

**RESOLUTION NO. 2868**

**A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE MEMORANDUM OF UNDERSTANDING (“MOU”) BETWEEN THE ARIZONA DEPARTMENT OF REVENUE, (“DOR”) AND THE TOWN OF PAYSON, AN ARIZONA MUNICIPAL CORPORATION (“TOWN”) RELATING TO THE COLLECTION AND ADMINISTRATION FUNCTIONS FOR THE TRANSACTION PRIVILEGE AND AFFILIATED EXCISE TAXES AS REQUIRED UNDER A.R.S. TITLE 42, CHAPTER 6**

**WHEREAS**, Title 11, Chapter 7, Article 3 (A.R.S. § 11-952) authorizes two or more public agencies to enter into intergovernmental agreements to contract for services, if authorized by their legislative or governing bodies: and

**WHEREAS**, taxes imposed under the Model City Tax Code are governed under Arizona Revised Statutes Title 42, Chapter 6. House Bill 2111 and House Bill 2389, as a means of simplifying tax administration, requires the local municipal transaction privilege and affiliated excise taxes to be collected and administered by the Arizona Department of Revenue (“DOR”). In addition, DOR and each city or town shall enter into an intergovernmental agreement to establish a uniform method of administration, collection, audit and licensing.

**WHEREAS**, House Bill 2617 requires DOR to impose fees on cities and towns to pay a portion of administrative, program and other operating costs for DOR to provide administrative and collection services to local governments.; and

**WHEREAS**, the TOWN desires to officially approve and adopt the Amended and Final DOR MOU pursuant to the laws applicable to the governing body; and

**WHEREAS**, the Parties desire to enter into this MOU for the purpose of having the DOR collect and administer any transaction privilege and affiliated excise taxes imposed by the Town utilizing a uniform method of collection, administration, auditing and licensing as provided by A.R.S. § 42-6001 et seq. ; and

**WHEREAS**, the Parties are authorized to enter into this MOU pursuant to A.R.S. §§ 11-951, 952 and A.R.S. § 42-6001 et seq..

**NOW, THEREFORE, THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:**

Section 1: That the memorandum of Understanding between the Department of Revenue and

*Page 1*

*Prepared by Town of Payson Legal Department*

*HMI:drs July 31, 2015 (11:11AM)*

73015.RESO.2868.DOR.MOU

AUG 13 2015 *D. / \**

the Town of Payson, attached hereto marked Exhibit A is approved in substantially the form attached.

Section 2: That La Ron Garrett, Acting Town Manager for the Town of Payson, is authorized to execute said MOU in substantially the form attached.

Section 3: That the Town of Payson is authorized to take such other and further actions as may be necessary or appropriate for carrying out the intent of this Resolution.

**PASSED AND ADOPTED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this 13<sup>th</sup> day of August, 2015, by the following vote:**

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSTENTIONS \_\_\_\_\_ ABSENT \_\_\_\_\_

\_\_\_\_\_  
Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Silvia Smith, Town Clerk

\_\_\_\_\_  
Hector M. Figueroa, Town Attorney

---

## **EXHIBIT "A"**

---

### **Memorandum of Understanding**

---

#### **Memorandum of Understanding**

#### **Between**

#### **Arizona Department of Revenue**

#### **and**

#### **Town of Payson**

#### **Background**

Administration and collection of local municipal transaction privilege tax and similar affiliated excise taxes imposed under the Model City Tax Code are governed under Arizona Revised Statutes Title 42, Chapter 6.

House Bill 2111 (2013 First Regular Session) and House Bill 2389 (2014 Second Regular Session), as a means of simplifying tax administration, requires the local municipal transaction privilege and affiliated excise taxes to be collected and administered by the Arizona Department of Revenue ("DOR"). In addition, DOR and each city and town shall enter into an intergovernmental agreement to establish a uniform method of administration, collection, audit, and licensing. House Bill 2617 (2015 First Regular Session) requires DOR to impose fees on cities and towns to pay a portion of administrative, program and other operating costs for DOR to provide administrative and collection services to local governments.

#### **Purpose**

In furtherance of this mission and the fees imposed by House Bill 2617, this Memorandum of Understanding (MOU) sets forth the understanding between the DOR and the Town of Payson ("Town") to establish performance measures to promote the timely, efficient and accurate processing of municipal tax matters.

#### **Reporting**

Appendix A, which was created by a team of representatives from DOR and the cities and towns, focuses on the performance measures in the operational areas of Administration, Customer Service, AZTAXES.gov, Audit, and Collections.

#### **Duration**

The term of this MOU shall be from July 1, 2015 through June 30, 2016.

#### **Annual Review**

During the term of this MOU, the Appendix A may undergo an annual review to be

completed no later than March 31<sup>st</sup> of each year, however can be delayed or canceled if determined no review is necessary. The performance measures may be modified by DOR and the cities and towns upon mutual agreement during the annual review process. These performance measures are goals. Payments due from cities and towns are required by law, and not contingent upon DOR meeting the goals.

Arizona Department of Revenue  
Attn: Director, Division Code 20  
1600 W. Monroe  
Phoenix, AZ 85007

Town of Payson  
Attn: Acting Town Manager  
303 N. Beeline Hwy.  
Payson, AZ 85541

\_\_\_\_\_ Date: \_\_\_\_\_  
Director  
Arizona Department of Revenue

\_\_\_\_\_ Date: \_\_\_\_\_  
LaRon Garrett, Acting Town Manager  
Town of Payson

---

# **Memorandum of Understanding**

---

## **Memorandum of Understanding**

**Between**

**Arizona Department of Revenue**

**and**

**Town of Payson**

### **Background**

Administration and collection of local municipal transaction privilege tax and similar affiliated excise taxes imposed under the Model City Tax Code are governed under Arizona Revised Statutes Title 42, Chapter 6.

House Bill 2111 (2013 First Regular Session) and House Bill 2389 (2014 Second Regular Session), as a means of simplifying tax administration, requires the local municipal transaction privilege and affiliated excise taxes to be collected and administered by the Arizona Department of Revenue ("DOR"). In addition, DOR and each city and town shall enter into an intergovernmental agreement to establish a uniform method of administration, collection, audit, and licensing. House Bill 2617 (2015 First Regular Session) requires DOR to impose fees on cities and towns to pay a portion of administrative, program and other operating costs for DOR to provide administrative and collection services to local governments.

### **Purpose**

In furtherance of this mission and the fees imposed by House Bill 2617, this Memorandum of Understanding (MOU) sets forth the understanding between the DOR and the Town of Payson ("Town") to establish performance measures to promote the timely, efficient and accurate processing of municipal tax matters.

### **Reporting**

Appendix A, which was created by a team of representatives from DOR and the cities and towns, focuses on the performance measures in the operational areas of Administration, Customer Service, AZTAXES.gov, Audit, and Collections.

### **Duration**

The term of this MOU shall be from July 1, 2015 through June 30, 2016.

### **Annual Review**

During the term of this MOU, the Appendix A may undergo an annual review to be

completed no later than March 31<sup>st</sup> of each year, however can be delayed or canceled if determined no review is necessary. The performance measures may be modified by DOR and the cities and towns upon mutual agreement during the annual review process. These performance measures are goals. Payments due from cities and towns are required by law, and not contingent upon DOR meeting the goals.

Arizona Department of Revenue  
Attn: Director, Division Code 20  
1600 W. Monroe  
Phoenix, AZ 85007

Town of Payson  
Attn: Acting Town Manager  
303 N. Beeline Hwy.  
Payson, AZ 85541

\_\_\_\_\_  
Date: \_\_\_\_\_  
Director  
Arizona Department of Revenue

\_\_\_\_\_  
Date: \_\_\_\_\_  
LaRon Garrett, Acting Town Manager  
Town of Payson