INTERLOCAL AGREEMENT FOR

ASSESSMENT AND COLLECTION OF TAXES

BETWEEN UPSHUR COUNTY AND THE CITY OF GLADEWATER

On this __21__ day of __September__, 2023, the CITY OF GLADEWATER, hereinafter called the "Taxing Unit", and Upshur County, hereinafter called "County", enter into the following agreement pursuant to authority granted by TEXAS TAX CODE SECTION 6.23, 6.24 and TEXAS GOVERNMENT CODE SECTION 791.001 et seq.

WITNESSETH:

WHEREAS, it would be economically advantageous to both the Taxing Unit and the County to consolidate the tax assessment and collection functions; and

WHEREAS, in entering into this contract and agreement, it is the intention of the Taxing Unit and the County that upon commencement of the term of this contract as herein stated, the County shall for the said term of this contract provide such necessary tax assessment and collection services;

NOW, THEREFORE, the said parties have and do hereby covenant and agree as follows:

1. The County shall collect the ad valorem property taxes owing to the Taxing Unit, and shall perform all assessment and collection duties and functions imposed by law upon the tax assessor and collector for the Taxing Unit, including, but not limited to the following:

    a) Calculate or assist in calculation of taxes and applicable tax rates;

    b) Preparation of tax roll;

    c) Proration of taxes;

    d) Correction of clerical errors in tax rolls;

    e) Collection of tax liabilities;

    f) Timely issuance of refunds and Taxing Unit hereby appoints the Tax Assessor Collector as its auditor for the sole purpose of approving refunds as required by section 31.11 of the Property Tax Code;

    g) Timely preparation and mailing of current tax bills

    h) Preparation and mailing of delinquent tax bills;

    i) Statement of delinquent tax mailing provided to Taxing Unit on a quarterly basis;

j) Remittance of taxes collected to the Taxing Unit;

k) Provide monthly reports of collections and annual reports of all taxes collected or delinquent.

2. The County shall remit all collections to the Taxing Unit's depository, <u>Daily,</u> after being processed and deposited in the County's depository.

3. The County shall retain all fees charged for the issuance of Tax Certificates and any interest accruing upon tax payments while deposited in the County's depository prior to remittance to the Taxing Unit. The County shall expend such retained funds solely on tax assessment and collection services.

4. County agrees to permit auditors engaged by the Taxing Unit to, at any reasonable time, audit its assessment and collection expenditures and its collection of the taxing unit's taxes during the life of this contract. Such auditors shall be compensated by, and report directly to, the taxing unit.

5. The County does hereby designate the County Tax Assessor-Collector to act on behalf of the County Tax Office, and to serve as Liaison for the County and Taxing Unit. The County Tax Assessor-Collector and his/her designated substitute, shall ensure the performance of all duties and obligations of the County as herein stated; shall devote sufficient time and attention to the execution of said duties on behalf of the County in full compliance with the terms and conditions of this agreement; shall provide immediate and direct supervision of the County Tax Office employees, agents, contractors, subcontractors and/or laborers, if any, in the furtherance of the purpose, terms and conditions of the Agreement for the mutual benefit of County and Taxing Unit. In order to fully administer the duties and operation of the Tax Office and to effectively and efficiently communicate with the taxpayers and citizens of both County and Taxing Unit, County retains the right to select its own delinquent tax collection attorney and the County agrees to reasonably cooperate with the Taxing Unit in the collection of delinquent taxes and related activities.

6. The Taxing Unit shall assign, by Resolution, their Designated Officer or Employee to calculate tax rates, and present said Resolution to the Tax Assessor on or before July 1st of each year. The DOE may be the County Tax Assessor-Collector or a qualified Employee of the Taxing Unit.

7. The Taxing Unit shall provide to the County, without charge, copies of all final and signed and authorized resolutions setting Taxing Unit's tax rates each year and every tax year on or before September 15th of each tax year in order to allow for timely tax collection notices to be mailed on, or as reasonably possible, by October 1st of each tax year. In the event Taxing Unit fails to provide its signed and authorized tax adoption resolution setting its tax rates on or before September 15th of the tax year, Taxing Unit will be responsible for any and all costs of separate tax bill printing and mailing costs incurred on behalf of Taxing Unit.

8. The Tax Assessor-Collector shall give bond as may be required by section 6.29 of the Property Tax Code and conditioned on the faithful performance of his/her duties as Tax Assessor-Collector for the Taxing Unit. Said bond shall be made payable to and shall be approved by the governing body of the Taxing Unit in an amount determined by such governing body. The Taxing Unit shall pay the premium for such bond from its current available revenues.

9. In consideration of the services to be rendered by the County, the Taxing Unit shall pay the County as follows:

a) The Taxing Unit agrees to pay the County a sum annually, which may not to exceed the actual cost of collection, as determined by the County Judge and Commissioner's Court. Such payment is due within 60 days of billing by County. Upon notification by the County Judge and Commissioner's Court, any

probable increase in the collection fee will be reported to the Taxing Unit by the Tax Assessor-Collector as soon as possible.

b) In the event that the Taxing Unit's tax rate is rolled back or otherwise changed after the County begins collections for the Taxing Unit in any given year, the County will continue to act for the Taxing Unit in providing refunds to taxpayers or sending corrected billings. The cost of additional publications and notices will be the responsibility of the Taxing Unit. All costs incurred by the County for late and separate tax bill processing or issuance of corrected bills, or refunds associated therewith, shall be strictly accounted for by the County and shall be payable by the Taxing Unit upon submission of that accounting by the County. This cost shall be the actual cost of providing those extra services required by the rollback or change in tax rate.

10. This contract shall be effective on October 1, 2023, and shall continue in full force and effect from year to year until such time as either party hereto, by written notice to the other party, may terminate the same, such termination to be effective only if provided to the other party on or before January 1 of the tax year in which the party intends for the contract to terminate, or by mutual consent of the parties. Any such termination shall be effective as of May 1 of such tax year. Upon termination, the County shall provide the Taxing unit, without charge, copies of the Taxing Unit's current and delinquent tax rolls and of any additional tax records requested by the Taxing Unit.
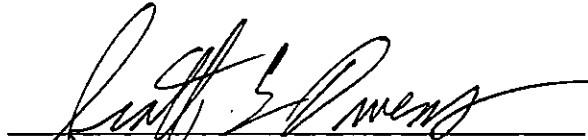
11. It is agreed and understood that this contract is not transferrable or assignable without the written consent and approval of both parties. The terms herein stated shall be bound upon the parties hereto, their successors, assigns and legal representatives.

12. County shall not be liable to the Taxing Unit for any failure to collect any tax, penalty or interest under any provision of this Agreement.

13. The provisions of this contract are severable. If any paragraph, section, subdivision, sentence, clause or phrase of this contract, if for any reason held to the contrary to law or contrary to any rule or regulation having force and effect of law, such decision shall not affect the remaining portions of the contract.

IN WITNESS WHEREOF, the respective parties hereunto set their hands this ___21___ day of ___September___, 2023.
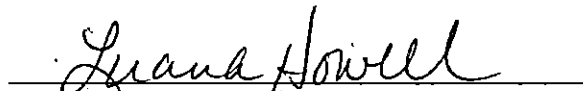
CITY OF GLADEWATER

_____
Scott E. Owens, Mayor

ATTEST:

_____
Judy Van Houten, City Clerk

UPSHUR COUNTY

_____
Todd Tefteller, Upshur County Judge

_____
Luana Howell, Upshur County Tax Assessor-Collector