



**CITY OF PLANO  
COUNCIL AGENDA ITEM**

<b>CITY SECRETARY'S USE ONLY</b>				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		11/8/10		
Department:		Parks		
Department Head		Amy Fortenberry		
Agenda Coordinator (include phone #): <b>Lynne Jones - 7109</b>				
<b>CAPTION</b>				
<p><b>A Resolution of the City Council of the City of Plano, Texas authorizing the payment of disputed sales tax in the amount of \$82,502.13 for certain operations at the Pecan Hollow Golf Course and for the City Manager or his designee to execute any agreements to effectuate this settlement; and providing an effective date.</b></p>				
<b>FINANCIAL SUMMARY</b>				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2010-11	Prior Year (CIP Only)	Current Year	Future Years
		<b>TOTALS</b>		
Budget		0	0	0
Encumbered/Expended Amount		0	0	0
This Item		0	-82,502	-82,502
BALANCE		0	-82,502	-82,502
FUND(S): <b>GENERAL FUND</b>				
<p><b>COMMENTS:</b> This item is for the dispute settlement with the State Comptroller's Office regarding sales tax on green fees and driving range fees. There is a companion supplemental appropriation agenda item in the same amount, \$82,502.</p> <p>STRATEGIC PLAN GOAL: Settlement of disputed sales tax relates to the City's Goal of "Financially Strong City with Service Excellence."</p>				
<b>SUMMARY OF ITEM</b>				
<p>This settlement is a result of a dispute with the Comptroller's office on whether the Pecan Hollow Golf Course green fees should be subject to sales tax. The settlement is for over a four year period and is approximately one third of what the Comptroller determined in its audit. \$70,000.00 of the settlement relates to the green fees and \$12,502.13 for the driving range.</p>				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
n/a			n/a	

**A Resolution of the City Council of the City of Plano, Texas authorizing the payment of disputed sales tax in the amount of \$82,502.13 for certain operations at the Pecan Hollow Golf Course and for the City Manager or his designee to execute any agreements to effectuate this settlement; and providing an effective date.**

**WHEREAS**, the City of Plano owns and maintains the Pecan Hollow Golf Course, which is operated by a third party and the City implemented and programmed equipment that was used to calculate sales tax on certain services at this golf course; and

**WHEREAS**, the Texas Comptroller of Public Accounts "Comptroller" conducted a sales tax audit and determined that sales tax on fees generated from use of the greens and the driving range have not been collected or paid since October 1, 2006; and,

**WHEREAS**, the City has contested that the green fees are subject to sales tax for reasons including but not limited to the fact the fees are set by the City, the third party receives no amount of the fees, the City fully controls the charges and operation of the course, including its maintenance and improvements; and

**WHEREAS**, there exists a bona fide dispute and controversy between the Comptroller, the City, and the operator of the course that sales tax is owed for the green fees and by reason of such dispute, the parties desire to compromise and settle all claims in any way arising from such sales tax audit in an amount less than what the Comptroller has concluded from its audit.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The City Council hereby approves payment in the amount of \$82,502.13 to the Texas Comptroller of Public Accounts as settlement of the disputed amount of sales tax owed on certain golf course revenues from the Pecan Hollow Golf Course. The City Manager or his designee is authorized to execute any and all documents to effectuate this settlement.

**Section II.** This Resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED** this the 8<sup>th</sup> day of November, 2010.

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Phil Dyer, MAYOR

ATTEST:

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Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

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Diane C. Wetherbee, CITY ATTORNEY