

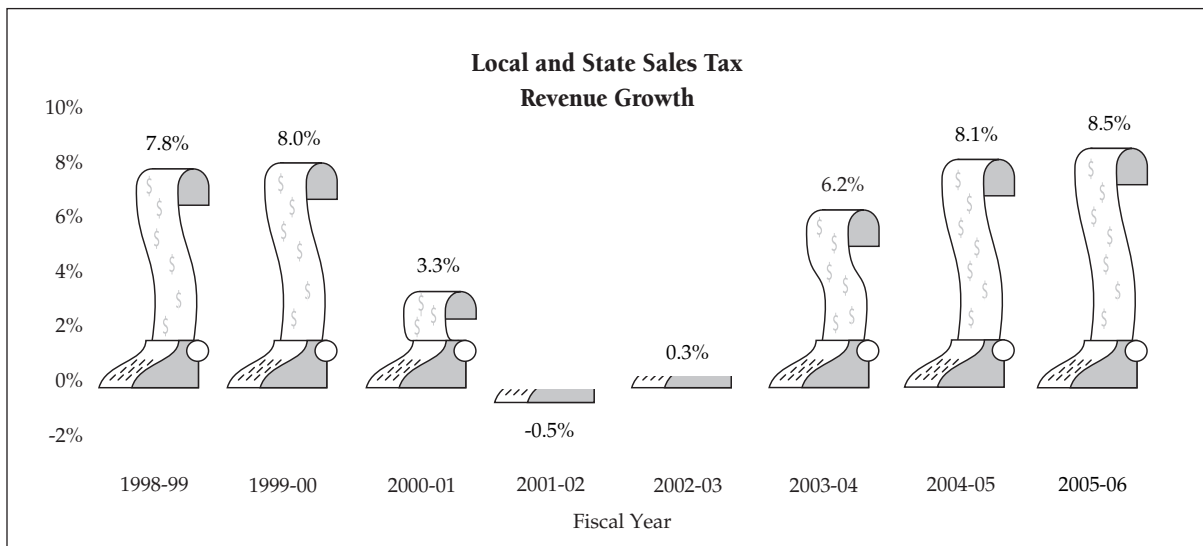
## GENERAL FUNDS

Total 2005-06 General Fund revenues are estimated to be \$922.2 million or 9.1 percent more than 2004-05 estimates of \$844.9 million. General Fund revenues consist of four major categories: local taxes, state-shared revenues, primary property taxes and user fees. Following are descriptions of the revenue sources within these four categories and explanations of 2005-06 revenue estimates.

Local and state sales tax collections represent approximately 57 percent of General Fund revenues. Local and state sales tax collections for 2005-06 are expected to grow by 8.5 percent over the 2004-05 estimates. This is a slight increase from the 8.1 percent growth rate anticipated in 2004-05; however, as shown in the chart below, the growth

rates for both years are significantly higher than those experienced over the past four years.

The table on the opposite page details estimated General Fund revenues by major category.





**LOCAL SALES TAXES AND FEES**

This major revenue category consists of various local sales taxes, privilege license fees, use tax, and franchise taxes and fees. The 2005-06 estimate is \$389.2 million, which is \$28.9 million or 8.0 percent greater than the 2004-05 estimate of \$360.3 million. The assumptions used to estimate local sales taxes follow.

**Local Sales Tax**

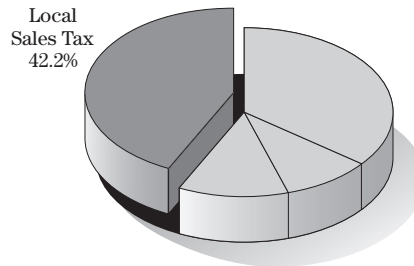
The city of Phoenix’s local sales tax consists of 15 general categories that are collected based on a percentage of business income accruing in each category. To protect local businesses, Phoenix also levies a use tax on purchases where no sales taxes were paid. Finally, two additional local taxes are collected based on water service accounts.

Of the 15 categories collected as a percentage of income, all except advertising provide General Fund resources. All but advertising and utilities contribute voter-approved resources for police and fire, parks and preserves, and transit programs. Portions of several categories and the entire advertising

category are restricted to the Civic Plaza fund and/or the Sports Facilities fund. Beginning in May 2005, utilities sales tax collections will be directed to the general fund as well as the newly established Public Safety Enhancement fund. Finally, an additional 2 percent tax on the telecommunications category provides resources for the Capital Construction fund. The table below provides a listing of the local sales tax categories, indicating the specific tax rates for each fund and the total tax rate for each category.

The General Fund portion of the local sales tax estimate is \$389,230,000 for 2005-06. This is an increase of \$28,921,000 or 8.0 percent from the 2004-05 estimate of \$360,309,000. The increase in local sales tax revenue is based on estimated growth of 7.6 percent in the retail sales category, and reflects the economy’s continuing improvement. Projected increases in other categories include 13.2 percent for utility and franchise which takes into account rate increases for APS, SRP, Water and Wastewater;

**GENERAL FUNDS**  
**Total Revenues – \$922.2 Million**



**CURRENT LOCAL SALES TAX RATES BY CATEGORY**

	General Fund	Neighborhood Protection	Public Safety Enhancement	Parks & Preserves	Transit 2000	Civic Plaza	Sports Facilities	Capital Construction	Total
Advertising	–	–	–	–	–	0.5%	–	–	0.5%
Contracting	0.7%	0.1%	–	0.1%	0.4%	0.5%	–	–	1.8%
Job Printing	0.7%	0.1%	–	0.1%	0.4%	0.5%	–	–	1.8%
Publishing	0.7%	0.1%	–	0.1%	0.4%	0.5%	–	–	1.8%
Transportation/Towing	0.7%	0.1%	–	0.1%	0.4%	0.5%	–	–	1.8%
Restaurants /Bars	0.7%	0.1%	–	0.1%	0.4%	0.5%	–	–	1.8%
Leases/Rentals/Personal Property	1.2%	0.1%	–	0.1%	0.4%	–	–	–	1.8%
Short-Term Motor Vehicle Rental	1.2%	0.1%	–	0.1%	0.4%	–	2.0%	–	3.8%
Commercial Rentals	1.3%	0.1%	–	0.1%	0.4%	–	–	–	1.9%
Lodging Rentals Under 30 Days	1.2%	0.1%	–	0.1%	0.4%	2.0%	1.0%	–	4.8%
Lodging Rentals 30 Days and Over	1.2%	0.1%	–	0.1%	0.4%	–	–	–	1.8%
Retail	1.2%	0.1%	–	0.1%	0.4%	–	–	–	1.8%
Amusements	1.2%	0.1%	–	0.1%	0.4%	–	–	–	1.8%
Utilities	2.7%*	–	2.0%**	–	–	–	–	–	4.7%
Telecommunications	2.7%	–	–	–	–	–	–	2.0%	4.7%

\* The General fund portion of the utilities category includes the 2.0% franchise fee paid by utilities with a franchise agreement.

\*\* The Public Safety Enhancement designated 2.0% sales tax applies only to those utilities with a franchise agreement.



7.2 percent for commercial rentals; 6.4 percent for restaurants and bars; and 7.7 percent for hotel/motel room rentals.

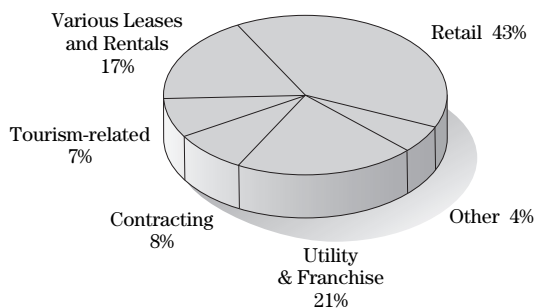
As shown in the pie chart to the right, the retail category represents approximately 43 percent of the General Fund sales tax. Personal income growth, which is used as a trend indicator for retail sales activity, is projected at 7.5 percent for 2005-06. Overall, sales tax growth tends to follow a growth pattern similar to personal income growth.

General fund sales tax revenue is collected on three rental categories: Leases and Rentals of Personal Property, Commercial Real Property Rentals and Apartment Rentals. For 2005-06, these categories are expected to increase 2.9 percent, 7.2 percent and 5.0 percent respectively. These three categories combined are approximately 17 percent of General fund sales tax revenue.

The contracting category is expected to increase by 16.7 percent. The city has experienced tremendous growth rates in this category over the past several years, led by booming residential construction. The expected 2004-05 growth is 27.2 percent. For 2005-06, indicators for job creation and population growth predict that residential construction activity will continue, but at a slightly slower rate. This slowing, however, will be offset by significant commercial construction projects such as the Civic Plaza expansion and Light Rail. This category represents approximately 8 percent of the General fund sales tax revenue.

The restaurants and bars category is expected to increase 6.4 percent and the hotel/motel category is expected to increase 7.7 percent in 2005-06. These two categories, combined with revenue from short-term motor vehicle rentals, are closely related to tourism activity and continue to benefit from the rebounding tourism industry. Revenues from these tourism-related activities represent approximately 7 percent of General Fund sales tax revenue.

### GENERAL FUNDS Local Sales Taxes



The utility tax category is approximately 21 percent of General Fund sales tax revenue. The category includes electricity, natural and artificial gas, water consumption, sewer service and communications activities. The 2005-06 estimate for utility sales and franchise tax revenue is \$80,649,000, which is an increase of 9.6 percent over the 2004-05 estimate. The large increase is due to rate increases for APS, SRP, Water and Wastewater.

A use tax is assessed on the purchase of tangible personal property, which is stored, used or consumed within the city, and for which a local sales tax has not been paid at an equivalent rate to the city of Phoenix rate. The tax also applies to items purchased for resale and subsequently used or consumed in the business. The 2005-06 estimate of \$12,895,000 for use tax is 5.5 percent or \$675,000 more than the 2004-05 estimate. This category is subject to variation in purchasing practices, as well as economic drivers. The use tax category is approximately 3 percent of General Fund sales tax revenue.

The following table shows General Fund sales tax collections since 2001-02. The amounts shown exclude the two utility tax items that are collected based on water service accounts.

A portion of the utility sales tax is based on water service accounts. The first was implemented on Oct. 1, 1990. The 2005-06 estimate of \$6,244,000 for this category is 2.2 percent higher than the 2004-05 estimate of \$6,110,000. The second provides funding for storm water management programs required by the Environmental Protection Agency. The 2005-06 estimate of \$1,251,000 for this tax is 2.2 percent greater than the 2004-05 estimate of \$1,224,000. This increase provides for modest growth in accounts.

#### GENERAL FUND SALES TAXES (In Thousands of Dollars)

Fiscal Year	Revenues	% Change From Previous Year
2001-02	\$307,741	0.1%
2002-03	307,699	0.0
2003-04	325,547	5.8
2004-05 (Est.)	350,485	7.7
2005-06 (Est.)	379,245	8.2





### Privilege License Fees

The city charges a \$16 fee to process an application for a privilege tax license and assesses a \$50 annual fee for existing licenses. These fees are intended to recover the costs associated with administering a fair and efficient sales tax system. This category also includes a \$50 annual fee on each apartment complex for non-transient lodging. The 2005-06 estimate for privilege license fee revenue of \$2,350,000 represents no change from the 2004-05 estimate. Historically, the net change in the number of licensed businesses is small.

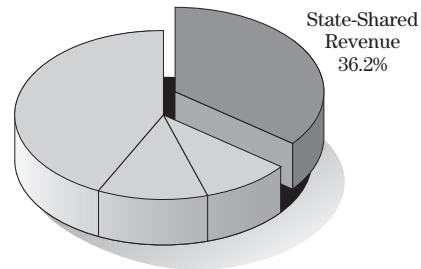
### STATE-SHARED REVENUES

This major revenue category consists of the city's share of the state sales tax, the state income tax and vehicle license tax. The 2005-06 estimate for this category is \$334.0 million, which is \$32.9 million or 10.9 percent more than the 2004-05 estimate of \$301.1 million. The increase is mainly due to the projected growth rates of 10.0 percent in state-shared sales taxes and 14.0 percent in state-shared income taxes. The increase in the income tax collections reflects personal and corporate income growth in 2002-03. State-shared vehicle license tax revenue for 2005-06 is estimated to grow at 6.4 percent over the 2004-05 estimate.

#### State Sales Tax

The state sales tax rate on most taxable activities is 5.6 percent with several relatively minor categories having tax rates ranging from 2.5 percent to 5.5 percent. The revenues are split between a "distribution base," of which Phoenix receives a share, and a "combined non-shared" category, which is allocated entirely to the state. With exceptions for some categories, the distribution base consists of 40 percent of collections. The 0.6 percent education tax included in the total tax rate is not included in any distribution base.

**GENERAL FUNDS**  
Total Revenues – \$922.2 Million



Under the current formula, incorporated cities receive 25 percent of the distribution base. These funds are distributed to individual cities on the basis of relative population percentages. Phoenix's share of the distribution to cities for 2005-06 is estimated at 32.6 percent.

The city of Phoenix's share of the state sales tax for 2005-06 is expected to be \$134,822,000, which is \$12,268,000 or 10.0 percent more than the 2004-05 estimate of \$122,554,000. This estimate

is based on the assumption that, similar to the local economy, the state economy will continue to improve. At the state level, retail sales are anticipated to increase about 9.6 percent over the current fiscal year. The table below shows the cities' share of state sales taxes, Phoenix's allocation and annual increases since 2001-02. The population factor changes with decade or mid-decade census counts and periodic adjustments made throughout the year.

### STATE SALES TAXES (In Thousands of Dollars)

Fiscal Year	Cities' Share of State Collections		Phoenix's Share		
	Total	% Change	Percent	Amount	% Change
2001-02	312,426	0.1	32.7*	102,211	(3.0)
2002-03	316,406	1.3	32.7	103,409	1.2
2003-04	340,536	7.6	32.6**	111,594	7.9
2004-05 (Est.)	372,080	9.3	32.6	122,554	9.8
2005-06 (Est.)	410,523	10.3	32.6	134,822	10.0

\*Impact of 2000 census population changes.  
 \*\*The adjustment to the percentage is due to a correction made to the 2000 Census population amount of another Arizona city.



### State Income Tax

Beginning in 1973, cities in Arizona shared 15 percent of the actual state personal and corporate income tax collected two years earlier. Individual cities received their portion based on the cities' share of the state population. In 1990, legislation lowered the cities' share of the state income tax to 12.8 percent beginning in the 1992-93 fiscal year. Then in 1994, legislation raised the percentage to 13.6 percent beginning in 1996-97, and 1996 legislation raised the percentage back to 15 percent for the 1997-98 and 1998-99 fiscal years. Legislation in 1997 provided for a 15.8 percent share for the 1999-2000 fiscal year. In the 1999 legislative session, the formula was again reduced to a 15 percent share beginning in 2000-01. Until the 1999 legislative action, these changes were enacted by the state in conjunction with revisions to the individual and corporate state income tax in order to keep the cities' share of rate and other changes revenue-neutral. The 1999 change did not hold cities harmless. Legislation in 2002 reduced the formula to a 14.8 percent share for 2002-03 and 2003-04 only, as part of the effort to reduce the anticipated shortfall in the state budget. The formula reverted to a 15 percent share in 2004-05. The 2005-06 estimate is based on a 15 percent share.

The portion of the state income tax, which will be distributed to cities and towns in 2005-06, is expected to be \$425.2 million. The distribution represents actual individual and corporate income tax collections by the state in the 2003-04 fiscal year. The anticipated \$425.2 million is a 14.0 percent increase from the previous fiscal year. The large increase is a result of increased personal income and corporate profits as well as extremely low collections in the previous year. The city of Phoenix's portion of the state income tax is estimated to be approximately 32.6 percent of the 15 percent share distributed to cities. This equates to \$138,455,000 for

2005-06 and is an increase of \$16,985,000 or 14.0 percent from the 2004-05 estimate of \$121,470,000.

The table below shows the total cities' share of state income tax, Phoenix's share, percentage allocation and annual increase since 2001-02. Similar to sales tax sharing, population is changed only on the basis of a census count with periodic corrections made throughout the year.

### Vehicle License Tax

Vehicle license taxes have been shared with Arizona cities and towns since 1941. The tax is assessed on the basis of an ad valorem rate on each \$100 in value. The value is equal to a percent of the manufacturer's base retail price at the time of initial registration. During each succeeding year, this value is decreased until the established minimum amount is reached. The Arizona Department of Transportation collects and distributes the tax.

#### STATE INCOME TAX (In Thousands of Dollars)

Fiscal Year	% Shared w/Cities	Cities' Share of State Collections		Phoenix's Share		
		Total	% Change	Percent	Amount	% Change
2001-02	15.0%	\$421,367	6.3%	32.7%*	\$137,787	3.1%
2002-03	14.8	429,988	2.0	32.7	140,600	2.0
2003-04	14.8	365,842	(14.9)	32.6**	119,118	(15.3)
2004-05 (Est.)	15.0	373,065	2.0	32.6	121,470	2.0
2005-06 (Est.)	15.0	425,230	14.0	32.6	138,455	14.0

\*Phoenix growth rate is lower than the city share growth due to population changes in the 2000 Census.

\*\*The adjustment to the percentage is due to a correction made to the 2000 Census population amount of another Arizona city.

#### VEHICLE LICENSE TAX (In Thousands of Dollars)

Fiscal Year	Amount Distributed by Maricopa County	Phoenix's Share		Increase/(Decrease)	
		Percent	Amount	Amount	Percent
2001-02	\$ 99,443	46.1%	\$45,843	\$1,104	2.5%
2002-03	103,596	46.1	47,758	1,915	4.2
2003-04	116,100	46.1	53,522	5,764	12.1
2004-05 (Est.)	123,807	46.1	57,100	3,578	6.7
2005-06 (Est.)	131,753	46.1	60,765	3,665	6.4





Currently, 37.61 percent of collections are allocated to the Arizona Highway Users Revenue fund. The remainder is allocated by percentage to various state funds as well as to the counties and cities. The state is responsible for distributing funds to cities according to their relative population within the county. Based on the 2000 census, Phoenix's percentage of population within Maricopa County is approximately 46.1 percent. This distribution formula was used in developing the 2005-06 estimate.

Phoenix's share of the vehicle license tax for 2005-06 is anticipated to be \$60,765,000, which is \$3,665,000 or 6.4 percent more than the 2004-05 estimate of \$57,100,000.

The table on page 61 shows the cities' share of the vehicle license tax, Phoenix's share, allocation percentage and annual percentage change since 2001-02.

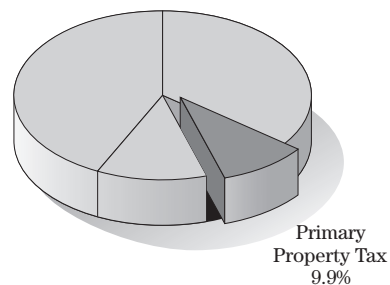
**PRIMARY PROPERTY TAX**

Arizona property taxes are divided into two levies. The primary levy is used for general operation and maintenance expense. The secondary levy can only be used for general obligation debt service.

The annual increase in the primary property tax levy is limited by the Arizona Constitution to a 2 percent increase over the calculated levy associated with previously assessed property plus an estimated levy for previously unassessed property (primarily new construction).

Before 1996-97, the maximum levy allowed by the Arizona Constitution had been levied each year. Leading up to 1996-97, due to a number of years of declining assessed valuations, deferral of the property tax-supported Capital Improvement Program was necessary. A new revenue policy was also established. This policy called for a maximum and minimum allowable combined primary and secondary property tax rate. By 1996-97, the application of this revenue policy had driven the combined rate down to the adopted minimum of \$1.82.

**GENERAL FUNDS  
Total Revenues – \$922.2 Million**

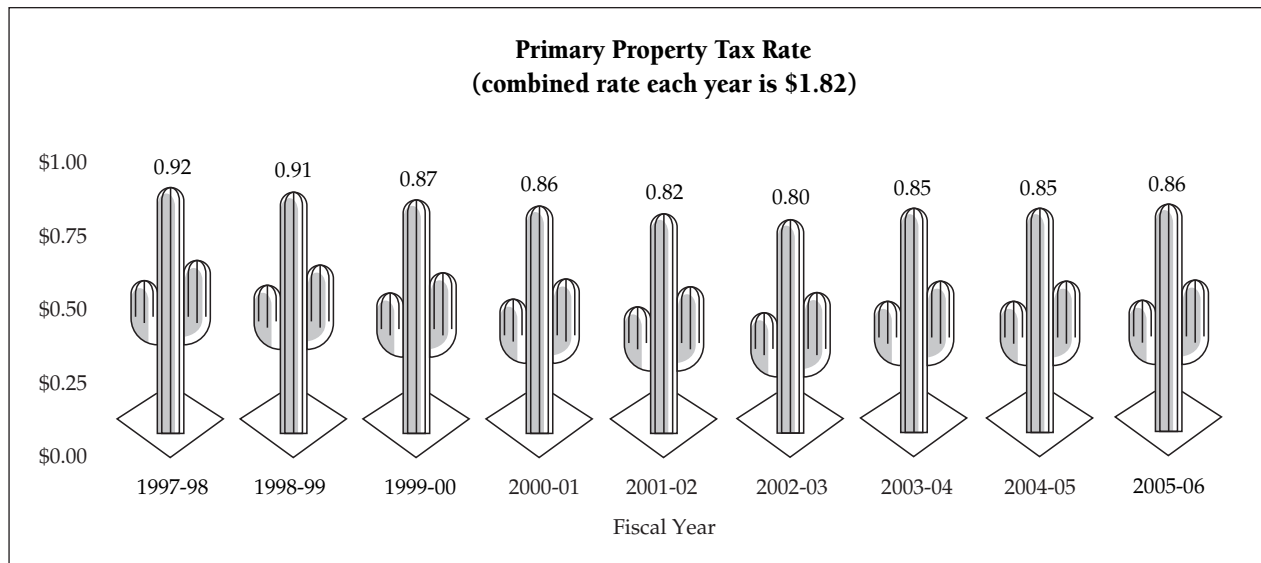


**PRIMARY PROPERTY TAX**

Fiscal Year	Primary Assessed Valuation (in Billions)	% Change	Primary Levy (in Thousands)	% Change	Rate per \$100 Assessed Valuation
2001-02	\$ 7,689	9.5%	\$ 61,818	3.7%	\$.82
2002-03	8,269	7.5	65,107	5.3	.80
2003-04	9,049	9.4	76,392*	17.3	.85
2004-05 (Est.)	9,800	8.3	83,304*	9.0	.85
2005-06 (Est.)	10,637	8.5	91,311*	9.6	.86

\*Includes \$7 million, \$3 million and \$5 million shifted from secondary property tax in 2003-04, 2004-05 and 2005-06 respectively.





In 1997-98, a new policy was adopted that provided for the primary levy to be set at the previous year's levy plus an amount for new construction. Market updates in property values were only to be reflected in the secondary portion, which is discussed in a later section. As shown in the above chart, this policy caused the primary rate to decline over time. Then, the 2001 bond committee recommended that a total of \$10,000,000 be "shifted" to the primary property tax levy from the secondary property tax levy over a two-year period. This was accomplished in 2003-04 and 2004-05 as planned. However, even with the shift, the 2004-05 primary level was less than the maximum levy allowed by the Arizona Constitution.

The estimated 2005-06 primary property tax levy is \$91,311,000, which is the maximum allowed by the Arizona Constitution. This is a 9.6 percent increase over the 2004-05 actual levy of \$83,304,000. The increase in primary levy reflects estimated collections associated with new properties entering the rolls, plus a shift of approximately \$5 million from the secondary property tax levy to achieve the maximum primary levy while maintaining the current combined rate of \$1.82. Without the shift, the 2005-06 primary property tax levy would be 2.9 percent higher than the actual 2004-05

levy. The primary assessed valuation of \$10.64 billion is approximately 8.5 percent above the 2004-05 primary assessed valuation of \$9.80 billion.

The 2005-06 levy results in an estimated primary property tax rate of \$0.8584 per \$100 of assessed valuation. This would result in a secondary property tax rate of \$0.9616 to maintain a total property tax rate of \$1.82 per \$100 of assessed valuation.

The table on page 62 shows primary assessed valuation, primary property tax revenues and primary rates since 2001-02.





## USER FEES/OTHER REVENUES

This major revenue category consists of licenses and permits, fines and forfeitures, cable television fees, parks and libraries fees, various user fees designed to recover the costs of providing specific city services, and other miscellaneous General Fund revenue sources. The 2005-06 estimate for this category is \$107.6 million, which is \$7.4 million or 7.4 percent higher than the 2004-05 estimate of \$100.2 million. Following are descriptions of the various categories and explanations of the revenue estimates.

### Licenses and Permits

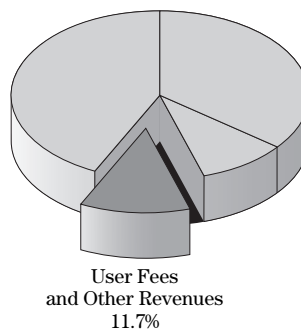
This category consists of various business permit application fees and annual permit fees including liquor license applications, amusement machines, annual liquor licenses and other business license applications and fees. The 2005-06 estimate of \$2,496,000 is the same as the 2004-05 estimate, given the slow historical growth in this category.

### Cable Communications

The city imposes a 5 percent fee on the gross receipts of cable television licensees in return for the use of streets and public rights of way by cable companies in the provision of cable television service. The 2005-06 estimate of \$8,785,000 is \$256,000 or 3.0 percent greater than the 2004-05 estimate of \$8,529,000. The increase is based on conservative growth in the customer base, plus moderate rate increases of 2 percent and 2.25 percent for cable providers.

## GENERAL FUNDS

Total Revenues – \$922.2 Million



### Fines and Forfeitures

This category is comprised of various sanctions including traffic moving violations, criminal offense fines, parking violations, driving under the influence and defensive driving program revenues. The 2005-06 estimate of \$20,070,000 is \$1,187,000 or 6.3 percent more than the 2004-05 estimate of \$18,883,000. The estimate reflects increases in moving violations and criminal offense fines, plus greater participation in the Defensive Driving Program. About half of the expected increase is a result of the city's recent participation in the Arizona State Court enhanced collection efforts including withholding vehicle registrations until delinquent fines are paid.

### Court Default Fee

A \$25 default fee was implemented in 1993-94 in order to recover court costs associated with defendants who fail to appear for court appearances or fail to pay previously imposed sanctions on civil traffic violations. The 2005-06 estimate for this revenue category is \$1,079,000, which is 16.3 percent higher than the 2004-05 estimate. The estimate is based on year to date actuals and historical growth patterns.

### Engineering and Architectural Services

This user-fee category includes permits for utility construction and fiber optic construction in the public rights of way. It also includes revenues from fees for pavement cut activity. The 2005-06 estimate of \$2,529,000 is \$777,000 or 44.3 percent more than the 2004-05 estimate of \$1,752,000. A majority of the 2005-06 increase is due to a large write-off of bad debts in 2004-05. In addition, the 2005-06 estimate includes a reduction in Right of Way fees from APS and Southwest Gas resulting from the voter approved franchise agreement in March 2005.

### Fire

The Fire Department receives fees from various services. The majority of the revenue comes from emergency transportation service (ETS). This user fee includes basic life support and advanced life support services and related charges for mileage and supplies for the provision of ambulance service. The 2005-06 estimate for ETS is \$25,709,000, which is \$3,389,000 or 15.2 percent greater than the 2004-05 estimate of \$22,320,000.



The increase is due to rate increases approved by the Arizona Department of Health Services as well as improved collection rates.

Other Fire revenue sources include fire prevention inspection fees, computer aided dispatch (CAD) and various other services provided to the community. The 2005-06 estimate for other fires services is \$4,444,000 which is 1.6 percent above 2004-05.

### **Hazardous Materials Permit and Inspection Fee**

Because incidents involving hazardous materials have increased in recent years, a hazardous materials permit and inspection fee was established in October 2001. Revenues from this category are used to recover direct costs incurred for inspecting businesses that use hazardous materials. Upon review in 2003-04, the annual permit fee amount was raised. This annual permit now varies from \$400 to \$1,650 and depends on the volume of hazardous materials stored on site. The 2005-06 estimate is \$1,325,000, which is \$25,000 or 1.9 percent over the 2004-05 estimate.

### **Library Fees**

Library fee and fine revenue for 2005-06 is expected to be \$1,673,000, which is \$649,000 or 63.4 percent above the 2004-05 estimate. The increase is largely due to increased library fines. Overdue charges were raised from \$.05 to \$.10 per day for juvenile items and from \$.10 to \$.20 per day for all other books. The charge for replacement library cards has been increased from \$1.00 to \$2.00. These new fines are consistent with other Valley city libraries. Collection fine trends indicate consistent growth with additional fine revenue coming from the new Desert Broom Library and the expanded Palo Verde Library.

### **Parks and Recreation Fees**

This category includes parks concession revenues, swimming pool revenues, fees for the use of various park facilities such as ball fields and recreation programs, activities at Municipal Stadium, Maryvale Stadium and the Papago Baseball Facility and other miscellaneous park fees. The 2005-06 estimate of \$3,467,000 is \$109,000 or 3.2 percent greater than the 2004-05 estimate. The increase is primarily due to rentals of park ball fields and spring training facilities.

### **Planning**

User fees in this category include rezoning fees and zoning adjustment fees for use permits and variances. The 2005-06 estimate of \$1,471,000 is \$27,000 or 1.9 percent more than the 2004-05 estimate of \$1,444,000, reflecting growth in rezoning and zoning adjustment fees.

### **Police**

The Police Department receives revenues for various services and programs. Police services are provided on a fee-per-hour basis for school and athletic events as well as other activities where a law enforcement presence is desired. In addition, a false alarm program includes both permit fees and assessments for false alarm responses. For 2005-06, the estimate of \$11,536,000 is 0.5 percent more than the 2004-05 estimate of \$11,477,000.

### **Street Transportation**

This user fee category includes permit fees for utility construction in the public rights-of-way as well as utility ordinance inspections. The 2005-06 estimate of \$1,636,000 is a 37.5 percent decrease from the 2004-05 estimate of \$2,618,000. In accordance with the new franchise agreement approved by the voters on March 8, 2005, utility inspection fees for Arizona Public Service (APS) and Southwest Gas have been discontinued.

### **Other Service Charges**

Revenue in this category is composed of several non-tax sources including interest income, parking meter revenue, the Downtown Enhancement District, in-lieu property taxes, sales of surplus and abandoned property, various rental, parking and concession categories. The 2005-06 estimate of \$19,886,000 is \$2,721,000 or 15.9 percent more than the 2004-05 estimate of \$17,165,000. This is primarily due to increased interest earnings.

### **All Other Fees**

This fee category consists of miscellaneous service charges in the Finance, Housing, Human Services and Neighborhood Services departments and miscellaneous categories. The 2005-06 estimate of \$1,473,000 is \$1,013,000 or 40.7 percent less than the 2004-05 estimate of \$2,486,000. The decrease is due to one-time revenue of \$1,011,000 in 2004-05 from the March 2005 franchise election. Arizona Public Service (APS) and Southwest Gas were required to pay the costs associated with that election.

