

**Intergovernmental Agreement Between the  
City of \_\_\_\_\_ and the  
\_\_\_\_\_ School District to  
Collect and Remit Construction Excise Tax**

Construction Excise Tax Intergovernmental Agreement (“IGA”) between the City of \_\_\_\_\_ (“City”) and the \_\_\_\_\_ School District (“School District”).

**RECITALS:**

- A. ORS Chapter 190 authorizes City and 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. School District is authorized by Chapter 829, Oregon Laws 2007 (Enrolled Senate Bill 1036) – further referred to in this IGA as the “CET law”-- to impose a Construction Excise Tax (“CET”) to fund capital improvements to school facilities.
- C. Pursuant to the CET law, School District has adopted a resolution establishing a CET throughout its jurisdiction. The resolution provides that the CET be collected by the City and remitted to School District pursuant to an Intergovernmental Agreement.
- D. City and School District desire establish certain procedures needed to collect the CET and remit the tax to School District.

City and School District agree:

- 1. Information and Forms. School District will provide all of the forms and information necessary to collect the CET including a certified copy of the resolution establishing the CET.
- 2. Staffing. City shall provide sufficient staff to calculate and collect the CET in accordance with the terms of this IGA. School District shall provide sufficient staff to implement all other aspects of the CET program established by the School District.
- 3. Collection; Start date. City will collect the CET on behalf of School District for those properties that are within the School District boundaries and within the city limits of City.
  - A. Collection shall be in the form of separate checks from building permit applicants payable to School District in conjunction with the collection of the other building permit fees by the City.

- B. City will begin collecting the CET upon:
    - i. Receipt of a certified copy of School District's resolution establishing the CET which is in compliance with the CET law.
    - ii. Receipt of a fully executed original copy of this IGA.
  - C. City will continue collection until the CET expires, the underlying statutory authority is repealed, the program is terminated by School District, or this IGA is terminated by either the School District or the City.
4. Refunds. School District agrees to process and issue any required refunds of CET.
  5. Exemptions. If the building permit applicant asserts that the applicant is exempt from the CET and shows proof of filing a School District CET Exemption Form at the time the CET would otherwise be due, City will recognize the exemption. School District is responsible to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy School District may have under law, if the applicant was not entitled to the exemption.
  6. Remittance. City will remit the collected CET to School District by forwarding checks from building permit applicants along with copies of completed CET collection forms or proof of filing of a School District's CET Exemption Form at least once per month. No other CET reports are required. School District shall deposit the CET collected into the appropriate School District accounts.
  7. Failure to Pay CET. The City shall collect the CET from the building permit applicant at the time that the permit authorizing construction subject to CET is issued. Upon refusal or failure to pay the CET when due, or failure to provide proof of filing the School District CET Exemption Form, the City will not issue the permit. In no event is the City liable for failure to collect CET when due.
  8. Records. City shall make all records relating to the building permit authorizing construction subject to the CET and CET collections available to School District, or its designated auditors, as necessary for School District to audit CET collections.
  9. Administrative Fee. As consideration for the above described services, School District shall pay City an administrative fee in an amount equal to 1% of the CET collected by the City as authorized by Section 5 of the CET law. City will invoice School District for this fee based on gross CET collected. For purposes of calculating the fee, the amount of gross CET collected shall not be reduced by refunds or checks returned for insufficient funds.
  10. Amendment. This IGA may be amended only by mutual written agreement of the City and School District. City and School District further agree to negotiate in

good faith to amend this IGA should the CET law be amended by subsequent legislation or judicial proceedings so that this IGA is consistent with the most current legislation. Refusal to negotiate an amendment to this IGA is grounds for immediate termination.

11. Other Agreements. This CET Collection IGA does not affect or alter any other agreements between School District and City.
12. Defense and Indemnification. School District agrees to defend, indemnify and hold harmless the City, and its officers, agents and employees, against all claims and actions, and all damages and expenses related thereto, arising from the City's performance of this IGA, except for those caused by the sole negligence of the of the City or its officers and employees.
13. Termination. Either party may terminate this IGA for any reason upon 90 days written notice to the other party.