

APPROVAL OF TAX COLLECTION CONTRACT WITH DENTON COUNTY

June 10, 2008

SUMMARY:

This item requests renewal of the tax collection contract with Denton County.

PREVIOUS BOARD ACTION:

July 24, 2007

BACKGROUND INFORMATION:

During the 1992-93 school year, the District contracted with the Denton Central Appraisal District for \$2.00 per parcel per year. In the fall of 1993, Mary Horn, Denton County Tax Collector approached all the political entities in Denton County offering to collect taxes for them. After developing a contract, Denton County collected taxes for the Denton ISD for a fee; per parcel per year "plus" some reimbursements for certain direct expenses and extra mailings. This contract has worked well for Denton ISD for the last fourteen (14) years and is recommended for renewal for the 2008-2009 School Year.

SIGNIFICANT ISSUES:

There are two changes in the 2008 agreement.

- 1) Section VII, paragraph 1 sets a minimum annual charge for the October mailing, that charge is \$500.00. This base charge will offset the cost of setting up for each year's tax collections in the Tax Office.
- 2) Section VII, paragraph 2 establishes a surcharge, per parcel, on property that is outside Denton County. This surcharge is to cover the added cost of preparing out of County tax rolls. The Tax Office software provider has performed the annual conversion for the roll from one Appraisal District at no charge. Beginning this year the legislature (HB1010) requires the Tax Office to work with appraisal rolls from several Appraisal Districts. Each appraisal roll has to be converted separately. The surcharge is to cover the cost of the conversion of out of County appraisal rolls.

FISCAL IMPLICATIONS:

- Per parcel price of \$0.73 per statement for all statements mailed on or before October 20, with a minimum of \$500.00
- In the event the School District fails to set its tax rate by September 29, 2008, the tax rate for the District will be set at the lower of the effective tax rate calculated for that year or the tax rate adopted by the District for the preceding tax year.
- A surcharge of \$0.25 will be assessed for each parcel that is physically outside the geographical limits of the county.
- March notices will be charged at a rate not to exceed \$0.73 per statement.
- At least 30 days, but no more than 60 days, prior to April 1, and following the initial mailing, a delinquent tax statement meeting the requirements of Section 33.11 of the Texas Property Tax Code will be mailed at \$0.73 per statement.
- At least 30 days, but no more than 60 days, prior to July 1, and following the initial mailing, a delinquent tax statement meeting the requirements of Section 33.07 of the Texas Property Tax Code will be mailed at \$0.73 per statement.

BENEFIT OF ACTION:

Using one tax collector for Denton County tax collections makes tax collections more efficient than if all entities collected their own taxes.

SUPERINTENDENT'S RECOMMENDATION:

Recommend the tax collection contract with Denton County be renewed for a period of one year, beginning September 1, 2008.

Recommend Debbie Monschke be designated as Liaison to serve between Denton ISD and the County Tax office.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Executive Director Budget & Accounting

ATTACHMENT:

Denton County Tax Collection Contract

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____