

RESOLUTION NO. 9-2008

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE STATE OF ARIZONA AND THE CITY OF BENSON REGARDING TAXPAYER JOINT AUDITS AND THE UNIFORM METHOD OF ADMINISTRATION, COLLECTION, AUDIT AND LICENSING OF TRANSACTION PRIVILEGE TAX, USE TAX, SEVERANCE TAX, JET FUEL EXCISE AND USE TAX AND RENTAL OCCUPANCY TAXES IMPOSED BY THE STATE OR CITIES OR TOWNS.

WHEREAS, A.R.S. § 11-952 allows the City of Benson to enter into agreements with other governmental entities regarding joint exercise of powers they hold in common; and

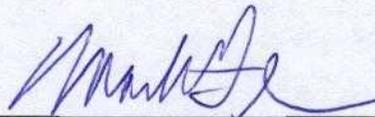
WHEREAS, the State of Arizona has prepared an Intergovernmental Agreement Regarding Taxpayer Joint Audits and the Uniform Method of Administration, Collection, Audit and Licensing of Transaction Privilege Tax, Use Tax, Severance Tax, Jet Fuel Excise and Use Tax and Rental Occupancy Taxes Imposed by the State or Cities or Towns, a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the Mayor and Council of the City of Benson have determined that approval of said Intergovernmental Agreement is in the best interests of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Benson, that the City hereby approves the Intergovernmental Agreement between the State of Arizona and the City of Benson, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference, and the Mayor is hereby directed to execute said Agreement on behalf of the City of Benson.

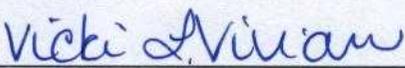
BE IT FURTHER RESOLVED that the staff of the City is hereby directed to take all actions necessary to implement said Intergovernmental Agreement and further its purposes.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BENSON, ARIZONA, this 28th day of January, 2008.



MARK M. FENN, Mayor

ATTEST:


VICKI L. VIVIAN, City Clerk

APPROVED AS TO FORM:

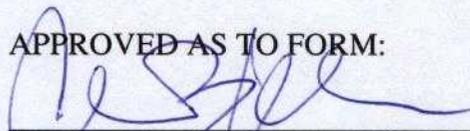

THOMAS A. BENAVIDEZ, City Attorney

Exhibit "A"
**Intergovernmental Agreement between the
State of Arizona and the City of Benson**

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE STATE OF ARIZONA AND A PROGRAM CITY**

THIS AGREEMENT is entered into this 28th day of January, 2008 by and between the ARIZONA DEPARTMENT OF REVENUE, hereinafter referred to as DEPARTMENT OF REVENUE, and the CITY/TOWN OF Benson, hereinafter referred to as CITY/TOWN. This Agreement shall supersede and replace all previous intergovernmental agreements entered into by the DEPARTMENT OF REVENUE and CITY/TOWN regarding taxpayer joint audits and the uniform method of administration, collection, audit and licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use tax and rental occupancy taxes imposed by the State or Cities or Towns.

WHEREAS, Title 11, Chapter 7, Article 3 (A.R.S. § 11-952) authorizes two or more public agencies to enter into intergovernmental agreements to contract for services, if authorized by their legislative or governing bodies, and

WHEREAS, A.R.S. § 42-6001 et seq. provides that the DEPARTMENT OF REVENUE may collect and administer any transaction privilege license tax or use tax imposed by any city or town; and provides for uniform audit functions including joint audits of a taxpayer by the DEPARTMENT OF REVENUE and cities or towns where the taxpayer conducts business; and provides that the DEPARTMENT OF REVENUE and any CITY/TOWN may enter into intergovernmental contracts or agreements to provide a uniform method of administration, collection, audit and licensing of transaction privilege and use taxes imposed by the State or Cities or Towns, and

WHEREAS, the CITY/TOWN has taken appropriate action by ordinance, resolution or otherwise, pursuant to the laws applicable to the governing body of CITY/TOWN, approving this Agreement, and

WHEREAS, the DEPARTMENT OF REVENUE and the CITY/TOWN now desire to enter into such an intergovernmental agreement:

The parties agree to the following:

1. Disclosure of Information Furnished by CITY/TOWN

- (a) **Statutory Authority:** The disclosure (by any means) of confidential CITY/TOWN tax information is governed by Model City Tax Code section 510.
- (b) **Scope:** In accordance with Model City Tax Code section 510(h), the CITY/TOWN may disclose to the DEPARTMENT OF REVENUE'S tax officials any information regarding the enforcement and collection of privilege or use taxes by the CITY/TOWN. Any taxpayer information released by the CITY/TOWN to the DEPARTMENT OF REVENUE may only be used for internal purposes and may not be disclosed to the public in any manner that does not comply with the Model City Tax Code or other confidentiality standards established by the CITY/TOWN. The DEPARTMENT OF

REVENUE hereby agrees that any release or use of confidential information contrary to the terms of this Agreement will result in the immediate suspension of any rights of the DEPARTMENT OF REVENUE to receive taxpayer information.

2. Information Furnished by CITY/TOWN.

- (a) Within ten (10) days after the execution of this Agreement, the CITY/TOWN shall provide the DEPARTMENT OF REVENUE with a copy of its ordinance imposing the taxes to be collected hereunder, as then amended. If information has already been provided to the DEPARTMENT OF REVENUE by the CITY/TOWN, it is not necessary for the CITY/TOWN to provide the same information until said ordinance is again amended.
- (b) Within fifteen (15) days following the adoption of an annexation ordinance, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the DEPARTMENT OF REVENUE.
- (c) If the CITY/TOWN fails to notify the DEPARTMENT OF REVENUE at least sixty (60) days before the effective date of any change or amendment to its ordinance pertaining to the taxes to be collected under this Agreement, then it is understood that the DEPARTMENT OF REVENUE shall not be obligated hereunder to begin collection of said taxes as modified any sooner than 60 days after notice of said change or amendment.
- (d) Within the constraints outlined in section 1 above, the CITY/TOWN shall provide to the DEPARTMENT OF REVENUE, on a monthly basis, a list of the business licenses that it has issued to each new taxpayer who is or may be taxable by the DEPARTMENT OF REVENUE. The list will include information such as the new taxpayers' legal business name, DBA's, physical address, mailing address, owners' first and second names, phone number for the contact person or business, NAICS codes, and identification numbers such as state TPT license number, EIN and Social Security number.
- (e) Upon request, the CITY/TOWN shall provide to the DEPARTMENT OF REVENUE any data processing lists of accounts, by geographical areas, activity classification or other breakdowns for which data processing programs have been developed.
- (f) Upon request, the CITY/TOWN shall provide to the DEPARTMENT OF REVENUE any information regarding development and impact fees to assist the DEPARTMENT OF REVENUE with the auditing of taxpayers and billing and collection of taxes.
- (g) Upon request by the DEPARTMENT OF REVENUE, the CITY/TOWN shall allow inspections of any CITY/TOWN tax audits by DEPARTMENT OF REVENUE tax officials during regular CITY/TOWN business hours.
- (h) Upon request by the DEPARTMENT OF REVENUE, the CITY/TOWN shall provide the DEPARTMENT OF REVENUE with a listing of all audits performed by the

CITY/TOWN, including the taxpayer's name, city license number, address, audit period, classification, and amount assessed, if the audits relate to a taxpayer who is or may be taxable by the DEPARTMENT OF REVENUE.

3. Disclosure of Information Furnished by DEPARTMENT OF REVENUE.

- (a) **Statutory Authority:** The disclosure (by any means) of confidential Arizona tax information is governed by A.R.S. § 42-2001 et seq. which strictly controls the accessibility and use of this information. Individuals who receive confidential tax information from the DEPARTMENT OF REVENUE are subject to the criminal penalties imposed by A.R.S. § 42-2004 if they misuse or improperly disclose this information to unauthorized individuals.
- (b) **Scope:** Pursuant to A.R.S. § 42-2003(H), the DEPARTMENT OF REVENUE may disclose to the CITY/TOWN's tax officials only transaction privilege tax, use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax information relating to a taxpayer who is or may be taxable by the CITY/TOWN. Furthermore, any taxpayer information released by the DEPARTMENT OF REVENUE to the CITY/TOWN may only be used for internal purposes and may not be disclosed to the public in any manner that does not comply with confidentiality standards established by the DEPARTMENT OF REVENUE. (See Appendix A.) The CITY/TOWN hereby agrees that any release or use of confidential information contrary to the terms of this Agreement will result in the immediate suspension of any rights of the CITY/TOWN to receive taxpayer information hereunder. A notice of suspension will be sent to the CITY/TOWN requesting response to the allegation within 15 days and a review will occur to determine the length of the suspension. The CITY/TOWN shall provide a list of the names and job titles of employees authorized to receive confidential tax information. This list shall include any independent auditors who must agree to be bound by the provisions of A.R.S. § 42-2001 et seq. The CITY/TOWN shall promptly inform the DEPARTMENT OF REVENUE of any additions, deletions or changes to this list within fifteen (15) business days.

4. Information Furnished By DEPARTMENT OF REVENUE.

Within the restrictions outlined in section 3 above, the DEPARTMENT OF REVENUE shall provide the following information to the CITY/TOWN:

- (a) On a monthly basis, a record of tax payments which shall include the account name, account number, account status, the taxable activity and the amount collected. Delinquency information also shall be furnished with respect to all taxpayers who are or may be taxable by the CITY/TOWN for which no return is received.
- (b) On a monthly basis, a list of the licenses that it has issued to each new taxpayer who is or may be taxable by the CITY/TOWN. The DEPARTMENT OF REVENUE shall issue licenses to taxpayers as the CITY/TOWN ordinances require.

- (c) Upon request by the CITY/TOWN, the DEPARTMENT OF REVENUE shall allow inspections all information or audits relating to transaction privilege tax, use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax if the information or audits relate to taxpayers who are or may be taxable by the CITY/TOWN. Such inspections shall take place during regular DEPARTMENT OF REVENUE business hours.
- (d) Upon request by the CITY/TOWN, the DEPARTMENT OF REVENUE shall provide the CITY/TOWN with a listing of all audits performed by the DEPARTMENT OF REVENUE, including the taxpayer's name, license number, address, audit period, classification, and amount assessed, if the audits relate to a taxpayer who is or may be taxable by the CITY/TOWN.
- (e) In addition, the DEPARTMENT OF REVENUE shall provide the CITY/TOWN with a copy of its statutes imposing the taxes to be collected hereunder, as then amended, within ten (10) days after the execution of the Agreement. If the information has been provided by the DEPARTMENT OF REVENUE, it is not necessary for the DEPARTMENT OF REVENUE to provide the same information again until said statutes are again amended.

5. Storage and Destruction of Confidential Information.

The DEPARTMENT OF REVENUE has promulgated confidentiality requirements which are attached to this Agreement as Appendix A. All confidential information provided by the DEPARTMENT OF REVENUE or CITY/TOWN shall be stored in accordance with these requirements so as to maintain the confidentiality of this information. Prior to discarding, the confidential information shall be destroyed in the following manner, in conformity with 26 USC. § 6103(p)(4)(F) (Internal Revenue Code § 6103(p)(4)(F)):

- (a) Confidential information furnished to the user and any material generated therefrom, such as extra copies, photo impressions, computer printouts, carbon paper, notes, stenographic notes, and work papers should be destroyed by burning, mulching, pulping, shredding, or disintegrating.
- (b) The following precautions should be observed when destroying confidential information:
 - (1) Burning precautions: The material is to be burned in either an incinerator that produces enough heat to burn the entire bundle or the bundle should be separated to ensure that all pages are consumed.
 - (2) Shredding precautions: To make reconstruction more difficult, the paper should be inserted so that lines of print are perpendicular to the cutting line and not maintain small amounts of shredded paper. The paper should be shredded to effect 5/16-inch wide or smaller strips; microfilm should be shredded to effect 1/35-inch by 3/8-inch strips. If shredding is part of the overall destruction of DEPARTMENT OF REVENUE data, strips can in effect be set at the industry standard (currently 1/2"). However, when deviating from DEPARTMENT OF REVENUE'S 5/16"

requirement, DEPARTMENT OF REVENUE data, as long as it is in this condition (i.e., strips larger than 5/16"), must be safeguarded until it reaches the stage where it is rendered unreadable.

- (3) Pulping should be accomplished so that all material is reduced to particles one inch or smaller.
- (4) Magnetic tape containing confidential information must not be made available for reuse by other offices or released for destruction without first being subjected to electromagnetic erasing. If reuse is not intended, the tape should be destroyed by cutting into lengths of 18 inches or less or by burning to effect complete incineration.
- (5) Whenever disk media leaves the physical or systemic control of the agency for maintenance, exchange, or other servicing, any confidential information on it must be destroyed by:
 - (i) Completely overwriting all data tracks a minimum of three times, using maximum current that will not damage or impair the recording equipment; or
 - (ii) Running a magnetic strip, of sufficient length to reach all areas of the disk over and under each surface a minimum of three times. If the information cannot be destroyed as suggested, the disk will be damaged in an obvious manner to prevent use in any disk drive unit and discarded.
 - (iii) Note: Hand tearing, recycling, or burying information in a landfill are unacceptable methods of disposal.

6. Delegation of Authority.

Any and all authority that the CITY/TOWN has under CITY/TOWN ordinances pertaining to the collection of the taxes to be collected under this Agreement is hereby delegated to the DEPARTMENT OF REVENUE except for those audits that are conducted by the CITY/TOWN auditor or by an independent contract auditor hired by the CITY/TOWN.

7. Auditing.

The DEPARTMENT OF REVENUE shall have the authority to audit the CITY/TOWN'S taxpayers under the DEPARTMENT OF REVENUE'S audit program, except when the CITY/TOWN wishes to share joint authority with the DEPARTMENT OF REVENUE pursuant to provisions adopted in Appendix IV of the Model City Tax Code. The CITY/TOWN may share joint authority by: 1) using its own auditor to perform its own audit or to conduct a joint audit with the DEPARTMENT OF REVENUE, or 2) hiring an independent contract auditor to perform its own audit. To share joint audit authority with the DEPARTMENT OF REVENUE, the CITY/TOWN shall notify the DEPARTMENT OF REVENUE at least thirty (30) days prior

to initiating any such audit program. When audit authority is shared, the parties agree to the following:

- (a) Upon request by the DEPARTMENT OF REVENUE, the CITY/TOWN shall allow the DEPARTMENT OF REVENUE'S tax official to inspect any audits of CITY/TOWN'S taxpayers during the regular CITY/TOWN business hours.
- (b) The CITY/TOWN shall provide the DEPARTMENT OF REVENUE with a listing of all audits performed by the CITY/TOWN's auditor or independent contract auditor including the taxpayer's name, city license number, address, audit period, classification and amount assessed.
- (c) The DEPARTMENT OF REVENUE shall provide the CITY/TOWN with a copy of all transaction privilege tax, use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax audits performed by the DEPARTMENT OF REVENUE, if the audits relate to a taxpayer who is or may be taxable by the CITY/TOWN.
- (d) Upon request by the CITY/TOWN, the DEPARTMENT OF REVENUE shall allow the CITY/TOWN tax officials to inspect all information or audits relating to transaction privilege tax, use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax, if the information or audits relate to taxpayers who are or may be taxable by the CITY/TOWN.
- (e) When any CITY/TOWN exercises its right to conduct an audit using its own auditor or an independent contract auditor, the CITY/TOWN assumes responsibility for the following:
 - (1) Collection of Taxes
 - (2) Payment of Collected Taxes to CITY/TOWN
 - (3) Responsibility for Defense Litigation
 - (4) Responsibility for Administrative Review
 - (5) Delegation of Authority

8. Multijurisdictional Audits.

Pursuant to A.R.S. § 42-6005 and Model City Tax Code section 553, the DEPARTMENT OF REVENUE and the CITY/TOWN may conduct a multijurisdictional audit pursuant to a taxpayer's request. The jurisdiction that conducts the audit will be considered the lead jurisdiction in charge of the audit. When a taxpayer requests a multijurisdictional audit, the parties agree to the following:

(a) The DEPARTMENT OF REVENUE and CITY/TOWN will use similar forms and procedures in order to expedite the multijurisdictional audit process including:

- 1) Statute of Limitations Waiver
- 2) Sampling Agreement
- 3) Field Examination Agreement to Supply Additional Information.

The parties agree to secure these forms and have them executed when necessary in order to protect the interests of both parties.

(b) The CITY/TOWN and the DEPARTMENT OF REVENUE hereby delegate authority to the lead jurisdiction's tax officials to sign the forms listed above in subsection (a) on their behalf with a taxpayer under multijurisdictional audit. The lead jurisdiction will supply a copy of the signed agreements to each jurisdiction participating in the audit.

9. Multijurisdictional Audits: Reviewing Workpapers.

When the DEPARTMENT OF REVENUE and CITY/TOWN share joint audit authority over a taxpayer, upon request, the lead jurisdiction shall allow the other jurisdictions involved in the multijurisdictional audit to inspect any workpapers or documentation collected or generated in a multijurisdictional audit during the lead jurisdiction's regular business hours.

10. Responsibility for Representation in Litigation.

If the CITY/TOWN leads or conducts an audit, the CITY/TOWN is responsible for representing itself in litigation regarding that tax matter. In the event that the CITY/TOWN defends a lawsuit challenging CITY/TOWN taxes, the DEPARTMENT OF REVENUE agrees that it will cooperate in the defense, including having its auditor meet with the CITY/TOWN's attorney for informal interviews, providing documents and computer records, preparing for depositions, attending depositions and trial as witnesses, and assisting in trial/hearing preparation as needed.

If the DEPARTMENT OF REVENUE is the lead jurisdiction in an audit, the DEPARTMENT OF REVENUE will be responsible for coordinating the litigation and representing the CITY/TOWN in any administrative appeals for that audit. If the protest of the audit progresses beyond the administrative level, the CITY/TOWN is responsible for representing itself in the tax matter (that is, at the Board of Tax Appeals, Tax Court and higher courts). It is understood that the Office of the Attorney General will not represent the CITY/TOWN in any matters before any court involving CITY/TOWN's tax, unless the CITY/TOWN and the Office of the Attorney General have agreed otherwise.

11. Responsibility for Administrative Review.

Upon the adoption of the Model City Tax Code by any CITY/TOWN, responsibility for administrative review shall be governed by Model City Tax Code Section 570 as amended by Appendix I - Modifications to Model City Code for CITIES/TOWNS in State Collection System and Appendix IV - Modifications to the Model City Tax Code For Cities and Towns in State Collection System Performing Supplementary Local Audits.

12. Collection of Taxes.

- (a) The DEPARTMENT OF REVENUE shall collect any transaction privilege tax, use tax, severance tax, jet fuel excise and use tax, and rental occupancy taxes imposed by the CITY/TOWN, under the provisions of their ordinances prior to adoption of the Model City Tax Code, or provisions of the Code after adoption, commencing on the ~~28th~~ day of January 2008, and continuing until this Agreement is terminated as hereinafter provided.
- (b) Taxpayers who are subject to the CITY/TOWN taxes shall pay those taxes to the DEPARTMENT OF REVENUE as provided in A.R.S. § 42-5014(A). Tax payments shall be accompanied by a return prepared by the taxpayer on a form prescribed by the DEPARTMENT OF REVENUE.

13. Financing Collection of Taxes.

The costs incurred by the DEPARTMENT OF REVENUE in administering this Agreement shall be financed through the State general fund appropriation to the DEPARTMENT OF REVENUE.

14. Remittance of Collected Taxes to CITY/TOWN.

- (a) Funds collected by the DEPARTMENT OF REVENUE under this Agreement shall be remitted to the CITY/TOWN weekly on the basis of actual collections. Remittances shall be made by noon of the Monday after the end of the week in which the collections were made.
- (b) When the DEPARTMENT OF REVENUE collects taxes due to the CITY/TOWN and the State, the CITY/TOWN shall be remitted its share of the taxes collected.
- (c) Delinquent accounts shall be collected by the DEPARTMENT OF REVENUE. In the event that this Agreement is terminated, net amounts collected after the termination date shall be forwarded to the CITY/TOWN weekly on the basis of actual collections.

15. Term of Agreement and Termination.

- (a) The initial term of this Agreement shall be through June 30th following the date of execution. This Agreement shall automatically be renewed for successive one year terms thereafter unless either party shall terminate this Agreement by notice, in writing, to the other not later than ninety (90) days prior to the expiration of the term then in effect. The notice of termination shall be mailed and served on the other party in accordance with Provision 17 of this Agreement.
- (b) If any CITY/TOWN ordinance or state legislation enacted subsequent to the date of this Agreement substantially affects the performance of this Agreement by either party or substantially diminishes the benefits that either party would receive under this Agreement, either party may then terminate the Agreement, by giving at least a 30 day written notice to the other party. The termination will become effective immediately upon the expiration of the notice period.
- (c) The DEPARTMENT OF REVENUE, or the CITY/TOWN may, within three years after its execution, cancel this Agreement without penalty or further obligation pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the DEPARTMENT OF REVENUE or CITY/TOWN is, or becomes, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to this Agreement in any capacity or a consultant to any other party of the contract with respect to the subject matter of the Agreement. Such cancellation shall be effective when written notice from the Governor or the Chief Executive Officer of the CITY/TOWN is received by other parties to this Agreement, unless the notice specifies a later time.
- (d) Notwithstanding any provision to the contrary herein, both parties may by mutual agreement provide for the termination of this Agreement upon such terms and at such time as is mutually agreeable to them.

16. Non-availability of Funds.

Every payment obligation of the State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

17. Notice.

- (a) When any Notice to the CITY/TOWN is required under the terms of this Agreement, such Notice shall be mailed to the CITY/TOWN at the following address, directed to the attention of:

City of Benson
Finance Director Jim Cox

P.O. Box 2223

Benson, AZ 85602

- (b) When any Notice to the DEPARTMENT OF REVENUE is required under the terms of this Agreement, such Notice shall be mailed to:

ARIZONA DEPARTMENT OF REVENUE
Attn: Director
1600 W. Monroe
Phoenix, AZ 85007

18. Non-discrimination.

- (a) The DEPARTMENT OF REVENUE and CITY/TOWN shall comply with Executive Order 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The DEPARTMENT OF REVENUE and CITY/TOWN shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
- (c) The DEPARTMENT OF REVENUE and CITY/TOWN shall also comply with all state and federal laws concerning Immigration and with Executive Order 2005-30 Ensuring Compliance with Federal Immigration Laws by State Employers and Contractors. (See <http://www.azsos.gov/aar/2005/44/governor.pdf>)

19. Third Party Antitrust Violations.

The CITY/TOWN assigns to the DEPARTMENT OF REVENUE any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the CITY/TOWN toward fulfillment of this Agreement.

20. Audit of Records.

The CITY/TOWN shall retain all data, books, and other records ("Records") relating to this Agreement for at least five (5) years (a) after termination of this Agreement, and (b) following each annual renewal thereof. All Records shall be subject to inspection by audit by the State at reasonable times. Upon request, the CITY/TOWN shall produce the original of any or all such records. This Agreement is subject to A.R.S. § 35-215.

21. Amendments.

Any amendments to or modification of this Agreement must be executed in writing in accordance with the provisions of this Agreement.

22. Mutual Cooperation.

In the event of a disagreement between the parties with regard to the terms, provisions and requirements of this Agreement or in the event of the occurrence of any circumstances bearing upon or affecting this Agreement, parties hereby agree to mutually cooperate in order to resolve the said disagreement or deal with the said circumstance.

23. Arbitration.

To the extent required by A.R.S. §§ 12-1518(B) and 12-133, the parties agree to resolve any dispute arising out of this Agreement by arbitration.

24. Implementation.

The implementation and execution of the provisions of this Agreement shall be the responsibility of the Director of the DEPARTMENT OF REVENUE or his representative and the Mayor or his/her designee on behalf of the CITY/TOWN.

25. Limitations.

Nothing in this Agreement shall be construed as limiting or expanding the statutory

(b) By signing below, the signer certifies that he or she has the authority to enter into this Agreement and has read the foregoing and agrees to accept the provisions herein.

(c) This Intergovernmental Agreement may be executed in counterpart.

| | |
|---|--|
| Signature <u><i>Lee Laniett</i></u> Date <u>9/4/08</u> | Signature <u><i>Mark M. Fenn</i></u> Date <u>1-28-08</u> |
| Typed Name and Title | Typed Name and Title |
| | Mark M. Fenn, Mayor |
| Entity Name | Entity Name |
| | City of Benson |
| Address | Address |
| | P.O. Box 2223 |
| City State Zip | City State Zip |
| | Benson, AZ 85602 |
| RESERVED FOR THE ATTORNEY GENERAL: | RESERVED FOR CITY/TOWN ATTORNEY: |
| Attorney General no. <u>TAX 08-000121</u> , which is an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General. | APPROVED AS TO FORM AND AUTHORITY: |
| | BY: <u><i>[Signature]</i></u> CITY/TOWN ATTORNEY |
| | Date: <u>1/28/08</u> |
| TERRY GODDARD The Attorney General | RESERVED FOR SECRETARY OF STATE: |
| <u><i>[Signature]</i></u> Signature Assistant Attorney General | NO. <u>30345</u> Filed with the Secretary of State Date Filed: <u>10-23-08</u> |
| Date: <u>6/18/08</u> | <u><i>[Signature]</i></u> Secretary of State |
| | By: <u><i>[Signature]</i></u> |

APPENDIX A

ARIZONA DEPARTMENT OF REVENUE CONFIDENTIALITY REQUIREMENTS

General

- 1.1 All state tax returns are confidential. All information related to the filing, processing, examining, or auditing of a state tax return is confidential. The Arizona Revised Statutes, Title 42, Sections 2001 through 2004 are the laws governing confidentiality.
- 1.2 Data reported on license applications for transaction privilege tax, luxury tax, use tax, and withholding tax is confidential.
- 1.3 Confidential information shall not be disclosed if the Arizona Department of Revenue determines that disclosure would seriously impair any civil or criminal tax investigation. Confidential information shall not be disclosed if the disclosure is contrary to the United States Internal Revenue Code.
- 1.4 Confidential information may be used for legitimate tax administration activities only. Tax administration includes the following:
 - a. Assessment activities
 - b. Collection activities
 - c. Enforcement activities
 - d. Computer processing
 - e. Computer storage
 - f. Statistical gathering functions
 - g. Policy making functions
 - h. Management of all of the above
- 1.5 Only the Arizona Department of Revenue may respond to a request for information concerning the Department's confidential information. Refer any request for Department of Revenue information to the Department's Disclosure Officer.
- 1.6 All Department of Revenue materials, including paper, tape, microfilm, and microfiche, must be secured for confidentiality. Place all Department of Revenue materials in a locked drawer or cabinet when you leave the work area. Keep these materials away from the eye of the public. This includes cleaning people and security guards.
- 1.7 Statistical information derived from confidential information may be disclosed if it does not reveal confidential facts attributable to any one taxpayer. On a statewide basis, no statistical information may be released that contains information from fewer than three taxpayers in a grouping. For an area that is less than state level (county or city), data from at least ten taxpayers must be in a grouping.

- 1.9 All confidential materials must be returned to the Department of Revenue or shredded when no longer needed. Do not place confidential materials in the garbage or recycle bins.

Precautionary Notes

- 2.1 A third party can easily view confidential information on the screen of a computer terminal visible to the public. Terminals should be placed in such a manner that prohibits public viewing.
- 2.2 Employees assisting the public must ensure that information concerning other taxpayers is not visible to the taxpayer they are assisting. For example, if there is a stack of returns on your desk that you were working on prior to assisting someone, cover the top return with a blank sheet of paper while the taxpayer is sitting by your desk. Always secure information when the area is unsupervised.
- 2.3 Do not leave confidential printouts in public areas such as hallways. When transporting confidential materials you should make sure to cover the materials so that wandering eyes cannot see the information.
- 2.4 Do not discuss confidential information in elevators, restrooms, the cafeteria, or other public areas. Do not discuss confidential information with family members.