

**Carson City
Agenda Report**

Date Submitted: 07/29/14

Agenda Date Requested: 08/07/14

Time Requested: 5 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: Action to approve an Interlocal Agreement between Carson City, a political subdivision of the State of Nevada, and the State of Nevada Department of Taxation, the "Department", collectively the "Parties" for the purpose of collecting the 1/8 cent sales tax for infrastructure pursuant to NRS 377B.

Staff Summary: Carson City, through its Board of Supervisors, and consistent with NRS 377B.100 as enacted by Carson City Ordinance No. 2014-7, Bill No. 107, increased the sales and use tax in Carson City by one eighth of one percent, effective October 1, 2014, which is pledged for the payment of principal and interest on notes, bonds or other securities issued to provide money for the cost of the projects, facilities and activities described in the Plan and further provides that any such ordinance must include a provision requiring Carson City to enter into a contract with the Department to perform all functions incident to the administration or operation of the tax in Carson City, and the Parties intend that this Agreement serve as the required contract.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: () Yes (xx) No

Recommended Board Action: I move to approve an Interlocal Agreement between Carson City, a political subdivision of the State of Nevada, and the State of Nevada Department of Taxation, the "Department", collectively the "Parties" for the purpose of collecting the 1/8 cent sales tax for infrastructure pursuant to NRS 377B.100.

Explanation for Recommended Board Action: Applicable Statute, Code, Policy, Rule or Regulation: See staff summary

Applicable Statute, Code, Policy, Rule or Regulation: NRS 377B.110 (5), NRS 374.785 (3), Interlocal Contract Agreement attached.

Fiscal Impact: N/A

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: None – if you levy an NRS 377B sales and use tax, you have to contract with the State of Nevada Department of Taxation to collect the money.

Supporting Material: Interlocal Contract Agreement

Prepared By: Nick Providenti

Reviewed By: Nancy Paulera Date: 7/29/14
(Department Head)

Nicholas Spicardi Date: 7/29/14
(City Manager)

[Signature] Date: 7/29/14
(District Attorney)

Nancy Paulera Date: 7/29/14
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

Interlocal Agreement

THIS AGREEMENT is made and entered into this ___ day of _____, 2014, by and between Carson City, a political subdivision of the State of Nevada, and the State of Nevada Department of Taxation, the "Department," collectively the "Parties."

WHEREAS, Carson City, through its Board of Supervisors, and consistent with NRS 377B.100 as enacted by Carson City Ordinance No. 2014-7, Bill No. 107, increased the sales and use tax in Carson City by one eighth of one percent which is pledged for the payment of principal and interest on notes, bonds, or other securities issued to provide money for the cost of the projects, facilities and activities described in the Plan, and

WHEREAS, NRS 377B.110 (5) further provides that any such ordinance must include a provision requiring the County to enter into a contract with the Department to perform all functions incident to the administration or operation of the tax in Carson City, and the Parties intend that this Agreement serve as the required contract; and

WHEREAS, Carson City has adopted Ordinance No. 2014-7, Bill No. 107 imposing the tax and setting the rate at one-eighth of 1 percent effective October 1, 2014 (the Ordinance);

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, Carson City and the Department agree as follows:

1. The Department shall administer and enforce all provisions of Ordinance No. 2014-7, Bill No. 107 pertaining to the collection of all taxes provided for in said Ordinance.
2. Carson City shall reimburse the Department for the costs of collecting the tax imposed by the Ordinance. The amount of collection costs to be reimbursed by Carson City hereunder shall be computed in the manner provided by NRS 374.785 (3). Before distributing any revenue to Carson City pursuant to paragraph 3 below, the Department shall deduct said collection costs from the amount to be distributed.
3. Subject to paragraph 2, above, the Department shall distribute to Carson City, on a monthly basis, the revenue collected pursuant to this Agreement. With each distribution, the Department shall provide the Carson City Treasurer with a monthly statement setting forth the amount collected and any collection costs deducted by the Department.
4. Carson City agrees that the Department shall have the power to make all necessary rules and regulations and prescribe all necessary forms or other requirements for the purpose of making the administration of the Ordinance effective.
5. The Department shall have all the powers, duties, and responsibilities as provided by the Ordinance and Chapter 374 of the Nevada Revised Statutes and all amendments thereto, and all other State laws pertaining to the collection of sales and use taxes.

6. If any term or provision of this Agreement is deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

7. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.

8. This Agreement is binding upon and inures to the benefit of the permitted successors and assigns of the parties hereto. None of these parties shall assign any of the rights or delegate any of the duties of this Agreement without the express written consent of the other party.

9. Except as otherwise expressly provided, this Agreement (including all Exhibits attached hereto) constitutes the entire contract between the Parties hereto and may not be modified except by an instrument in writing signed by the party to be charged.

10. The Parties hereto expressly agree that this Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed on its behalf by an authorized representative.

CARSON CITY, NEVADA

By: _____
Robert L. Crowell, Mayor

ATTEST:

Alan Glover, Clerk-Recorder

Dated this ____ day of _____, 2014.

APPROVED AS TO FORM:

By: _____
Neil A. Rombardo, District Attorney

DEPARTMENT OF TAXATION

By: _____
Christopher Nielsen
Executive Director
Nevada Department of Taxation

Dated this ____ day of _____, 2014.

Approved as to form:

By: _____
Gina C. Session
Chief Deputy Attorney General

Interlocal Agreement

THIS AGREEMENT is made and entered into this ___day of _____, 2014, by and between Carson City, a political subdivision of the State of Nevada, and the State of Nevada Department of Taxation, the "Department," collectively the "Parties."

WHEREAS, Carson City, through its Board of Supervisors, and consistent with NRS 377B.100 as enacted by Carson City Ordinance No. 2014-7, Bill No. 107, increased the sales and use tax in Carson City by one eighth of one percent which is pledged for the payment of principal and interest on notes, bonds, or other securities issued to provide money for the cost of the projects, facilities and activities described in the Plan, and

WHEREAS, NRS 377B.110 (5) further provides that any such ordinance must include a provision requiring the County to enter into a contract with the Department to perform all functions incident to the administration or operation of the tax in Carson City, and the Parties intend that this Agreement serve as the required contract; and

WHEREAS, Carson City has adopted Ordinance No. 2014-7, Bill No. 107 imposing the tax and setting the rate at one-eighth of 1 percent effective October 1, 2014 (the Ordinance);

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, Carson City and the Department agree as follows:

1. The Department shall administer and enforce all provisions of Ordinance No. 2014-7, Bill No. 107 pertaining to the collection of all taxes provided for in said Ordinance.
2. Carson City shall reimburse the Department for the costs of collecting the tax imposed by the Ordinance. The amount of collection costs to be reimbursed by Carson City hereunder shall be computed in the manner provided by NRS 374.785 (3). Before distributing any revenue to Carson City pursuant to paragraph 3 below, the Department shall deduct said collection costs from the amount to be distributed.
3. Subject to paragraph 2, above, the Department shall distribute to Carson City, on a monthly basis, the revenue collected pursuant to this Agreement. With each distribution, the Department shall provide the Carson City Treasurer with a monthly statement setting forth the amount collected and any collection costs deducted by the Department.
4. Carson City agrees that the Department shall have the power to make all necessary rules and regulations and prescribe all necessary forms or other requirements for the purpose of making the administration of the Ordinance effective.
5. The Department shall have all the powers, duties, and responsibilities as provided by the Ordinance and Chapter 374 of the Nevada Revised Statutes and all amendments thereto, and all other State laws pertaining to the collection of sales and use taxes.

6. If any term or provision of this Agreement is deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

7. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.

8. This Agreement is binding upon and inures to the benefit of the permitted successors and assigns of the parties hereto. None of these parties shall assign any of the rights or delegate any of the duties of this Agreement without the express written consent of the other party.

9. Except as otherwise expressly provided, this Agreement (including all Exhibits attached hereto) constitutes the entire contract between the Parties hereto and may not be modified except by an instrument in writing signed by the party to be charged.

10. The Parties hereto expressly agree that this Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed on its behalf by an authorized representative.

CARSON CITY, NEVADA

By: _____
Robert L. Crowell, Mayor

ATTEST:

Alan Glover, Clerk-Recorder

Dated this ____ day of _____, 2014.

APPROVED AS TO FORM:

By: _____
Neil A. Rombardo, District Attorney

DEPARTMENT OF TAXATION

By: _____
Christopher Nielsen
Executive Director
Nevada Department of Taxation

Dated this ____ day of _____, 2014.

Approved as to form:

By: _____
Gina C. Session
Chief Deputy Attorney General