

**AGREEMENT FOR STATE ADMINISTRATION  
OF TOWN TRANSACTIONS AND USE TAXES**

The Town Council of the Town of Truckee has adopted, and the voters of the Town of Truckee (hereafter called "Town") have approved by the required majority vote, the Town of Truckee Transactions and Use Tax Ordinance (hereafter called "Ordinance"), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the California State Department of Tax and Fee Administration, (hereinafter called the "Department") and the Town do agree as follows:

**ARTICLE I  
DEFINITIONS**

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation code Section 7285.9 and/or 7285.91, and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.

2. "Town Ordinance" shall mean the Town's Transactions and Use Tax Ordinances referred to above and attached hereto, Ordinance No. 2008-12 and Ordinance 2024-03, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

**ARTICLE II  
ADMINISTRATION AND COLLECTION  
OF TOWN TAXES**

**A. Administration.** The Department and Town agree that the Department shall perform exclusively all functions incident to the administration and operation of the Town Ordinance.

**B. Other Applicable Laws.** Town agrees that all provisions of law applicable to the administration and operation of the Department Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the Town Ordinance. Town agrees that money collected pursuant to the Town Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to Town the amount to which Town is entitled.

**C. Transmittal of money.**

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the Town Ordinance shall be transmitted to Town periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by Town's self-imposed limits or by final judgment of any court of the State of California holding that Town's ordinance is invalid or void, all district taxes collected under the provisions of the Town Ordinance shall be transmitted to Town not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the Town designated and authorized by the Town. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

**D. Rules.** The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the Town Ordinance and the distribution of the district taxes collected thereunder.

**E. Preference.** Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and Town as their interests appear.

**F. Security.** The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of Town for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and Town shall not participate in any security now held by the Department.

**G. Records of the Department.**

When requested by resolution of the legislative body of the Town under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the Town to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the Town, pertaining to the ascertainment of transactions and use taxes collected for the Town. Information obtained by the Town from examination of the Department's records shall be used by the Town only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

**H. Annexation.** Town agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended Town boundary. In the event the Town shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the Town showing the area annexed and the location address of the property nearest to the extended Town boundary on each side of every street or road crossing the boundary.

**ARTICLE III**

**ALLOCATION OF TAX**

**A. Allocation.** In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion of the Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

**B. Vehicles, Vessels, and Aircraft.** For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

#### **ARTICLE IV** COMPENSATION

The Town agrees to pay to the Department as the State's cost of administering the Town Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the Town.

#### **ARTICLE V** MISCELLANEOUS PROVISIONS

**A. Communications.** Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

Communications and notices to be sent to the Department shall be addressed to:

California State Department of Tax and Fee Administration  
P.O. Box 942879  
Sacramento, California 94279-0027

Attention: Administrator  
Local Revenue Branch

Communications and notices to be sent to the Town shall be addressed to:

Town of Truckee  
10183 Truckee Airport Road  
Truckee, CA 96161

Attention: Town Manager

**Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.**

**B. Term.** The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on October 1, 2024. This Agreement shall continue until December 31 next following the expiration date of the Town Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the Town Ordinance and has received and disbursed all payments due under that Ordinance.

**C. Notice of Repeal of Ordinance.** Town shall give the Department written notice of the repeal of the Town Ordinance not less than 110 days prior to the operative date of the repeal.

**ARTICLE VI**  
ADMINISTRATION OF TAXES IF THE  
ORDINANCE IS CHALLENGED AS BEING INVALID

**A. Impoundment of funds.**

1. When a legal action is begun challenging the validity of the imposition of the tax, the Town shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the Town shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

**B. Costs of administration.** Should a final judgment be entered in any court of the State of California, holding that Town's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by Town to Department to prepare to administer the Town Ordinance.

2. Town will pay to Department and allow Department to retain Department's cost of administering the Town Ordinance in the amounts set forth in Article IV of this Agreement.

3. Town will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. Town will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Department's staff for use in making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by Town.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding Town's Ordinance invalid or void becomes final. Thereafter Department shall bill Town on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. Town shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

TOWN OF TRUCKEE

CALIFORNIA STATE DEPARTMENT OF  
TAX AND FEE ADMINISTRATION

By \_\_\_\_\_  
(Signature)

By \_\_\_\_\_  
Administrator  
Local Revenue Branch

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)