANTS IN THAT CITY OR TOWN.

18 2. RESTRICT THE OPERATION OF NOISEMAKING DEVICES DURING SPECIFIC  
19 TIMES OF DAY.

20 3. RESTRICT OR PROHIBIT THE OPERATION OF A MOBILE FOOD UNIT IN AN  
21 AREA THAT IS ZONED FOR RESIDENTIAL USE.

22 4. PROHIBIT A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT FROM BLOCKING  
23 INGRESS TO AND EGRESS FROM PROPERTY.

24 5. PROHIBIT A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT FROM BLOCKING  
25 OR INHIBITING THE USE OF A PUBLIC SIDEWALK.

26 6. PROHIBIT A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT FROM BLOCKING  
27 OR INTERFERING WITH VEHICULAR TRAFFIC ON PUBLIC STREETS AND ROADS.

28 7. REQUIRE A MOBILE FOOD VENDOR TO RECEIVE WRITTEN CONSENT FROM A  
29 PRIVATE PROPERTY OWNER OR LESSEE OR THE OWNER'S OR LESSEE'S AGENT BEFORE  
30 BEGINNING OPERATION ON THAT PROPERTY.

31 8. PROHIBIT OR RESTRICT A MOBILE FOOD VENDOR FROM OPERATING AT A  
32 PUBLIC AIRPORT OR PUBLIC TRANSIT FACILITY.

33 9. PROHIBIT OR RESTRICT A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT  
34 FROM USING ANY LEGAL PARKING SPACE, INCLUDING METERED PARKING, TO THE SAME  
35 EXTENT AS OTHER PRIVATE VEHICLES, INCLUDING RESTRICTIONS ON NUMBER OF  
36 SPACES, VEHICLE SIZE AND PARKING DURATION.

37 10. ENACT AND ENFORCE ZONING CODES THAT ARE APPLICABLE TO THE USES  
38 IN THE ZONING DISTRICT AND THAT ARE SUBSTANTIALLY SIMILAR TO ZONING  
39 REQUIREMENTS FOR OTHER BUSINESSES IN THAT ZONING DISTRICT.

40 11. REQUIRE MOBILE FOOD UNITS TO BE INSPECTED ANNUALLY BY A CITY OR  
41 TOWN FIRE DEPARTMENT BEFORE OPERATION, EXCEPT THAT THIS INSPECTION SHALL  
42 HAVE RECIPROCITY IN ALL OTHER CITIES AND TOWNS IN THIS STATE.

43 12. ENACT AND ENFORCE CODES TO PROTECT PUBLIC HEALTH, SAFETY AND  
44 WELFARE THAT DO NOT CONFLICT WITH THE RULES ADOPTED BY THE DIRECTOR OF THE  
45 DEPARTMENT OF HEALTH SERVICES AS REQUIRED BY SECTION 36-1761.

1 B. IN RELATION TO A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT, A CITY  
2 OR TOWN MAY NOT:

3 1. RESTRICT HOW LONG A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT MAY  
4 OPERATE AT A PRIVATE PROPERTY LOCATION, EXCEPT THAT A MOBILE FOOD VENDOR  
5 MAY NOT OPERATE AT A PRIVATE PROPERTY LOCATION FOR MORE THAN NINETY-SIX  
6 CONSECUTIVE HOURS.

7 2. REQUIRE A MOBILE FOOD VENDOR, PROPERTY OWNER OR LESSEE OF A  
8 PROPERTY TO APPLY FOR AND RECEIVE ANY SPECIAL PERMIT THAT IS NOT REQUIRED  
9 FOR OTHER BUSINESSES IN THE SAME ZONING DISTRICT.

10 3. REQUIRE A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT TO OPERATE A  
11 SPECIFIC DISTANCE FROM THE PERIMETER OF AN EXISTING COMMERCIAL  
12 ESTABLISHMENT OR RESTAURANT, EXCEPT AS REQUIRED FOR APPLICABLE BUILDING  
13 AND FIRE CODES.

14 4. PROHIBIT OR RESTRICT A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT  
15 FROM USING ANY LEGAL PARKING SPACE, INCLUDING METERED PARKING, TO THE SAME  
16 EXTENT AS ANY OTHER COMMERCIAL VEHICLE.

17 5. REQUIRE A MOBILE FOOD VENDOR TO BE FINGERPRINTED.

18 C. A CITY OR TOWN WITH A POPULATION OF MORE THAN FIFTY THOUSAND  
19 PERSONS SHALL MAKE AVAILABLE A BUSINESS LICENSE APPLICATION IN AN  
20 ELECTRONIC FORMAT THAT IS AVAILABLE ONLINE AND MAY NOT REQUIRE A MOBILE  
21 FOOD VENDOR TO APPLY IN PERSON.

22 9-485.02. Insurance requirement prohibited

23 A CITY OR TOWN MAY NOT REQUIRE A MOBILE FOOD VENDOR TO MAINTAIN AN  
24 INSURANCE POLICY THAT NAMES THE CITY OR TOWN AS AN ADDITIONAL INSURED  
25 UNLESS THE MOBILE FOOD VENDOR IS ATTENDING AN EVENT SPONSORED BY THAT CITY  
26 OR TOWN OR OPERATING ON PUBLIC PROPERTY, INCLUDING THE RIGHT-OF-WAY OR  
27 PROPERTY OWNED BY THE CITY OR TOWN.

28 Sec. 2. Title 11, chapter 2, article 4, Arizona Revised Statutes,  
29 is amended by adding section 11-269.20, to read:

30 11-269.20. Mobile food vendors; mobile food units; operation;  
31 insurance requirement prohibited; definitions

32 A. IN RELATION TO A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT, A  
33 COUNTY BOARD OF SUPERVISORS BY ORDINANCE OR RESOLUTION MAY:

34 1. IMPOSE OPERATING HOURS ONLY IF THEY ARE THE SAME AS THE  
35 OPERATING HOURS IMPOSED ON RESTAURANTS IN THAT COUNTY.

36 2. RESTRICT THE OPERATION OF NOISEMAKING DEVICES DURING SPECIFIC  
37 TIMES OF DAY.

38 3. RESTRICT OR PROHIBIT THE OPERATION OF A MOBILE FOOD UNIT IN AN  
39 AREA THAT IS ZONED AS RESIDENTIAL ONLY.

40 4. PROHIBIT A MOBILE FOOD UNIT THAT IS OPERATING ON PRIVATE  
41 PROPERTY FROM BLOCKING INGRESS TO AND EGRESS FROM THAT PROPERTY.

42 5. PROHIBIT A MOBILE FOOD UNIT FROM BLOCKING OR INHIBITING THE USE  
43 OF A PUBLIC SIDEWALK.

44 6. PROHIBIT A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT FROM BLOCKING  
45 VEHICULAR TRAFFIC ON PUBLIC STREETS AND ROADS.



1           2. "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT OF HEALTH  
2 SERVICES.

3           3. "MOBILE FOOD UNIT" MEANS A FOOD ESTABLISHMENT THAT IS READILY  
4 MOVABLE AND THAT DISPENSES FOOD OR BEVERAGES FOR IMMEDIATE SERVICE AND  
5 CONSUMPTION FROM ANY VEHICLE.

6           4. "MOBILE FOOD VENDOR" MEANS ANY PERSON WHO OWNS, CONTROLS,  
7 MANAGES AND LEASES A MOBILE FOOD UNIT OR CONTRACTS WITH A PERSON TO  
8 PREPARE FOODS AND VEND FROM, DRIVE AND OPERATE A MOBILE FOOD UNIT.

9                           ARTICLE 2. LICENSURE AND REGULATION

10           36-1761. Mobile food vendors; mobile food units; rules;  
11 health and safety licensing standards

12           A. THE DIRECTOR SHALL ADOPT RULES THAT DO ALL OF THE FOLLOWING:

13           1. ESTABLISH HEALTH AND SAFETY LICENSING STANDARDS FOR MOBILE FOOD  
14 VENDORS AND MOBILE FOOD UNITS THAT APPLY ON A STATEWIDE BASIS. THE  
15 LICENSING STANDARDS SHALL:

16           (a) INCLUDE THREE CATEGORIES OF MOBILE FOOD UNITS THAT ARE BASED ON  
17 THE TYPE OF FOOD DISPENSED AND THE AMOUNT OF HANDLING AND PREPARATION  
18 REQUIRED.

19           (b) REQUIRE FIRE EXTINGUISHERS FOR MOBILE FOOD UNITS THAT SELL OR  
20 DISTRIBUTE TIME AND TEMPERATURE CONTROL FOR SAFETY FOOD OR BEVERAGES.

21           (c) INCLUDE GENERAL PHYSICAL AND OPERATION REQUIREMENTS OF A MOBILE  
22 FOOD UNIT, INCLUDING:

23           (i) INSTALLATION OF COMPRESSORS, GENERATORS AND SIMILAR MECHANICAL  
24 UNITS THAT ARE NOT AN INTEGRAL PART OF THE FOOD PREPARATION OR STORAGE  
25 EQUIPMENT.

26           (ii) NECESSARY COMMISSARY OR OTHER SERVICING AREA AGREEMENTS.

27           (iii) VEHICLE AND EQUIPMENT CLEANING.

28           (iv) WASTE DISPOSAL DURING AND AFTER OPERATION ON PUBLIC OR PRIVATE  
29 PROPERTY, WHICH MAY NOT INCLUDE THE SIZE OR DIMENSIONS OF ANY REQUIRED  
30 WASTE RECEPTACLE.

31           2. ESTABLISH STATEWIDE INSPECTION STANDARDS THAT ARE BASED ON  
32 OBJECTIVE FACTORS FOR USE BY THE COUNTY HEALTH DEPARTMENTS.

33           3. ESTABLISH A LICENSING PROCESS FOR MOBILE FOOD VENDORS THAT DOES  
34 ALL OF THE FOLLOWING:

35           (a) REQUIRES A SEPARATE LICENSE FOR EACH MOBILE FOOD UNIT.

36           (b) REQUIRES A LICENSE TO BE RENEWED ANNUALLY.

37           (c) DELEGATES TO THE COUNTY HEALTH DEPARTMENT IN THE COUNTY WHERE  
38 THE MOBILE FOOD VENDOR'S COMMISSARY IS LOCATED THE LICENSING AND HEALTH  
39 AND SAFETY INSPECTION FOR STATE LICENSURE USING THE STATEWIDE INSPECTION  
40 STANDARDS ADOPTED PURSUANT TO THIS SECTION. THE LICENSING PROCESS SHALL  
41 REQUIRE RANDOM INSPECTIONS BY COUNTY HEALTH DEPARTMENTS AT NO ADDITIONAL  
42 COST. A MOBILE FOOD VENDOR LICENSE ISSUED BY A COUNTY HEALTH DEPARTMENT  
43 PURSUANT TO THIS SECTION SHALL HAVE RECIPROCITY IN EACH COUNTY OF THIS  
44 STATE. A COUNTY HEALTH DEPARTMENT MAY ENFORCE THE STATEWIDE INSPECTION  
45 STANDARDS REGARDLESS OF WHERE THE LICENSE WAS ISSUED.

1 (d) REQUIRES ALL EMPLOYEES OF A MOBILE FOOD VENDOR TO HAVE A VALID  
2 FOOD HANDLER CARD OR A CERTIFICATE FROM AN ACCREDITED FOOD HANDLER  
3 TRAINING CLASS AS SPECIFIED IN RULE BY THE DEPARTMENT.

4 (e) REQUIRES THAT THE LICENSE BE DISPLAYED IN THE MOBILE FOOD  
5 VENDOR'S OPERATING LOCATION IN A CONSPICUOUS LOCATION FOR PUBLIC VIEW.

6 4. PROHIBIT A MOBILE FOOD UNIT FROM OPERATING IN A MANNER THAT  
7 REQUIRES OR ALLOWS POTENTIAL CUSTOMERS TO ENTER THE STREET IN ORDER TO  
8 ENGAGE IN BUSINESS WITH THE MOBILE FOOD UNIT OR TO ENTER THE VEHICLE.

9 B. THE RULES ADOPTED PURSUANT TO THIS SECTION MAY NOT DO EITHER OF  
10 THE FOLLOWING:

11 1. REQUIRE A MOBILE FOOD VENDOR OR MOBILE FOOD UNIT TO OPERATE A  
12 SPECIFIC DISTANCE FROM THE PERIMETER OF AN EXISTING COMMERCIAL  
13 ESTABLISHMENT OR RESTAURANT.

14 2. ADDRESS THE OPERATING HOURS OF A MOBILE FOOD UNIT.

15 C. EXCEPT AS OTHERWISE SPECIFIED IN THIS CHAPTER, THE DIRECTOR MAY  
16 ADOPT RULES THAT ARE SUBSTANTIVELY THE SAME AS THE REGULATIONS THAT ARE IN  
17 PLACE ON THE EFFECTIVE DATE OF THIS SECTION IN MARICOPA COUNTY REGARDING  
18 MOBILE FOOD ESTABLISHMENTS.

19 Sec. 4. Title 41, chapter 3.1, article 1, Arizona Revised Statutes,  
20 is amended by adding section 41-626, to read:

21 41-626. Mobile food vendors; insurance requirement  
22 prohibited; definition

23 A. THIS STATE OR ANY DEPARTMENT OR AGENCY OF THIS STATE MAY NOT  
24 REQUIRE A MOBILE FOOD VENDOR TO MAINTAIN AN INSURANCE POLICY THAT NAMES  
25 THIS STATE AS AN ADDITIONAL INSURED UNLESS THE MOBILE FOOD VENDOR IS  
26 ATTENDING AN EVENT SPONSORED BY THIS STATE.

27 B. FOR THE PURPOSES OF THIS SECTION, "MOBILE FOOD VENDOR" MEANS A  
28 FOOD ESTABLISHMENT THAT IS READILY MOVABLE AND THAT DISPENSES FOOD OR  
29 BEVERAGES FOR IMMEDIATE SERVICE AND CONSUMPTION FROM ANY VEHICLE.

30 Sec. 5. Section 42-5074, Arizona Revised Statutes, is amended to  
31 read:

32 42-5074. Restaurant classification

33 A. The restaurant classification is comprised of the business of  
34 operating restaurants, dining cars, dining rooms, lunchrooms, MOBILE FOOD  
35 VENDORS, lunch stands, soda fountains, catering services or similar  
36 establishments where articles of food or drink are sold for consumption on  
37 or off the premises.

38 B. The tax base for the restaurant classification is the gross  
39 proceeds of sales or gross income derived from the business. The gross  
40 proceeds of sales or gross income derived from the following shall be  
41 deducted from the tax base:

42 1. Sales to a person engaged in business classified under the  
43 restaurant classification if the items sold are to be resold in the  
44 regular course of the business.

- 1           2. Sales by a congressionally chartered veterans organization of  
2 food or drink prepared for consumption on the premises leased, owned or  
3 maintained by the organization.
- 4           3. Sales by churches, fraternal benefit societies and other  
5 nonprofit organizations, as these organizations are defined in the federal  
6 internal revenue code (26 United States Code section 501), that do not  
7 regularly engage or continue in the restaurant business for the purpose of  
8 fund-raising.
- 9           4. Sales by a nonprofit organization that is exempt from taxation  
10 under section 501(c)(3), 501(c)(4) or 501(c)(6) of the internal revenue  
11 code if the organization is associated with a major league baseball team  
12 or a national touring professional golfing association and no part of the  
13 organization's net earnings inures to the benefit of any private  
14 shareholder or individual.
- 15           5. Sales at a rodeo featuring primarily farm and ranch animals in  
16 this state by a nonprofit organization that is exempt from taxation under  
17 section 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(7) or 501(c)(8) of the  
18 internal revenue code ~~and~~ IF no part of the organization's net earnings  
19 inures to the benefit of any private shareholder or individual.
- 20           6. Sales by any nonprofit organization organized and operated  
21 exclusively for charitable purposes and recognized by the United States  
22 internal revenue service under section 501(c)(3) of the internal revenue  
23 code.
- 24           7. Sales to qualifying hospitals as defined in section 42-5001.
- 25           8. Sales to a qualifying health care organization as defined in  
26 section 42-5001 if the tangible personal property is used by the  
27 organization solely to provide health and medical related educational and  
28 charitable services.
- 29           9. Sales of food, drink and condiment for consumption within the  
30 premises of any prison, jail or other institution under the jurisdiction  
31 of the state department of corrections, the department of public safety,  
32 the department of juvenile corrections or a county sheriff.
- 33           10. Sales of articles of prepared or unprepared food, drink or  
34 condiment and accessory tangible personal property to a school district or  
35 charter school if the articles and accessory tangible personal property  
36 are served to persons for consumption on the premises of a public school  
37 in the school district or charter school during school hours.
- 38           11. Prepared food, drink or condiment donated by a restaurant to a  
39 nonprofit charitable organization that has qualified under section  
40 501(c)(3) of the internal revenue code and that regularly serves meals to  
41 the needy and indigent on a continuing basis at no cost.
- 42           12. Sales of articles of food and drink at low or reduced prices to  
43 eligible elderly, ~~disabled~~ or homeless persons **OR PERSONS WITH A**  
44 **DISABILITY** by a restaurant that contracts with the department of economic  
45 security and that is approved by the food and nutrition services of the  
46 United States department of agriculture pursuant to the supplemental

1 nutrition assistance program established by the food and nutrition act of  
2 2008 (P.L. 110-246; 122 Stat. 1651; 7 United States Code sections 2011  
3 through 2036a), if the purchases of the articles of food and drink are  
4 made with the benefits issued pursuant to the supplemental nutrition  
5 assistance program.

6 C. The tax imposed on the restaurant classification pursuant to  
7 this section does not apply to the gross proceeds of sales or gross income  
8 from tangible personal property sold to a commercial airline consisting of  
9 food, beverages and condiments and accessories used for serving the food  
10 and beverages, if those items are to be provided without additional charge  
11 to passengers for consumption in flight. For the purposes of this  
12 subsection, "commercial airline" means a person holding a federal  
13 certificate of public convenience and necessity or foreign air carrier  
14 permit for air transportation to transport persons, property or United  
15 States mail in intrastate, interstate or foreign commerce.

16 D. The department shall separately account for revenues collected  
17 under the restaurant classification for the purposes of section 42-5029,  
18 subsection D, paragraph 4, subdivision (b).

19 E. For THE purposes of section 42-5032.01, the department shall  
20 separately account for revenues collected under the restaurant  
21 classification from businesses operating restaurants, dining rooms,  
22 lunchrooms, lunch stands, soda fountains, catering services or similar  
23 establishments:

24 1. On the premises of a multipurpose facility that is owned or  
25 operated by the tourism and sports authority pursuant to title 5, chapter  
26 8 for consumption on or off the premises.

27 2. At professional football contests that are held in a stadium  
28 located on the campus of an institution under the jurisdiction of the  
29 Arizona board of regents.

30 Sec. 6. Section 42-5102, Arizona Revised Statutes, is amended to  
31 read:

32 42-5102. Tax exemption for sales of food; nonexempt sales

33 A. Except for the gross proceeds of sales or gross income from the  
34 sale of food for consumption on the premises, the taxes imposed by this  
35 chapter do not apply to the gross proceeds of sales or gross income from  
36 sales of food by any of the following:

37 1. A retailer who conducts an eligible grocery business.

38 2. A retailer who conducts a business whose primary business is not  
39 the sale of food but who sells food which is displayed, packaged and sold  
40 in a similar manner as an eligible grocery business.

41 3. A retailer who sells food and does not provide or make available  
42 any facilities for the consumption of food on the premises.

1           4. A retailer who conducts a delicatessen business either from a  
2 counter which is separate from the place and cash register where taxable  
3 sales are made or from a counter which has two cash registers which are  
4 used to record taxable and tax exempt sales or a retailer who conducts a  
5 delicatessen business and who uses a cash register which has at least two  
6 tax computing keys which are used to record taxable and tax exempt sales.

7           5. A retailer who is a street or sidewalk vendor and who uses a  
8 pushcart, ~~mobile facility, motor vehicle or other such conveyance.~~

9           6. Vending machines and other types of automatic retailers.

10          B. The taxes imposed by this chapter do not apply to the gross  
11 proceeds of sales or gross income from sales of food by a state university  
12 or community college or its designee on its campuses to students using a  
13 validated meal ticket or to patients purchasing or consuming food at the  
14 Arizona health sciences center.

15          C. The taxes imposed by this chapter do not apply to the gross  
16 proceeds of sales or gross income from sales of food by a retailer to:

17           1. A regularly organized private or parochial school that offers an  
18 educational program for grade twelve or under which may be attended in  
19 substitution for a public school pursuant to section 15-802.

20           2. A child care facility that is licensed under section 36-882 or a  
21 child care group home certified under section 36-897.01.

22           3. A facility which provides on a regular basis care and  
23 supervision of persons who, because of age or a mental or physical  
24 condition, are incapable of caring for themselves and where they are  
25 unaccompanied by their custodians or guardians for periods of less than  
26 twenty-four hours a day.

27           4. An organization which is tax exempt under section 501(c)(3) of  
28 the internal revenue code and which provides the articles to persons with  
29 a nominal charge or without a monetary charge.

30           5. A prison, jail or other institution under the jurisdiction of  
31 the state department of corrections, the department of public safety, the  
32 department of juvenile corrections or a county sheriff for consumption on  
33 the premises.

34          D. Notwithstanding subsection A of this section, the taxes imposed  
35 by this chapter do not apply to the gross proceeds of sales or gross  
36 income from sales of low or reduced cost articles of food or drink to  
37 eligible elderly, ~~disabled~~ or homeless persons **OR PERSONS WITH A**  
38 **DISABILITY** by a business subject to tax under section 42-5074 that  
39 contracts with the department of economic security and that is approved by  
40 the food and nutrition service of the United States department of  
41 agriculture pursuant to the supplemental nutrition assistance program  
42 established by the food and nutrition act of 2008 (P.L. 110-246; 122 Stat.  
43 1651; 7 United States Code sections 2011 through 2036a), if the purchases  
44 are made with the benefits issued pursuant to the supplemental nutrition  
45 assistance program.

1           Sec. 7. Title 42, chapter 6, article 1, Arizona Revised Statutes,  
2 is amended by adding section 42-6015, to read:

3           42-6015. Mobile food vendors; definitions

4           A. A CITY, TOWN OR OTHER TAXING JURISDICTION MAY LEVY A TRANSACTION  
5 PRIVILEGE, SALES, USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE AS PROVIDED  
6 BY THE MODEL CITY TAX CODE ON A PERSON ENGAGING IN BUSINESS AS A MOBILE  
7 FOOD VENDOR THAT IS LICENSED UNDER THE RESTAURANT CLASSIFICATION PURSUANT  
8 TO SECTION 42-5074 IF THE ADOPTED TAX:

9           1. APPLIES ONLY WITH RESPECT TO TRANSACTIONS THAT OCCUR WITHIN THE  
10 JURISDICTIONAL BOUNDARIES OF THE CITY, TOWN OR TAXING JURISDICTION.

11           2. IS ADMINISTERED IN A MANNER THAT IS CONSISTENT WITH THE  
12 TREATMENT OF RESTAURANTS OR SIMILAR ESTABLISHMENTS WHERE FOOD OR BEVERAGES  
13 ARE PREPARED AND SERVED FOR CONSUMPTION ON OR OFF THE PREMISES.

14           3. IS ADMINISTERED, COLLECTED AND ENFORCED BY THE DEPARTMENT AND  
15 REMITTED TO THE CITY, TOWN OR OTHER TAXING JURISDICTION IN A UNIFORM  
16 MANNER.

17           B. THE TAXPAYER SHALL MAINTAIN RECORDS THAT SHOW SEPARATELY THE  
18 TAXABLE RECEIPTS FROM TRANSACTIONS IN THE RESPECTIVE CITIES, TOWNS OR  
19 OTHER TAXING JURISDICTIONS IN WHICH THE TAXPAYER CONDUCTS BUSINESS. IF  
20 THE TAXPAYER FAILS TO COMPLY WITH THIS SUBSECTION, THE DEPARTMENT SHALL  
21 COLLECT THE TAX BASED ON THE TAXPAYER'S TOTAL RECEIPTS, APPLYING THE  
22 HIGHEST TAX RATE LEVIED BY ANY CITY, TOWN OR OTHER TAXING JURISDICTION.

23           C. FOR THE PURPOSES OF THIS SECTION:

24           1. "MOBILE FOOD UNIT" MEANS A FOOD ESTABLISHMENT THAT IS READILY  
25 MOVABLE AND THAT DISPENSES FOOD OR BEVERAGES FOR IMMEDIATE SERVICE AND  
26 CONSUMPTION FROM ANY VEHICLE.

27           2. "MOBILE FOOD VENDOR" MEANS ANY PERSON WHO OWNS, CONTROLS,  
28 MANAGES AND LEASES A MOBILE FOOD UNIT OR CONTRACTS WITH A PERSON TO  
29 PREPARE FOODS AND VEND FROM, DRIVE AND OPERATE A MOBILE FOOD UNIT.

30           Sec. 8. Rulemaking; exemption

31           For the purposes of title 36, chapter 15, Arizona Revised Statutes,  
32 as added by this act, the department of health services is exempt from the  
33 rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes,  
34 for one year after the effective date of this act.