

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: September 22, 2016**

SUBJECT: Processing of FY2016-17 Administration and Collections Assessment Fee

SUBMITTING DEPARTMENTS: Management Services

PREPARED BY: William Kauppi, Management Services Director

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: Invoice for FY2016-17 Administration and Collections Assessment Fee

SUMMARY/BACKGROUND: This requirement for the Town to pay an Administration and Collections Assessment Fee yearly to the Arizona Department of Revenue comes about from passage of House Bill 2617 in 2015. Part of HB 2617 also amended Senate Bill 1471 (revenue; budget reconciliation; 2015-16) regarding how cities, counties, etc. would share in an ongoing partial assessment of Department of Revenue operating costs.

The synopsis of HB2617, as stated in the 2015 New Laws Report published by the League of Arizona Cities and Towns, reads in part "...the total of selected local government revenues collected by DOR [Arizona Department of Revenue] in FY14 were identified as the denominator and the revenues collected on behalf of each group were identified as the numerator to calculate each group's share of the \$20,755,835 in required total funding. For cities, once the total required funding was determined (\$10,912,910), the amount due for any particular city or town was allocated based on the 2010 decennial census population figures, in the same way that State Shared TPT revenues are allocated. Additionally, each self-collecting city was assessed a one-time fee of \$0.76 per population to fund software development of DOR's Tax Accounting System necessary to accommodate State administration for those cities." Payment can be made using any funds the Town chooses, however, any balance that remains due after September 30, 2016 will be deducted from the Town's next state-shared TPT payment.

The assessed amount for the Town of Prescott Valley for FY2016-17 is \$86,004.15 and is due to the Arizona Department of Revenue by September 30, 2016.

OPTIONS ANALYSIS: Council may vote to authorize payment of this invoice from the Arizona Department of Revenue for their Administration and Collections Assessment Fee.

ACTION OPTION: Motion to authorize payment to the Arizona Department of Revenue for \$86,004.15 for their Administration and Collections Assessment Fee for FY2016-17. **VOTE.**

RECOMMENDATION: Staff recommends authorizing the payment of the Arizona Department of Revenue Administration and Collections Assessment Fee for FY2016-17.

FISCAL ANALYSIS: This fee was budgeted for in FY2016-17 in the General Fund's Non-Departmental account #101.9500.619.3851. Since this will be an ongoing fee initiated by the Arizona Department of Revenue, staff will continue budgeting for this expense every year.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____