

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THREE RIVERS SCHOOL DISTRICT AND
JACKSON COUNTY TO COLLECT
AND REMIT CONSTRUCTION EXCISE TAX**

This Construction Excise Tax Intergovernmental Agreement to collect and remit Tax (“CET Collection IGA”) is effective on the last date of signature below, and is by and between [THREE RIVERS SCHOOL DISTRICT], a school district organized under the laws of the State of Oregon (“District”), and Jackson County (“County”), collectively referred to as “Parties.”

RECITALS:

A. ORS Chapter 190 authorizes governmental entities such as a county and a school district to enter into written agreements for the performance of any or all functions and activities that either entity has the authority to perform on its own.

B. ORS 320.170 to 320.189 authorizes school districts, as defined in ORS 330.005, to impose a Construction Excise Tax (“CET”) to fund capital improvements to school facilities.

C. Pursuant to ORS 320.170 to 320.189, District intends to adopt a resolution establishing a Construction Excise Tax (“CET”) throughout its regional jurisdiction. The resolution will provide that a CET be collected by County and remitted to District pursuant to this Intergovernmental Agreement. Pursuant to ORS 320.179(2), the Parties desire to agree upon certain procedures needed to collect the CET and remit the tax to District.

AGREEMENT:

In consideration of the mutual covenants of District and County, given each to the other, District and County do hereby agree as follows:

1. Information and Forms. District shall provide to the County all of the forms, information and assistance necessary for the County to collect the CET. District shall provide County forms and information for CET exemptions.

2. Staffing. County shall provide sufficient staff to calculate and collect the CET. District shall provide sufficient staff to implement the CET program.

3. Facilities Plan. District has adopted or is currently in the process of developing a long-term facilities plan as required by ORS 320.183(2). District agrees not to adopt the CET until such plan has been completed and adopted by resolution of the District’s School Board.

4. Collection: Start Date. County agrees to assess and collect the CET on behalf of District for those properties within District’s boundaries. County shall begin collecting the CET within 10 business days of the date the District gives notice to the County of the adoption of a resolution establishing the CET by District, pursuant to ORS 320.179(1), including a copy of District’s resolution imposing the tax, or the effective date of the CET stated in the Resolution whichever is later. County shall continue collection until the CET expires, the underlying statutory authority is repealed or this CET Collection IGA is terminated by either District or County. County agrees to collect the CET in conjunction with the collection of other building permit fees.

In the event the District increases or otherwise modifies the tax, it shall send written notice to the County of the increase or other modification, including a copy of the District's resolution adopting the change. Thereafter the County shall collect the tax at the new rate within 10 business days after notice is received by the County, or upon the effective date of the changes stated in the District Resolution, whichever is later.

5. Collection: Methodology. The methodology for calculating the CET shall be governed by ORS 320.176 and the parties' Memorandum of Understanding attached hereto as Exhibit A.

6. Refunds. District agrees to process and issue any required refunds of CET.

7. Exemptions. District shall provide County with all forms necessary for CET collections, exemptions, rebates, refunds, appeals and any other forms or information necessary for implementation of the CET. If a person or entity asserts that it is exempt from the CET pursuant to ORS 320.173, and files a District CET Exemption Form at the time the CET would otherwise be due, County shall grant the exemption. It shall be District's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy District may have under law, if the person or entity was not entitled to the exemption. Statutory exemptions to the CET are described in ORS 320.173.

8. Remittance. County shall remit the collected CET to District. Remittance shall be quarterly by the 30th of the month following the end of each quarter. Quarters end on March 31, June 30, September 30 and December 31 of each year. County may choose at its option to remit more frequently.

9. CET Reports. Along with the collected CET remittance, County shall prepare and submit to District a report that includes the aggregate amount of CET collected and the amount of CET administrative fee retained by County, as described in paragraph 12 below, and a list of persons or a copy of forms for all persons that were given an exemption from paying the CET.

10. Failure to Pay CET. In accordance with ORS 320.189, the CET shall be paid by the person or entity undertaking construction at the time that the permit authorizing the construction was issued. Upon a person or entity's refusal to or failure to pay the CET when due, County will not issue the permit. In no event shall County be liable for failure to collect the CET when due. In the event a person or entity fails to pay the CET when due, the County shall notify District in writing within five (5) business days of discovery of such failure to pay, with information adequate for District to begin collection procedures against that person, including the person's name, address, phone numbers, construction project, square footage of new construction, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be the District's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy the District may have under law.

11. Records. County shall make all records related to building permit activity, CET collections, CET exemptions and retained administration fees available to District, or its designated auditors, as necessary for District to audit Construction Excise Tax collections.

12. Administrative Fee. As consideration for the above described services, County shall retain four percent (4%) of the CET collected by County as authorized by House Bill 2014 which became effective October 1, 2009 or such other greater amount as may be authorized by future law. Prior to submitting the CET to District, County shall deduct this administrative fee directly from the

CET collected, and the amounts deducted and retained shall be reported to District. The administrative fee is based on gross CET collected and shall not be reduced by CET refunds or any checks returned for nonsufficient funds. Any fees or charges levied against County for such items, including but not limited to, returned checks shall be paid to County from collected CET in addition to the above administrative fee.

13. Amendment. This CET Collection IGA may be amended by mutual written agreement of the Parties. The Parties further agree to negotiate in good faith to amend this Agreement should ORS 320.170 et. seq. be amended by subsequent legislation or judicial proceedings so that this Agreement is consistent with the most current law relating thereto. Refusal to negotiate an amendment to this Agreement is grounds for immediate termination of this CET Collection IGA.

14. Other Agreements.

- a. This CET Collection IGA does not affect or alter any other agreements between District and County.
- b. This CET Collection IGA is a full and complete integration of the parties' agreement on the topics covered and expressly supersedes and replaces any prior agreements on such topics, whether written or oral.

15. Defense and Indemnification. District agrees to defend, indemnify and hold harmless County, and its officers, agents and employees, against all claims and actions, and all damages and expenses related thereto, arising from County's performance of this Agreement, except for those claims, actions and damages caused by the negligence of County or its officers, agents and employees. The obligations of this paragraph shall include, but not be limited to:

- c. A challenge to County's collection or calculation of the CET on behalf of a District;
- d. For any and all injury to any and all persons or property caused directly or indirectly by reason of any and all acts or omissions of District in performance of this Agreement or adoption of the CET;
- e. Decisions of County staff concerning the amount of any CET, including calculation of such tax and/or any exemptions(s); or
- f. Refusal or denial of any permit for failure to pay the CET.

16. Termination. In the event that Jackson County ceases to be the issuer of permits for structural improvements regulated by the state building code; this CET Collection IGA will be terminated.

17. This CET Collection IGA may be executed in two or more counterparts, each of which shall be considered an original, but together they shall constitute but one agreement.

By: _____
Chairperson, Board of Directors

By: _____
County Administrator

Dated: _____, 2010

Dated: _____, 2010

"District"

"County"