

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

In the Matter of consolidating administration)	
of the Multnomah County Business Income Tax)	RESOLUTION
and the Portland Business License Fee)	93-233

WHEREAS the City of Portland has a Business License Fee in place; and

WHEREAS the County currently contracts with the Oregon State Department of Revenue to administer MCBIT; and

WHEREAS the divergence of codes of the City of Portland Business License Fee and MCBIT have placed a burden on businesses subject to both; and

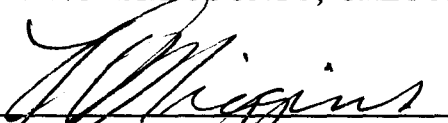
WHEREAS the Multnomah County Finance Division and Planning and Budget Division, in cooperation with the City of Portland Bureau of Licenses, developed similar ordinances to achieve code conformity and consolidation of administration with the Portland Bureau of Licenses; now therefore,

BE IT RESOLVED the Intergovernmental Agreement between Multnomah County and the City of Portland, as shown in Exhibit B, for administration of collection and enforcement of income taxes payable under MCC Chapters 5.60 and 5.70 is approved.

BE IT FURTHER RESOLVED the Finance Director shall send notice to the State Department of Revenue that the County will terminate the Intergovernmental Agreement between the County and the State effective January 1, 1994.

Adopted this 24th day of June, 1993.

**BOARD OF COUNTY COMMISSIONERS FOR
MULTNOMAH COUNTY, OREGON**

by 
Hank Miggins, Acting Chair

REVIEWED:

Laurence Kressel, County Counsel


by: 
Assistant County Counsel



EXHIBIT B

MULTNOMAH COUNTY, OREGON
CITY OF PORTLAND

INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and the City of Portland, hereinafter "City", is pursuant to authority of ORS Chapter 190.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

- a. The consolidated administration of the City of Portland's Business License Law and the Multnomah County Business Income Tax would simplify reporting requirements for businesses and reduce administrative costs for both the City and the County;
- b. A consolidated program would allow businesses to follow a single set of procedures and definitions and to file a single reporting form for both the City and the County;
- c. The City and the County have jointly developed a plan to achieve code conformity and consolidated administration;
- d. The City is willing and able to administer the Multnomah County Business Income Tax for the County.

NOW THEREFORE, in consideration of the mutual promises contained herein and as authorized by ORS 190.010 to 190.030, the parties agree as follows:

1. General Administration.

A. The City of Portland's Bureau of Licenses (the Bureau) shall supervise and administer the Multnomah County Business Income Tax Law, imposed by the Multnomah County Code as adopted by the Multnomah County Commission (the County Business Income Tax).

B. The Bureau shall be responsible for all administration of the County Business Income Tax, including, but not limited to, adopting administrative rules, collecting estimated tax payments, auditing returns, assessing and collecting tax deficiencies, including penalties and interest, making refunds, hearing appeals, and taking any other action necessary to administer and collect taxes under the County

Business Income Tax. The County shall be responsible for defending any claims against the County Business Income Tax regarding the legal validity or constitutionality of the County Business Income Tax.

C. In performing its duties under this Agreement, the Bureau may in its discretion determine what action shall be taken to enforce the provisions of the County Business Income Tax and collect the tax imposed thereunder. In exercising its discretion, the Bureau shall provide a level of service comparable to the level of service it provides in the administration of the Business License Law. If the Bureau deems it necessary to vary substantially from this standard, the Bureau shall notify the County of the need and obtain its written consent.

D. The Bureau will begin administration of the County Business Income Tax on July 1, 1993. The County shall provide the Bureau with all information necessary for the administration of the County Business Income Tax on or before September 1, 1993.

E. The Bureau will begin collection of the tax imposed under the County Business Income Tax on January 1, 1994. The Department of Revenue, State of Oregon, (the Department) shall be responsible for collection of all taxes for the tax years prior to that date, under the agreement previously existing between the County and the Department. If the Department is otherwise unwilling or unable to collect taxes for prior tax years, the City and County may enter into a separate agreement to authorize the Bureau to collect taxes under the County Business Income Tax for prior tax years.

F. Appeals Board.

1. The County designates the Business License Appeals Board, as created by the Business License Law, as the body for reviewing taxfiler appeals from final determinations made by the Bureau under the County Business Income Tax.

2. The County Chair shall provide recommendations for appointments to be made by the Mayor to the Business License Appeals Board. The Mayor shall appoint one (1) of the three (3) public members of the Business License Appeal Board from the list of recommendations submitted by the County Chair.

2. Payments to the County.

The Bureau shall deposit all taxes collected under this Agreement to a trustee account within the City established on behalf of and for the benefit of the County. The account shall earn interest based on the City's internal interest allocation used for its own funds. The City shall, after deducting its cost of administration, refunds and other credits, remit the balance of the tax collected under this Agreement to the County by the tenth (10th) business day following the close of each month. The Bureau shall maintain a reserve balance of approximately Seventy five thousand dollars (\$75,000). Payments of taxes collected under this Agreement shall be made by the Bureau to the County's Local Government Investment Pool Account No. 4017. Should extraordinary refunds, adjustments, or credits require funds in excess of \$75,000, the County shall transfer necessary funds to the Bureau from its Local Government Investment Pool Account No. 4017 to the City's Local Government Investment Pool Account No. 4002. The Bureau shall prepare monthly reconciliations of deposits made and net revenues collected. The Bureau shall provide a minimum of 10 days prior notice if it requires transfer by the County of an amount equal to or greater than \$500,000.

3. Payments to the City.

Effective July 1, 1993, the City shall receive compensation for administering the County Business Income Tax. For fiscal year 1993-94, the County shall pay compensation to the City in the amount of Three hundred fifty thousand dollars (\$350,000). The City is authorized to deduct the first Three hundred fifty thousand dollars (\$350,000) collected in taxes under this Agreement in fiscal year 1993-94 as this compensation. For fiscal year 1994-95, the County shall compensate the City in the amount of Four hundred fifty thousand dollars (\$450,000). For fiscal year 1995-96 and thereafter, the annual compensation for the City for administration services shall be Four hundred fifty thousand dollars (\$450,000), adjusted annually by the greater of three percent (3%) or the Portland Consumer Price Index All Urban Consumers (CPI-U) as issued by the US Department of Labor, Bureau of Labor Statistics during February of each year. Except for the compensation paid in fiscal year 1993-94, the compensation to the City shall be paid in twelve (12) equal payments, deducted from payments to the County as described in paragraph 2. Payments to the City shall be made by the tenth (10th) business day following the close of each month.

4. Notification of Changes.

A. County Business Income Tax Changes. The parties shall cooperate in amending the County Business Income Tax or the Business License Law to ensure uniformity and consistency in these respective codes and in administration. Both parties to this Agreement shall notify the other of any intent to make changes, whether in the law or in the tax or fee rates, at least ninety (90) days prior to adopting the change. If both parties mutually agree to make changes, such changes may take effect in less than the ninety (90) days required.

B. Administrative Rules. The County's Finance Director, or designee, shall be involved in the development of Administrative Rules. The Bureau shall not initiate the public process for review and comment on proposed Administrative Rules until the County's Finance Director and the Bureau mutually agree on the content and substance of the Administrative Rules. The Bureau shall notify the County's Finance Director at least thirty (30) days prior to scheduling any public hearing on proposed Administrative Rules, unless both parties mutually agree to notice of less than thirty (30) days.

5. Reports.

A. The Bureau shall provide a receipts and expenditure report to the County at the close of each of the City's accounting periods. The Bureau will deliver a preliminary report, estimating receipts and expenditures by tax year, to the County by the 10th day of each month. If the 10th day falls on a legal holiday or on a weekend, the preliminary report will be delivered on the following business day.

B. The Bureau shall provide the County with quarterly reports of large potential refunds, due to amended returns, appeals or overpaid estimates. For purposes of the preceding sentence, "large" shall mean an accumulated total of at least \$75,000

C. The Bureau shall provide a written annual summary of the proceeding year to the County, showing the number of tax returns filed and dollars paid by entity type, total revenues collected, refunds paid, administrative costs, and other pertinent information.

D. The Bureau will provide other reports, or may discontinue or combine any of the above reports, as the Bureau

and the County may mutually agree. If the reports requested by the County require extensive programming time, the City and the County may agree upon additional charges to be paid for such additional work under this Agreement.

6. Information.

A. The parties will cooperate in exchanging information and making joint public announcements to promote the effective administration of the County Business Income Tax and the Business License Law. In regard to the County Business Income Tax, all public announcements and all correspondence relating to policy matters and public relations will be the County's responsibility. The Bureau shall promptly notify the County of any matter arising from the administration of the County Business Income Tax that may require any legislative amendments or affect County policy, including any policy relating to the amount of taxes collected.

B. Public Records.

1. All work performed by the City under the terms of this agreement shall be considered to be the property of the County. The County shall own any and all data, documents, plans, working papers and any other materials the City produces in connection with this Agreement. Upon termination of this Agreement, the City shall deliver all materials produced in connection with this Agreement, upon reasonable notice from the County.

2. The Bureau may receive public records requests for County Business Income Tax records obtained by or provided to the Bureau under this Agreement. Any requests for such records shall be forwarded to the County's Finance Director by the following business day. The Finance Director may determine if the requested records exist, and if such records are subject to the public records law. Any determination made by the County under the public records law shall be the County's sole responsibility, including but not limited to any legal defenses of such determinations.

7. Limitations and Conditions.

A. To the extent permitted by Oregon law, the City shall indemnify, within the limits of the Oregon Tort Claims, the County from any and all claims, demands, settlements or judgments, including all costs and attorney fees, arising from

any of the Bureau's activities under this Agreement, provided, that the City shall not be required to indemnify the County for any such claims, demands, settlements or judgments arising from the wrongful acts of the County's officers, agents or employees.

B. To the extent permitted by Oregon law, the County shall indemnify, within the limits of the Oregon Tort Claims, the City from any and all claims, demands, settlements or judgments, including all costs and attorney fees, arising from any of the County's activities under this Agreement, provided, that the County shall not be required to indemnify the City for any such claims, demands, settlements or judgments arising from the wrongful acts of the City's officers, agents or employees.

8. Confidentiality.

A. The information provided by individual taxpayers on tax returns shall be treated as confidential information to the extent permitted under Oregon law. Such information may be disclosed to the County, for purposes of monitoring or overseeing the Bureau's administration of the County Business Income Tax or for County revenue forecasting and budgeting. If authorized by the County's Finance Director, County officers, agents or employees may have access to such information after the execution of a certificate of confidentiality. The certificate shall advise the officer, agent or employee of the penalties for disclosure of confidential information. The County shall obtain and keep on file such certificates for its employees, agents and officers, and will provide a copy of the certificate to the Bureau.

B. When making requests for such information, other than routinely agreed upon reports, the County shall give not less than ten (10) days prior notice to the Bureau, stating the information desired, the purpose of the request and the use to be made of such information.

C. The County may audit the Bureau's administration of the County Business Income Tax, applying generally accepted audit standards. The County shall provide reasonable prior notice of its intent to audit the Bureau. Prior to beginning the audit, all County officers, agents or employees participating in the audit shall execute confidentiality certificates as provided herein.

D. The County's Finance Director may, at the County's expense, request and have installed one "inquiry only" telephone

access line to the Bureau's business database. Access to the database shall be restricted to the Finance Director and any designees. Access to the database shall be protected by restrictions, including but not limited to password access codes and physical lockouts. Prior to the installation of the "inquiry only" line, confidentiality certificates shall be executed by the Finance Director and any designees to be given access to the line.

9. Term.

A. The term of this Agreement shall be five years from the date it is executed by all parties, unless terminated by operation of law or by either party upon six months prior written notice. Prior to the termination date of this Agreement, the County and the Bureau will determine the disposition of pending matters which will not otherwise be completed within the term of this Agreement, and the Bureau will provide the County with such records as are necessary for the County to commence collecting the tax under the County Business Income Tax.

B. At its sole option, the County may extend the term of this Agreement by additional five year increments, beyond the initial five year period.

10. Integration.

This Agreement embodies the whole of the agreement between the parties for the administration of the County Business Income Tax. Any prior written or oral agreements shall be superseded hereby. The terms of this Agreement shall not be waived, altered, modified, supplemented or amended, in any manner whatsoever, except by written instrument signed by the parties.

11. Severability.

If any provisions of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

12. Notice.

A. Project Managers. The City Project Manager shall be the Director of the City's Bureau of Licenses, or such other person as shall be designated in writing by the Director. The County's Project Manager shall be the County Finance Director, or

such other person as shall be designated in writing by the County Finance Director.

B. Any notice provided for under this Agreement shall be sufficient if in writing and delivered personally to the following addressee or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed as follows, or to such other address as the receiving party specifies in writing:

If to the City: Bureau of Licenses Director
1120 SW 5th Avenue, Room 1206
Portland, Oregon 97204

If to the County: Multnomah County Finance Director
1120 SW 5th Avenue, Room 1430
Portland, Oregon 97204

IN WITNESS WHEREOF, the authorized representatives of the City and the County, as parties hereto, acting pursuant to the authority granted to them, have

HEREBY AGREED:

CITY OF PORTLAND

MULTNOMAH COUNTY

By Vera Katz
Mayor
City of Portland, Oregon

By Thiggin
Chair
Multnomah County Board of
Commissioners

Date signed: 7/29/93

Date signed: 6-24-93

Approved as to Form:

Reviewed by:

Benjamin Walters
Jeffrey L. Rogers *Deputy*
City Attorney

John L. Kressel
Laurence Kressel
County Counsel for
Multnomah County

license\misc.bew\intergov.agr

ORDINANCE NO. 166675

Authorize Intergovernmental Agreement which contracts with Multnomah County for the Bureau of Licenses to administer the Multnomah County Business Income Tax program (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

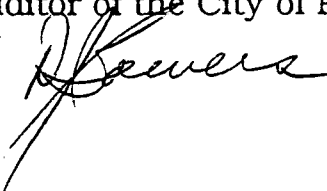
1. Both the City of Portland and Multnomah County have a business license or business tax, assessed on business within their respective boundaries.
2. The City's business license and the County's business income tax are calculated using similiar methods and calculations.
3. Administration of both programs by one jurisdiction will save businesses preparation time and money, and will save taxpayer dollars in administration costs.
4. Administration of both programs by the City of Portland will retain control of the programs at the local level, and provide businesses with a local agency to provide services and responses to questions.

NOW, THEREFORE, the Council directs:

- a. The Mayor is authorized and directed to execute on behalf of the City an intergovernmental agreement with Multnomah County substantially similar to that attached to this ordinance as Exhibit A.

Passed by the Council, JUN 2 4 1993

Commissioner Gretchen Kafoury
GK:DN:TK
June 10, 1993

BARBARA CLARK
Auditor of the City of Portland
By  Deputy