



Memorandum

TO: Town Council

FROM: Finance Department

DATE: June 5, 2018

SUBJECT: Intergovernmental Agreement (IGA) with Eagle County

I. SUMMARY

The purpose of the attached IGA is to restate a historical agreement with Eagle County for the collection of sales tax on vehicles sold and registered in Vail, with a fee of 3.33% retained by Eagle County for this service.

II. BACKGROUND

The Eagle County Clerk currently collects sales tax on behalf of the Town of Vail when titling (registering) vehicles for town residents that are bought within the town. Historically, Eagle County has retained a 3.33% vendor fee for this collection and remittance to the town.

For home rule entities, Eagle County must look to that entity's code or establish an IGA to collect vendor fees. While Eagle County has been doing this since the day of dawn, neither town staff nor the county clerk could not find evidence of an agreement in place with Vail. Other communities make mention of vendor fees within their code, but staff could not find a provision for vendor fees in Vail's code.

The attached IGA enables Eagle County to retain a 3.33% vendor fee to collect tax and remit on behalf of Vail, as what's been done in practice historically.

In 2015 the County collected \$4,295 in sales tax and retained \$143.00 in fees; in 2016 \$4,930 was collected with \$164.16 in fees, and in 2017 \$6,857 was collected with \$228.31 in fees.

III. REQUEST OF COUNCIL

Approve or approve with amendments the attached IGA with Eagle County.

RESOLUTION NO. 21
Series of 2018

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF VAIL AND EAGLE COUNTY REGARDING COLLECTION OF SALES TAX ON VEHICLES SOLD AND REGISTERED IN THE TOWN OF VAIL; AND SETTING FORTH DETAILS IN REGARD THERETO.

WHEREAS, the Town of Vail (the "Town"), in the County of Eagle and State of Colorado is a home rule municipal corporation duly organized and existing under the laws of the State of Colorado and the Town Charter (the "Charter");

WHEREAS, the members of the Town Council of the Town (the "Council") have been duly elected and qualified;

WHEREAS, the Eagle County Clerk and Recorder (the "County") registers and titles vehicles and collects sales tax on vehicles sold and registered in Vail;

WHEREAS, the Town and County wish to enter into an Intergovernmental Agreement (the "IGA") outlining the terms and conditions which the County retains 3.33% vendor fee; and

WHEREAS, the Council's approval of Resolution No. 21, Series 2018, is required to enter into an IGA.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF VAIL, COLORADO THAT:

Section 1. The Council hereby approves the IGA and authorizes the Town Manager to enter into the IGA with the County, in substantially the same form as attached hereto as Exhibit A and in a form approved by the Town Attorney.

Section 2. This Resolution shall take effect immediately upon its passage.

INTRODUCED, PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Vail held this 5th day of June, 2018.

Dave Chapin,
Town Mayor

ATTEST:

Patty McKenny,
Town Clerk

**INTERGOVERNMENTAL AGREEMENT BETWEEN
EAGLE COUNTY
AND THE TOWN OF VAIL**

This Agreement made this _____, by and between Eagle County, State of Colorado, a body corporate and politic ("County") and the Town of Vail, a municipal corporation (the "Town").

WITNESSETH

WHEREAS, the County Clerk and Recorder registers and titles vehicles in accordance with state statute; and

WHEREAS, when registering and titling vehicles, the County Clerk and Recorder must collect all applicable sales tax unless proof is provided that sales tax has been paid for such vehicles; and

WHEREAS, it is convenient for the County Clerk and Recorder to collect applicable sale tax for vehicles on behalf of various municipalities and special districts within its jurisdiction and remit it to those municipalities and special districts; and

WHEREAS, the Town desires for the County to collect applicable sales tax on vehicles on behalf of it when registering or titling such vehicles ("Town Sales Tax"); and

WHEREAS, the County and the Town agree that the County will collect such Town Sales Tax on behalf of the Town and remit the Sales Tax to the Town minus an appropriate vendor fee; and

WHEREAS, this Intergovernmental Agreement is authorized pursuant to Section 29-1-201 and 30-11-101, Colorado Revised Statutes, as amended, and Article XIV, Section 18, of the Colorado Constitution.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises contained herein, the parties hereto agree hereby as follows:

1. Services. The County Clerk and Recorder will collect Town Sales Tax, on behalf of the Town, when registering and titling vehicles. The County will remit such Town Sales Tax to the Town on a regular basis minus a Vendor Fee.
2. Vendor Fee. The County Clerk and Recorder will retain 3.33% of the amount collected to pay the costs and expenses associated with collection of the Town Sales Tax.

3. Term of the Agreement. This Agreement shall commence upon the date first written above, and subject to the provisions of paragraph 4 hereof, shall continue in full force and effect until terminated by the parties.
4. Termination. Either party shall have the right to terminate this agreement with or without cause at any time by giving the other party one hundred eighty (180) days' prior written notice of termination. Upon termination, the County shall be entitled to compensation for services performed prior to such termination, and both parties shall thereafter be relieved of any and all duties and obligations under this Agreement.
5. Modification. Any amendments or modifications shall be in writing signed by both parties.
6. General Provisions.

- A. Notice. All notices by the County and the Town, under this Agreement, shall be in writing and shall be deemed to have been given or served, if delivered or if mailed by certified mail, postage prepaid or hand delivered to the parties as follows:

Eagle County:
Eagle County Attorney
500 Broadway
Post Office Box 850
Eagle, Co 81631
Telephone: 970-328-8685
Facsimile: 970-328-8699
E-mail: atty@eaglecounty.us

Town of Vail:
Town of Vail Attorney
75 S. Frontage Road
Vail, CO 81657
Telephone: 970-479-2460
E-mail: mmire@vailgov.org

Either party may change the address to which notices are to be given by a notice of change of address given in the manner set forth in this paragraph.

- B. No modification or waiver of this Agreement or of any covenant, condition, or provision herein contained shall be valid unless in writing and duly executed by the party to be charged therewith.
- C. This written Agreement embodies the whole agreement between the parties hereto and there are no inducements, promises, terms, conditions, or obligations made or entered into either by the County or the Town other than those contained herein.

- D. This Agreement shall be binding upon the respective parties hereto, their successors or assigns and may not be assigned by anyone without the prior written consent of the other respective party hereto.
- E. All agreements and covenants herein are severable, and in the event that any of them shall be held invalid by a court of competent jurisdiction, this Agreement shall be interpreted as if such invalid Agreement or covenant were not contained herein.
- F. The Town has represented to County and, likewise, the County has represented to the Town that it possesses the legal ability to enter into this Agreement. In the event that a court of competent jurisdiction determines that either of the parties hereto did not possess the legal ability to enter into this Agreement, this Agreement shall be considered null and void as of the date of such Court determination.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first set forth above.

COUNTY OF EAGLE, STATE OF COLORADO,
By and Through its BOARD OF COUNTY
COMMISSIONERS

By: _____
Kathy Chandler-Henry, Chair

Attest:

By: _____
Regina O'Brien, Clerk

TOWN OF VAIL

By: _____
Dave Chapin, Mayor

Attest:

By: _____
Patty McKenney, Town Clerk