

STATE OF TEXAS

AUG 23 2021

COUNTY OF JACK

INTERLOCAL COOPERATION AGREEMENT FOR
THE COLLECTION OF AD VALOREM TAXES

VANESSA JAMES, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

SECTION 1: PARTIES

1.1 The Parties to this agreement are the County of Jack, referred to below as the "County" and the City of Jacksboro, Texas, referred to below as the "Taxing Unit."

SECTION 2: RECITALS

2.1 The purpose of this agreement is to improve the efficiency and effectiveness of the parties' respective local governments by authorizing the fullest possible range of intergovernmental contracting authority at the local level for all of the administrative functions of assessment and collection of current and delinquent taxes. To this end, the parties make this agreement under the provisions of Sections 6.23, 6.24, 6.27, and 6.30 of the Texas Property Tax Code (referred to below as the "Tax Code") and the Interlocal Cooperation Act, TEX. GOV'T CODE ANN., Chapter 791.

SECTION 3: TERM

3.1 The effective date of this agreement shall be August 1, 2021. The initial term of this agreement shall be from the effective date through August 31, 2023. After the initial term, has been completed, the contract shall automatically be renewed for 24 months from the termination date unless written notice of the intent to not renew this agreement is given by either party to the other at least 180 days in advance of the termination date. This notice of termination shall be in writing and shall be deemed to have been delivered when mailed by certified mail, return receipt requested, to the address of the contractual party involved.

SECTION 4: TAX COLLECTOR

4.1 Designation. The County, through its Tax Assessor-Collector, shall serve as Tax Assessor-Collector for Taxing Unit only for those parcels of property that fall within Jack County.

4.2 Bond. The County shall maintain fiduciary bonds for its Tax Assessor-Collector and the employees of the Jack County Tax Office handling taxes collected for Taxing Unit in compliance with Section 6.28 of the Tax Code. The amount of the bond will be appropriate to the taxes collected with the annual premium being paid by Taxing Unit.

4.3 Services. The County, through its Tax Assessor-Collector, shall perform all duties necessary for the assessment and collection of ad valorem taxes levied by the Taxing Unit. The services provided by the County Tax Assessor-Collector shall include, but are not limited to, the following:

- a. Receive the certified appraisal roll and list of properties under protest from the Jack County Appraisal District;
- b. Determine and submit to the Taxing Unit the appraised, assessed and taxable value of a new property based upon appraised values received from the certified appraisal roll submitted to the County by the Jack County Appraisal District;
- c. Submit to Taxing Unit the Taxing Unit's Appraisal roll showing the total appraised, assessed, and taxable value of property taxable by the Taxing Unit;
- d. Calculate the tax imposed on each property on the appraisal roll for the Taxing Unit upon receipt of notice of the tax rate for the current year;

- e. Calculate the tax for each separate year for a property that escaped taxation in prior years upon notification by the Jack County Appraisal District;
- f. Prepare and mail corrected tax bills if required by a rollback election;
- g. Enter changes from the Chief Appraiser of the Jack County Appraisal District on the tax roll;
- h. Correct tax calculation errors as required by Taxing Unit's governing body;
- i. Prepare and mail a consolidated current year tax bill to each person on the tax roll of Taxing Unit for whom a notice of a change of address is received from the Jack County Appraisal District;
- j. Process and make refunds as required by the Tax Code;
- k. Prepare and mail a minimum of three current delinquent tax notices each year during the period from February through June;
- l. Prepare and mail a notice of delinquency and any additional penalty as required by Section 33.11 of the Tax Code (in February of each year);
- m. Prepare and mail a notice of delinquency and any additional penalty as required by Section 33.07 of the Tax Code (in May of each year);
- n. Provide Taxing Unit upon request daily, monthly, year to date and yearly reports with the information specified by the Taxing Unit;
- o. Provide information as requested by the Taxing Unit's auditor for Taxing Unit's annual audit;
- p. Certify an estimate of the collection rate for the current year and calculations required by Section 26.04(b) of the Tax Code regarding collections over the anticipated amount in the preceding year;
- q. Prepare and submit the "Truth in Taxation" notice required by Section 26.04 of the Tax Code to the Taxing Unit, only if the County is designated by the Taxing Unit's governing body to prepare and submit the "Truth in Taxation" notice. After preparing and submitting the "Truth in Taxation" notice to the Taxing Unit, the County will only respond to public requests for general information concerning the scope of the tax rate preparation and tax calculations. Any public request for additional information about a specified Taxing Unit will be forwarded to the specified Taxing Unit. The Taxing Unit may, in its discretion, decide what information to further disseminate as it pertains to the "Truth in Taxation" notice;
- r. The County may, in its discretion, assist the Taxing Unit in the preparation of the notice of any hearing and vote on a tax increase required by Section 26.06 of the Tax Code; and

SECTION 5: TAX OFFICE OPERATIONS

5.1 Location and hours of operation. The Jack County Tax Assessor-Collector shall provide a collection office in the city of Jacksboro. The office shall be open from 8:00 a.m. to 4:00 p.m. Monday through Friday except on County holidays and any inclement weather days as deemed necessary by the Jack County Tax Assessor-Collector.

5.2 Any changes to the location or hours of operation of the above collection offices can be implemented by the Jack County Tax Assessor-Collector with 30 days' written notice of the change to the Taxing Unit.

5.3 Staff. The County shall employ a tax office staff sufficient to maintain efficient and prompt processing and disbursements of all taxes collected for the Taxing Unit

5.4 Supplies and equipment. The County shall provide all necessary office supplies, furniture, and equipment to run an efficient tax collection office.

5.5 Computer system software. The County shall have a computer system which will do the following:

- a. For mortgage companies upon request:
 1. Make available a listing of all taxes due by account number;
 2. Make available tax statements by account number or alphabetically;
(The following is provided by 3rd party software company, Pritchard & Abbott as part of their set fees)
Submit tax account information using an electronic file;
Submit payment information by electronic means; and
Make available an FTP site that will allow access to all bulk record inquiries.
- b. For Taxing Unit upon request
 1. Provide monthly reports which detail the amount of levy that was collected for any given period;
 2. Provide a report which will detail all monies received for a specific period; and
 3. Provide a monthly report that will show what taxes were due at the beginning of the year, what taxes have been paid to date, etc.
- c. The County Tax Office will provide:
 1. Online, real-time receipting;
 2. Single statement printing upon request;
 3. Supplemental statements when recalculations occur and the County Tax Office is provided that information by the Jack County Appraisal District;
 4. Total daily collection report by the Taxing Unit;
 5. Information search by owner name;
 6. Information search by suit number;
 7. Information search by account number;
 8. Records of previous years tax information;
 9. Records for bookkeeping purposes:
 - i. Daily, weekly, or monthly collection reports; and
 - ii. Reconciliation of all monies collected.
 11. Records for reporting purposes:
 - i. Weekly/Monthly reports that reflect the total current tax collected, delinquent tax collected, accounts receivable for each entity, and all applicable penalty and interest collected.

5.6 Computer system hardware. The County shall have a sufficient number of computer terminals, printers, and electronic data storage devices to maintain an efficient tax collection operation.

SECTION 6: TAX COLLECTION POLICIES

6.1 Liaison between County and Taxing Unit. To promote uniform treatment of all accounts collected by the County and provide general guidelines for tax collection policies the Taxing Unit shall appoint a representative to meet with the County Tax Assessor-Collector as necessary to review collections in general. The representative shall serve as a liaison between the Taxing Unit and the County Tax Assessor-Collector.

6.2 Processing of payments. Payments shall be processed on the same day they are received in the County Tax office or in a reasonable and timely manner thereafter, as determined by the County Tax office personnel and the guidelines provided by the County Auditor's office.

6.3 Half-payments and discounts. Neither the County nor Taxing Unit shall allow or provide for the split payment of taxes option or discounts as provided in Sections 31.03 and 31.05 of the Tax Code.

6.4 Refunds. Authorized refunds shall be made on the same check for all Taxing Units for which the County collects. The amount of the Taxing Unit's refund shall be deducted from its collected but unremitted funds or, if no such funds are available, shall be paid by the Taxing Unit to the County.

6.5 Refunds of Overpayments or Erroneous Payments. The Tax Assessor-Collector shall use the guidelines as directed by Section 31.11 of the Tax Code.

6.6 Refunds of Duplicate Payments. The Tax Assessor-Collector shall use the guidelines as directed by Section 31.111 of the Tax Code.

6.7 Refund of Payments with Interest. The Tax Assessor-Collector shall use the guidelines as directed by Section 31.12 of the Tax Code.

6.8 Partial payments. If the County Tax Assessor-Collector accepts a partial payment on a tax bill that includes taxes for more than one Taxing Unit, the Assessor-Collector shall allocate the partial payment among all taxing units included in the bill in proportion to the amount of tax included in the bill for each taxing unit.

6.9 Delinquent tax attorneys. Taxing Unit shall retain the right to select its attorneys for delinquent tax collections. The County is authorized by the Taxing Unit to file suits for the collection of Taxing Unit's taxes in the name of the Taxing Unit, but the County shall use the attorneys employed by Taxing Unit to collect Taxing Unit's taxes. If Taxing Unit does not employ delinquent tax attorneys, then the attorneys employed by the County shall represent Taxing Unit in delinquent tax collections. The County shall retain from the taxes, penalties, and interest collected for the Taxing Unit the delinquent tax attorneys' fee in the amount provided in the agreement between the Taxing Unit and the attorneys employed by Taxing Unit. If Taxing Unit does not employ its delinquent tax attorneys, the County shall retain from the taxes, penalties, and interest collected for the Taxing Unit the delinquent tax attorneys' fee in the amount provided in the agreement between the County and its delinquent tax attorneys. The attorney's fees so retained shall be remitted monthly to the delinquent tax attorneys.

6.10 Remittance of funds collected. The County shall remit all funds collected at the County offices to Taxing Unit's institutional or investment depositories as follows:

- a. The County shall make weekly or monthly distribution of the Taxing Unit-funds as requested by the Taxing Unit.
- b. The Tax Assessor-Collector shall transfer electronically all funds collected for the Taxing Unit to their respective depository bank on a daily or weekly basis as determined by the Tax Assessor-Collector and the liaison for the Taxing Unit.

SECTION 7: RATES

7.1 Initial Set Up Fee. The Taxing Unit shall pay the County an initial conversion fee payable on August 1 of the year in which the Taxing Unit's contract will begin. This fee only applies to Taxing Units which are not currently covered by an agreement with the County for the collection of ad valorem taxes.

7.2 Rate. For the collection services provided by the County for the initial term, the Taxing Unit shall pay a percentage of the collection budget, based on each year's levy for the taxing unit for that tax year. This calculation will determine the cost for all taxing units for the new year which will then determine the total due for each taxing unit based upon the taxing unit's current levy.

7.3 Rate Adjustment. After the expiration of the initial term of this Agreement, and for each subsequent 12-month period thereafter, the County will review the associated collection costs from the previous tax collection year, and the above rate will increase or decrease based upon collection costs from the previous tax collection year. The associated collection cost will be an estimate based upon the Jack County Appraisal District's preliminary values. By May 15th of each year, the County will notify the Taxing Unit of any applicable rate change.

7.4 Cancellation of Agreement. After a Taxing Unit has been notified of any applicable rate increase or decrease and does not desire to retain the County's services for the continued assessment and collection of current and delinquent taxes, the Taxing Unit will notify the County's Commissioners Court in writing via certified mail of their intention to continue this Agreement. The Taxing Unit will then receive a bill in October of the current tax year for the costs of collection and assessment services. Upon completion of that tax year, the Agreement with the Taxing Unit for the assessment and collection of current and delinquent taxes will be terminated on September 30.

7.5 Dates of payment. The compensation shall be paid in four equal installments each year this agreement is in effect. The installment payments shall be due on the following dates:

- Due on October 1st
- Due January 2nd
- Due April 1st
- Due July 1st

The first payment shall be due October 1, 2021. There will be a 31 day grace period, on the 32nd day begins a 5% late fee.

7.6 Failure to provide timely notice of tax rate.

- a. Taxing Unit's failure. If the Taxing Unit fails to provide written notice of its tax rate to the County Tax Assessor-Collector before the 40th day after the date the Chief Appraiser for the Jack County Appraisal District certifies the appraisal roll to the Taxing Unit and the County Tax Assessor-Collector cannot include the Taxing Unit's tax bills in consolidated bills prepaid and mailed by October 1 or as soon thereafter as practicable, the Taxing Unit shall pay the additional costs of preparing and mailing the separate tax bills in addition to the above compensation.
- b. County's failure. If the County fails to provide written notice of its tax rate to its Tax Assessor-Collector before the 40th day after the Chief Appraiser for the Jack County Appraisal District certifies the appraisal roll to the County, and the County Tax Assessor-Collector cannot prepare and mail consolidated tax bills by October 1 or as soon thereafter as practicable, the County shall pay the additional costs of preparing and mailing the separate tax bills, so that the other Taxing Units' bills are mailed by October 1 or as soon thereafter as practicable.

7.7 Rollback of the tax rate. If Taxing Unit's tax rate is reduced by a rollback election after tax bills have been mailed, the Taxing Unit shall pay the additional cost of preparing and mailing corrected tax bills.

SECTION 8: TRANSITION TO CONSOLIDATED COLLECTIONS

8.1 Pritchard & Abbott, Inc. provides the County Tax Assessor-Collector an initial cumulative delinquent tax roll (covering current and prior years' taxes) and all its bankruptcy files, payment agreements, working papers, and notes regarding its accounts. It is anticipated that the cumulative delinquent tax roll would be provided by July 1st of the current year, and cover the tax years 1939 through the current year. Pritchard & Abbott, Inc. will formulate the reports needed by Taxing Units and run test samples using the data in the cumulative delinquent tax roll. The County shall work with the Jack County Appraisal District to test load a sample appraisal roll into the County's computer system. Test tax rate calculations, test rolls, and test tax bills shall be prepared to correct any problems in the software and transportation of data from the Appraisal District. On September 1 of the current year, or as soon after as possible, the Taxing Unit shall provide another cumulative delinquent tax roll to the County showing balances current through August 31 of the current year. The County shall begin delinquent tax collection on August 1st of the current year and current tax collection upon tax statements being processed and mailed for the current year.

SECTION 9: GENERAL PROVISIONS

9.1 Notices. All notices required or permitted in this agreement shall be in writing and shall be deemed to have been delivered when deposited in the United States mail, via postage prepaid, certified mail, return receipt requested, to the following respective addresses:

Taxing Unit

City of Jacksboro
Finance Officer
112 W. Belknap St
Jacksboro, Texas 76458

County

County Judge
Jack County
County Courthouse
Jacksboro, Texas 76458

9.2 Interlocal Agreement Conditions: The parties hereto find that (a) the services performed by each of them are necessary and authorized for activities that are properly within their statutory functions and programs; (b) they have the authority to contract for the services; (c) they have all necessary power and have received all necessary approvals to execute and deliver this Agreement, and (d) the representatives signing this agreement on their behalf have authority from their respective governing bodies to sign this Agreement.

9.3 Entire agreement. This agreement represents the entire agreement between the parties and supersedes all prior negotiations, representations, and agreements either written or oral. This agreement may be amended only by written instrument signed by the duly authorized representatives of all parties.

9.4 Severability. If any portion of this agreement shall be found to be contrary to law, the parties intend that the remaining portions shall remain valid and in full force and effect to the extent possible.

9.5 Venue and Governing Law: The construction, interpretation, and performance of this Agreement and all transactions under it shall be governed by the domestic laws of the State of Texas, and any suit regarding this Agreement must be filed in the District Courts of Jack County, Texas.

9.6 No Third-Party Beneficiaries: The benefits of this agreement are intended to inure solely to the Taxing Unit and the County. Accordingly, the parties do not intend any persons who are not named in this paragraph to have authority to enforce any provision of this agreement.

9.7 Multiple originals. This agreement is executed in triplicate originals. Any one of such originals shall have the same evidentiary value.

Executed in triplicate originals on the dates indicated below.

CITY OF JACKSBORO

By: Michael R. Smith
Mike Smith
City Manager

June 28, 2021
Date

Attest:

Hanna Reynolds
Hanna Reynolds, Finance Officer

June 28, 2021
Date

JACK COUNTY, TEXAS

By:

Brian Keith Umphress
Jack County Judge

Date

8/11/21

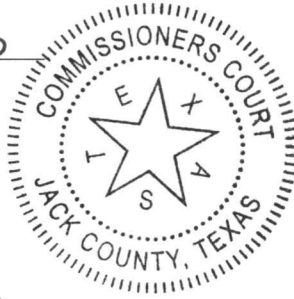
Attest:

Vanessa James
Vanessa James
Jack County Clerk

Approved:

By:

Sharon Robinson
Sharon Robinson, Jack County Tax Assessor-Collector



Date

8-11-21

Date

8-11-21