

**Maricopa Community Colleges  
Use of MCCCDC Facilities  
Rental Rate Guidelines**

**APPENDIX FM-6  
USE OF MCCCDC FACILITIES  
RENTAL RATE GUIDELINES**

All use of MCCCDC facilities and rental rates must be consistent with state law, MCCCDC governance goals, policies, and administrative regulations.

These rental rate guidelines are applicable only to **Facilities Rentals** whereby facilities will be used one time, or for a limited period of time and the user will not have exclusive use of the portion of the facility being rented. These guidelines may be used for **licenses** (non-exclusive use for a significant period of time) or **leases** (exclusive use for a significant period of time) of MCCCDC facilities.

The MCCCDC Legal Services Department must review and approve all leases and licenses. All leases must be approved by the Governing Board. Licenses must be approved by the Governing Board if they meet any one of the following criteria: rent is reduced or waived for the licensee using MCCCDC's property; or the licensee will engage in an activity that is commercial, or one that substantially increases the potential liability of MCCCDC, or one that may impair the District's bonding capacity.

Rental rates are determined by each college and reflect fair market rentals based on supply/demand throughout the district, availability of other facilities near the colleges, and peak/low times of facilities/classroom use at each campus. Annually, each college must submit a schedule of rental rates for review and approval by the Vice Chancellor for Business Services.

At a minimum, rental rates should be stated on an hourly basis for the following categories:

**FACILITIES:**

- Classrooms/Lecture Halls/Labs
- Conference/Meeting Rooms
- Dining Facilities
- Performing Arts Facilities
- Athletic Facilities
- Parking Lots

**EQUIPMENT:**

- Audio Visual
- Computers

**PERSONAL PERSONNEL SERVICES:**

- Maintenance/Custodial
- Security
- Technical Support (AV or Computer Technicians)

**UTILITIES:**

**TAXATION ISSUES RELATED TO FACILITIES RENTAL INCOME INCLUDE:**

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1. State facilities rental tax (.5%) must be multiplied by the rental amount for facilities, equipment and personal services and added to the total amount charged to the user.
2. Unrelated Business Income Tax (UBIT) may have to be paid by the College/District on certain rental income net of related expenses. UBIT may be avoided or minimized as follows:
  - a. Rentals of facilities/utilities, equipment, or personal services for activities related to MCCCCD's exempt purpose or mission of education and training are exempt from UBIT.
  - b. Rentals of facilities only are exempt from UBIT whether the activities are related or unrelated to MCCCCD's exempt purpose or mission.
  - c. Mixed rentals of facilities and equipment for unrelated activities are exempt from UBIT if the equipment rental is less than 10% of the total rental.
  - d. The equipment rental portion only of mixed rentals of facilities and equipment for unrelated activities is subject to UBIT if the equipment rental is less than 50% of the total rental. Otherwise, the total rental is subject to UBIT.
  - e. Provide no personal services as part of rentals for unrelated activities.
  - f. Identify expenses incurred by the College/District related to the facility rental (e.g., utility costs, wages for personal service providers, depreciation on equipment, overhead).

NOTE: The ordinary provision of security and routine janitorial services in order to protect and maintain district property does not necessarily result in a taxable event.

Upon approval by the Chancellor or appropriate Vice Chancellor/College President, or designee, rental rates may be reduced or waived under either of the following conditions:

1. Facilities use is by an employee or Governing Board member responsible for and/OR participating in an activity or event for a professional organization whose objectives directly relate to the employee's or Governing Board member's MCCCCD responsibilities.
2. Facilities use is by an organization/entity whose activity/event meets the following requirements:
  - a. It directly relates to MCCCCD's mission of education and training.
  - b. MCCCCD receives a specific public benefit from the activity/event and the value or benefit that MCCCCD receives from the activity/event is substantially equivalent to the amount of rent foregone or waived.

**Amended by the Governing Board on February 27, 2007.  
Motion No. 9415**