

**INTERGOVERNMENTAL AGREEMENT AMONG
THREERIVERS SCHOOL DISTRICT AND
THE CITY OF GRANTS PASS AND JOSEPHINE 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 among Three Rivers School District a school district organized under the laws of the State of Oregon: the City of Grants Pass (the City), and Josephine County (the County) collectively referred to as “Parties.”

RECITALS:

A. ORS Chapter 190 authorizes governmental entities such as the City of Grants Pass, Josephine County and Three Rivers 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. Senate Bill 1036, which was adopted by the 2007 Legislature and became effective on September 27, 2007, 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 Chapter 829, Oregon Laws 2007 (SB 1036), Three Rivers School District will adopt a Resolution establishing a Construction Excise Tax (CET) throughout its regional jurisdiction. The Resolution will provide that a Construction Excise Tax be collected by the City of Grants Pass and Josephine County and remitted to Three Rivers School District pursuant to an Intergovernmental Agreement. The Parties desire to agree to certain procedures needed to collect the Construction Excise Tax and remit the tax to Three Rivers School District.

AGREEMENT:

In consideration of the mutual covenants of Three Rivers School District, the City of Grants Pass, and Josephine County, each to the other giving, Three Rivers School District and the City and the County hereinafter the Collecting Agencies do hereby agree as follows:

1. Information and Forms. Three Rivers shall provide all of the forms and information necessary to collect the CET.

2. Staffing. The Collecting Agencies shall provide sufficient staff to calculate and collect the CET. Three Rivers shall provide sufficient staff to implement the CET program.

3. Collection start date. The City agrees to collect the CET on behalf of Three Rivers for those properties within Three Rivers and within the Grants Pass Urban Growth Boundary Area, as defined in the Grants Pass and Urbanizing Area comprehensive Plan. The County agrees to collect the CET for those properties outside the jurisdiction of the City. The Collecting Agencies shall begin collecting the CET upon adoption of a resolution establishing the CET by Three Rivers School District and shall continue collection until the CET expires, the underlying statutory authority is repealed, the program is terminated by Three Rivers, or this CET Collection IGA is terminated by either Three Rivers or either the Collecting Agencies.

The Collecting Agencies agrees to collect the CET in conjunction with the collection of other building permit fees. It is understood that the CET will be collected prior to issuing a building or placement permit. The District and Collecting Agencies agree to the following as the method to be used for determining if the CET is applicable and how it is to be calculated:

Residential

- a) Square footage of residential uses shall include single-unit and multiple-unit houses including residential facilities, adult foster homes, and congregate living facilities; and dormitories (as defined in the State Building Code) shall include the gross floor area of the building or addition measured from the outside of the wall to the outside of the wall and shall include the square footage of unfinished basements or bonus rooms but shall not include the gross floor area of a garage, carport, covered walkway, exterior deck, covered exterior porch, patio cover (screened or open), sunroom (unless the sunroom has openings into the house that are without doors or windows that can be closed), and accessory structures such as garden sheds or shops.
- b) Square footage of residential use shall include the gross floor area of a manufactured dwelling or an addition thereto measured from the outside of the wall to the outside of the wall and include the area of cabanas but shall not include the gross floor area of a garage, carport, covered walkway, exterior deck, covered exterior porch, patio cover (screened or open), sunroom (unless the sunroom has openings into the house that are without doors or windows that can be closed), and accessory structures such as garden sheds or shops and ramadas. Square footage of residential use shall not include a manufactured home that replaces an existing manufactured home located in a manufactured home park.
- c) Square footage of residential use shall include the gross floor area of a moved residential building (unless it is moved to a different location on the same property) measured from the outside of the wall to the outside of the wall and shall include the square footage of unfinished basements or bonus rooms but shall not include the gross floor area of a garage, carport, covered walkway, exterior deck, covered exterior porch, patio cover (screened or open), sunroom (unless the sunroom has openings into the house that are without doors or windows that can be closed), and accessory structures such as garden sheds or shops.

The areas excluded from the definition of residential square footage under this section shall not be considered non-residential for purposes of the CET.

Non-Residential Use

- a) Hotel, motel, transient quarters, convents, college dormitories, fraternity, and sorority uses shall be considered non-residential uses.
- b) Square footage of non-residential uses shall include the gross floor area of the building or addition measured from the outside of the wall to the outside of the wall or where no wall exists shall include the useable area under the horizontal projection of the roof or floor above.
- c) Where an existing residential or non-residential use is expanded, converted, demolished or otherwise removed from a property (in part to in total), a credit towards the CET for the new use shall be applied based on the square footage and use of existing building. No CET credit shall be applied if there is no record of the square footage of the existing use. Unless authorized by the District, credits are non-transferable to other properties.

- d) The CET shall be applicable to building permit applications received on or after the effective date of the Intergovernmental Agreement (IGA) between the District and Collecting Agencies for collecting the CET. Should an increase in the CET be authorized, the new rate shall be applicable to all building permit applications received on or after the effective date of the increase. Any building permit application received prior to the effective date of the IGA or increase shall be subject to the CET or increase if the fee has not been paid or the building permit issued within six months of the effective date of the IGA or increase.
- e) The CET shall not apply to structures that do not require a building or placement permit. It will not apply to cell towers, water tanks, retaining walls, swimming pools, private bridges, or covered play structures.

In addition, the applicability of the CET to any item not identified in this agreement shall be as determined by the District within five (5) days of a request by the Collecting Agencies.

4. Refunds. CET fees may be refunded if they are collected in error or the CET is paid for a development that will not be constructed. Requests for refund must be in writing and submitted to the Three Rivers School District not more than 12 months from the date the CET was paid. Three Rivers School District agrees to process and issue any required refunds of CET.

5. Exemptions. Three Rivers School District shall provide the Collecting Agencies with all forms necessary for CET exemptions, rebates, and refunds, 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 and files a Three Rivers School District CET Exemption Form at the time the CET would otherwise be due, the Collecting Agencies shall grant the exemption. It shall be Three Rivers School 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 Three Rivers School District may have under law, if the Person was not entitled to the exemption.

6. Remittance. The Collecting Agencies shall remit the collected CET to Three Rivers School 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. CET remittance shall be deposited directly into Three Rivers School District's LGIP account via electronic funds transfer.

7. CET Reports. Along with the CET remittance, the Collecting Agencies shall prepare and submit to Three Rivers School District a report of the CETs to include: the aggregate amount of CET paid, the amount of CET administrative fee retained by the Collecting Agencies pursuant to this CET Collection IGA and a list or copy of forms for all persons that were given an exemption from paying the CET.

8. Failure to Pay CET. Construction taxes shall be paid by the person undertaking construction at the time that the permit authorizing the construction is issued. Upon a person's refusal to or failure to pay the CET when due, the Collecting Agencies will not issue the permit. In no event shall the Collecting Agencies be liable for failure to collect CET when due.

9. Records. The Collecting Agencies shall make all records related to building permit activity, Construction Excise Tax collections, and CET exemptions available to Three Rivers School District, or its designated auditors, as necessary for Three Rivers School District to audit Construction Excise Tax collections.

10. Administrative Fee. As consideration for the above described services, the Collecting Agencies shall retain 1% of the CET collected by the Collecting Agencies as authorized by Section 5 of Senate Bill 1036. Prior to submitting the CET to Three Rivers, the Collecting Agencies shall deduct this administrative fee directly from the CET collected, and the amounts deducted and retained shall be reported to Three Rivers. The Administrative Fee is based on gross CET collected and shall not be reduced by CET refunds or any checks returned for insufficient funds. Any fees or charges levied against the Collecting Agencies for such items as returned checks, etc. shall be paid to the Collecting Agencies from collected CET in addition to the above Administrative fee.

11. 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 Senate Bill 1036 be amended by subsequent legislation or judicial proceedings so that this agreement is consistent with the most current legislation. Refusal to negotiate an amendment to this agreement is grounds for immediate termination.

12. Other Agreements. This CET Collection IGA does not affect or alter any other agreements between Three Rivers and the Collecting Agencies.

13. Defense and Indemnification. Three Rivers School District agrees to defend, indemnify and hold harmless the Collecting Agencies, and its officers, agents and employees, against all claims and actions, and all damages and expenses related thereto, arising from the Collecting Agencies' performance of this agreement, except for those caused by the sole negligence of the Collecting Agencies or its officers and employees.

14. Termination. Any of the parties may terminate this agreement for any reason upon 90 days written notice to the other party.

15. Severability/ Survival. If any of the provisions contained in this IGA are held unconstitutional or unenforceable, the enforceability of the remaining provisions shall not be impaired. All provisions concerning liability and indemnity shall survive the termination of this IGA for any cause.

Three Rivers School District

 Dave Strahan, Chairperson
 Board of Directors, Three Rivers School District

Date: _____

STATE OF OREGON)
) *ss.*
 County of Josephine)

On this _____ day of _____, 2008, before me _____, the undersigned Notary Public, personally appeared Dave Strahan, as Chairperson for the Three Rivers School District Board of Directors, personally known to me (or proved to be on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that he executed it.

 Notary Public for the State of Oregon
 My commission expires: _____

City of Grants Pass

 David W. Frasher, City Manager
 City of Grants Pass

Date: _____

STATE OF OREGON)
) *ss.*
 County of Josephine)

On this _____ day of _____, 2008, before me _____, the undersigned Notary Public, personally appeared David W. Frasher as City Manager of the City of Grants Pass, an Oregon municipal corporation, personally known to me (or proved to be on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that he executed it.

 Notary Public for the State of Oregon
 My commission expires: _____

Josephine County

Dave Toler, Chairperson
Board of County Commissioners

Date: _____

STATE OF OREGON)
) *ss.*
County of Josephine)

On this _____ day of _____, 2008, before me _____, the undersigned Notary Public, personally appeared Dave Toler as Chairperson for Josephine County Board of Commissioners, personally known to me (or proved to be on the basis of satisfactory evidence) to be the person(s) whose name(s) is (are) subscribed to this instrument, and acknowledged that he (she or they) executed it.

Notary Public for the State of Oregon
My commission expires: _____

Dwight Ellis, Vice Chairperson
Board of County Commissioners

Date: _____

STATE OF OREGON)
) *ss.*
County of Josephine)

On this _____ day of _____, 2008, before me _____, the undersigned Notary Public, personally appeared Dwight Ellis as Vice Chairperson for Josephine County Board of Commissioners, personally known to me (or proved to be on the basis of satisfactory evidence) to be the person(s) whose name(s) is (are) subscribed to this instrument, and acknowledged that he (she or they) executed it.

Notary Public for the State of Oregon
My commission expires: _____

Josephine County

Jim Raffenburg, Commissioner
Board of County Commissioners

Date: _____

STATE OF OREGON)
) *ss.*
County of Josephine)

On this _____ day of _____, 2008, before me _____, the undersigned Notary Public, personally appeared Jim Raffenburg as Commissioner for Josephine County Board of Commissioners, personally known to me (or proved to be on the basis of satisfactory evidence) to be the person(s) whose name(s) is (are) subscribed to this instrument, and acknowledged that he (she or they) executed it.

Notary Public for the State of Oregon
My commission expires: _____