



**CITY OF MILWAUKIE**

*'Dogwood City of the West'*

**Resolution No. 86-2014**

**A resolution of the City Council of the City of Milwaukie, Oregon, authorizing the City Manager to sign an Intergovernmental Agreement with Metro to collect a Construction Excise Tax and remit fund to Metro on a quarterly basis**

**WHEREAS**, Metro adopted Ordinance No. 06-1115 requiring builders to pay an excise tax on the valuation of certain projects; and

**WHEREAS**, the CET Ordinance was extended in 2009 with a September 30, 2014 sunset; and

**WHEREAS**, on July 19, 2014 the CET program was again extended with Ordinance No. 14-1328 with a new sunset date of December 31, 2020: and

**WHEREAS**, the funds collected are necessary to support planning activities in areas recently brought into the Metro Urban Growth Boundary; and

**WHEREAS**, the City of Milwaukie Building Inspections Department has the resources to collect and remit the tax and will retain 5% of the funds to cover costs incurred;

**Now, Therefore, be it Resolved** that the City Council of the City of Milwaukie adopt a resolution authorizing the City Manager to sign an Intergovernmental Agreement with Metro to collect a Construction Excise Tax and remit funds to Metro on a quarterly basis.

Introduced and adopted by the City Council on 12/2/14.

This resolution is effective on 12/2/14.

David A. Hedges, Council President

ATTEST:

APPROVED AS TO FORM:  
Jordan Ramis PC

Pat DuVal, City Recorder

Cynthia Korman  
City Attorney

**CONSTRUCTION EXCISE TAX  
INTERGOVERNMENTAL AGREEMENT  
TO COLLECT AND REMIT TAX BETWEEN  
METRO AND THE CITY OF MILWAUKIE**

This Construction Excise Tax Intergovernmental Agreement to Collect and Remit Tax ("CET Collection IGA") is by and between Metro, a metropolitan service district organized under the laws of the state of Oregon and the Metro Charter, located at 600 Northeast Grand Avenue, Portland, OR, 97232-2736 ("Metro"), and the City of Milwaukie ("City"), located at 10722 SE Main Street, Milwaukie, OR 97222, collectively referred to as "Parties."

WHEREAS, on March 23, 2006 Metro adopted Ordinance No. 06-1115, establishing a Construction Excise Tax ("CET") throughout the Metro regional jurisdiction for the purpose of funding local government efforts toward completing the planning requirements for areas brought into the Metro urban growth boundary; and

WHEREAS, on June 20, 2006 Metro and the City entered into a CET Collection IGA, which provides that the City will collect and remit Construction Excise Taxes pursuant to the CET ordinance until a sunset date that occurred in 2009; and

WHEREAS, the CET Ordinance and CET Collection IGA were extended in 2009, with a September 30, 2014 sunset; and

WHEREAS, on June 19, 2014, the Metro Council extended the CET Ordinance again via Ordinance No. 14-1328, with a new CET sunset date of December 31, 2020; and

WHEREAS, the Parties desire to enter into this new CET Collection IGA to replace their existing CET Collection IGA and to reflect the new sunset date of December 31, 2020;

NOW THEREFORE, the Parties agree as follows:

1. Information and Forms. Metro shall provide to the City information, forms, and assistance explaining the Construction Excise Tax.
2. Staffing. The City shall provide sufficient staff to calculate and collect the Construction Excise Tax along with the collection of other permit fees. Metro shall provide sufficient staff to implement the CET program including grant distribution.
3. Collection and Distribution of Funds. The City agrees to collect the Construction Excise Tax on behalf of Metro as provided in Metro Ordinance No. 14-1328. The City shall begin collecting the CET on September 17, 2014 and shall continue collection until the expiration of the CET as set forth below. Metro agrees to use and distribute the CET funds collected by the City as described in Ordinance No. 14-1328 and in applicable administrative rules adopted by Metro.
4. Exemptions. Metro shall provide the City with forms for CET exemptions, rebates, and refunds, and any other forms or information necessary for implementation of the CET. If a person claims to be exempt from the CET and files a Metro CET Exemption Form at the time the CET would otherwise be due, the City shall grant the exemption. It shall be Metro'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 Metro may have under law, if the person was not entitled to the exemption.

5. Remittance. The City shall remit the collected CET to Metro. Remittance shall be quarterly, unless the City prefers to remit the CET monthly, by the 30<sup>th</sup> of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.

6. CET Reports. Along with the CET remittance, the City shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by Jurisdiction pursuant to this CET Collection IGA.

7. Failure to Pay CET. Upon a person's refusal to or failure to pay the CET when due, the jurisdiction administering that person's building permit shall notify Metro in writing within five business days of such failure, with information adequate for Metro to begin collection procedures against that person, including the person's name, address, phone numbers, construction project, value of new construction, and building permit number. Upon a person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.

8. Records. The City shall make all records related to building permit activity, Construction Excise Tax collections, and CET exemptions available to Metro, or its designated auditors, as necessary for Metro to audit Construction Excise Tax collections.

9. Administrative Fee. As consideration for the above described services, the City shall retain five percent (5%) of the CET collected by the Jurisdiction. Prior to submitting the CET to Metro, the City shall deduct this administrative fee directly from the CET collected, and the amounts deducted and retained shall be identified on the report submitted to Metro.

10. Sunset. The City shall cease collection of the Construction Excise Tax pursuant to this CET Collection IGA on December 31, 2020.

11. Amendment. This CET Collection IGA may be amended by mutual written agreement of the Parties.

12. Other Agreements. This CET Collection IGA does not affect or alter any other agreements between Metro and the City.

**Metro**

**City of Milwaukie**

By:   
Martha Bennett

By: 

Title: Metro Chief Operating Officer

Title: City Manager

Date: 12/31/14

Date: 12/2/14