

RESOLUTION NO. 2939

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE MODIFICATION TO INTERGOVERNMENTAL AGREEMENT (“IGA”) BETWEEN THE ARIZONA DEPARTMENT OF REVENUE (“DEPARTMENT”) AND THE TOWN OF PAYSON, AN ARIZONA MUNICIPAL CORPORATION (“TOWN”), RELATING TO THE ADMINISTRATION FUNCTIONS FOR THE TRANSACTION PRIVILEGE TAX AS REQUIRED UNDER A.R.S. § 42-6001.

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, A.R.S. § 42-6001 et seq. was amended effective January 1, 2015 to provide that the Department shall collect and administer any transaction privilege and affiliated excise taxes imposed by any city or town in Arizona. The Department and each city or town shall enter into an intergovernmental contract or agreement pursuant to A.R.S. § 11-952 to provide a uniform method of administration, collection, auditing and licensing of transaction privilege and affiliated excise taxes imposed by the State, cities or towns; and

WHEREAS, the Town and the Department agree to the Modification to the IGA to incorporate a number of changes necessary to carry out the intent and purpose of the IGA; and

WHEREAS, the Town of Payson has taken appropriate action by resolution or otherwise, pursuant to the laws applicable to the governing body, to approve and authorize the Town to enter into this Agreement to continue for an additional one year term; and

WHEREAS, the Parties desire to enter into this IGA for the purpose of having the Department 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, pursuant to A.R.S. §§ 11-951, 11-952 and A.R.S. § 42-6001 et seq., the Parties are authorized to enter into this Agreement.

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

Section 1: That the Intergovernmental Agreement between the Department of Revenue and the Town of Payson, attached hereto marked as Exhibit A, is approved in substantially the form attached.

Prepared by Town of Payson Legal Department

HMF:dkk July 11, 2016 (11:17AM)

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Section 2: That Kenny J. Evans, Mayor of the Town of Payson, is authorized to execute said Intergovernmental Agreement in substantially the form attached.

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

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this _____ day of July, 2016, by the following vote:

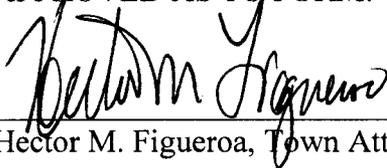
AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

Silvia Smith, Town Clerk



Hector M. Figueroa, Town Attorney

Prepared by Town of Payson Legal Department

HMF:dkk July 11, 2016 (11:17AM)

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Exhibit A

to Resolution 2939

(Modification to IGA with Arizona Department of Revenue)

**MODIFICATION TO INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE STATE OF ARIZONA AND CITY/TOWN**

WHEREAS, The Arizona Department of Revenue, hereinafter referred to as Department of Revenue and City/Town of Payson, Arizona, hereinafter referred to as City/Town, have entered into an Intergovernmental Agreement regarding the administration of taxes imposed by the State or City/Town dated July 1, 2016, hereinafter referred to as the IGA, and

WHEREAS, the Department of Revenue and the City/Town intend to continue with the IGA for an additional one year term in order to determine whether the general terms of the IGA meet the parties' needs, with the exception of the modifications set forth below.

The parties agree to modify the IGA as follows effective July 1, 2016:

1. Add the following new subsection to Section 9, Collection of Municipal Taxes:

9.6 Adjustments to Reported Taxes: If the Department of Revenue determines that a payment remitted by a taxpayer incorrectly identifies the city or town to which the payment should be made, the Department of Revenue may temporarily hold the payment until the distribution of the payment is corrected so that the appropriate city or town receives the payment.

2. Add the following new subsection to Section 9, Collection of Municipal Taxes:

9.7 Taxpayer Rulings and Uniformity: Recognizing taxpayer written requests for interpretation of the statutes and/or the Model City Tax Code, as well as guidance regarding uniform application and interpretation of the statutes and the Model City Tax Code impact all taxing jurisdictions, and further recognizing responsibility for such rulings and interpretation of the Model City Tax Code had previously been the sole domain of the municipalities, the Department shall include at least two representatives of the municipalities as regular members of any group established to respond to such taxpayer ruling requests and to issue such uniform interpretations and guidance promulgated by the Department. Participation by the two representatives of the municipalities on any such group is limited to instances when there is an issue raised that solely involves the Model City Tax Code and/or presents an issue of first impression, including requests for private taxpayer rulings. The municipal representatives may also be consulted by the Department on information letters, or when issuing statements of general guidance. Written requests involving common questions or issues that have previously been addressed, whether unique to the Model City Tax Code or not, may be handled in the regular course of Department processes without consulting the representatives of the municipalities.

3. Amend Section 10, Financing Collection of Taxes as follows:

10. Financing Collection of Taxes.

The costs incurred by the Department in administering this Agreement shall be financed through the State general fund appropriation to the Department. This provision does not relieve City/Town of any financial obligation imposed by statute.

4. Amend subsection 28.1 of Section 28, Duration, relating to automatic renewal of the agreement as follows:

28.1 The term of this Agreement shall be from July 1 through June 30 of each year. This Agreement shall automatically be renewed for successive one year terms thereafter unless either party shall terminate this Agreement by notice, in writing, no later than sixty calendar days prior to the expiration of the term then in effect. Any agreed upon modifications to the terms and conditions of this agreement shall be incorporated to be effective during the term identified by the review committee provided for in section 28.5.

5. Amend subsection 28.5 of Section 28, Duration, relating to annual review of the agreement as follows:

28.5 During the term of this Agreement, the terms and conditions of this Agreement will undergo an annual review to be initiated no later than June 1st of each year. The review will be performed by a committee made up of equal parts representatives of the Department and representatives of the municipal taxing jurisdictions entering into an IGA with the Department for the administration and collection of Municipal Taxes.

Signature Authority.

By signing below, the signer certifies that he or she has the authority to enter into this Agreement and has read the foregoing and agrees to accept the provisions herein. This modification may be executed in counterparts.

Signature	Date	Signature	Date
Typed Name and Title		Typed Name and Title	
Entity Name		Entity Name	

RESERVED FOR THE ATTORNEY GENERAL:	RESERVED FOR CITY/TOWN ATTORNEY:
<p>Attorney General no. _____, which is an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General.</p> <p style="text-align: center;">MARK BRNOVICH The Attorney General</p> <hr/> <p style="text-align: center;">Signature Assistant Attorney General</p> <p>Date: _____</p>	<p>APPROVED AS TO FORM AND AUTHORITY:</p> <p>BY:  _____ CITY/TOWN ATTORNEY</p> <p>Date: <u>7/14/16</u> _____</p>