

THE STATE OF TEXAS §

COUNTY OF DENTON §

INTERLOCAL COOPERATION AGREEMENT FOR TAX COLLECTION BETWEEN  
DENTON COUNTY, TEXAS, AND  
Aubrey INDEPENDENT SCHOOL DISTRICT

THIS AGREEMENT is made and entered into this 21st day of May  
20<sup>14</sup>, by and between DENTON COUNTY, a political subdivision of the State of Texas,  
hereinafter referred to as "COUNTY," and Aubrey INDEPENDENT  
SCHOOL DISTRICT, DENTON COUNTY, TEXAS also a political subdivision of the  
State of Texas, hereinafter referred to as "DISTRICT."

WHEREAS, COUNTY and DISTRICT mutually desire to be subject to the provisions  
of V.T.C.A. Government Code, Chapter 791, the Interlocal Cooperation Act, and V.T.C.A., Tax  
Code, Section 6.24 and 25.17 and;

WHEREAS, DISTRICT has the authority to contract with the COUNTY for the  
COUNTY to act as tax assessor and collector for DISTRICT and COUNTY has the authority  
to so act;

NOW THEREFORE, COUNTY and DISTRICT, for and in consideration of the  
mutual promises, covenants, and agreements herein contained, do agree as follows:

I.

The effective date of this Agreement shall be the 1<sup>st</sup> day of September, 2014. The term of this Agreement shall be for a period of one year, from September 1, 2014, to and through August 31, 2015. This Agreement shall be automatically renewed for an additional one (1) year term at the discretion of the COUNTY and DISTRICT, unless written notice of termination is provided by the terminating party to the other party prior to one hundred-fifty (150) days of the expiration date of the current term of the Agreement. DISTRICT agrees to deliver this agreement no later than August 31, 2014 in manner required by COUNTY to fully execute said collection services by COUNTY.

II.

For the purposes and consideration herein stated and contemplated, COUNTY shall provide the following necessary and appropriate services for DISTRICT to the maximum extent authorized by this Agreement, without regard to race, sex, religion, color, age, disability, or national origin:

1. COUNTY, by and through its duly qualified tax assessor-collector, shall serve as tax assessor-collector for DISTRICT for ad valorem tax collection for tax year 2014, and each tax year for the duration of this Agreement. COUNTY agrees to perform all necessary ad valorem assessing and collecting duties for DISTRICT and DISTRICT does hereby expressly authorize COUNTY to do and perform all acts necessary and proper to assess and collect taxes for DISTRICT. COUNTY agrees to collect base taxes, penalties, interest, and attorney's fees.

2. COUNTY agrees to prepare and mail all current and delinquent tax statements required by statute, supplemental changes for applicable property accounts, as well as prepare and mail any other mailing as deemed necessary and appropriate by COUNTY; provide daily

and monthly collection reports to **DISTRICT**; prepare tax certificates; develop and maintain both current and delinquent tax rolls, disburse tax monies to **DISTRICT** daily (business day) based on prior day tax postings, approve and refund overpayment or erroneous payment of taxes for **DISTRICT** pursuant to Texas Property Tax code Sections 31.11 and 31.12 from available current tax collections of **DISTRICT**; meet the requirements of Section 26.04 of the Texas Tax Code; and to develop and maintain such other records and forms as are necessary or required by State law, rules, or regulations.

3. **COUNTY** further agrees that it will calculate the effective tax rates and rollback tax rates for **DISTRICT** and that such calculation will be provided at no additional cost to **DISTRICT**. The information concerning the effective and rollback tax rates will be published in the form prescribed by the Comptroller of Public Accounts of the State of Texas, and as required by Section 26.04 of V.T.C.A. Tax Code. **DISTRICT** shall notify tax assessor-collector no later than July 25th of each year that **DISTRICT** wishes publication of forms or notices specified in this section. It is understood and agreed by the parties that the expense of publication shall be borne by **DISTRICT** and that **COUNTY** shall provide **DISTRICT**'s billing address to the newspaper publishing the effective and rollback tax rates. In the event **DISTRICT** requires early calculation based on certified estimate values, **DISTRICT** must notify **COUNTY** no later than May 20<sup>th</sup> of each year that **DISTRICT** wishes publications of forms or notices specified in this section.

4. **COUNTY** agrees, upon request, to offer guidance and the necessary forms for posting notices of required hearing and quarter-page notices as required by Sections 26.05 and 26.06 of V.T.C.A. Tax Code, if **DISTRICT** requests such 7 days in advance of the intended publication date. **DISTRICT** must approve all calculations and notices, in the format required by

**COUNTY** before publication may proceed. The accuracy and timeliness of all required notices are the responsibility of **DISTRICT**.

5. Should **DISTRICT** vote to increase its tax rate above the rollback tax rate the required publication of notices shall be the responsibility of **DISTRICT**.

6. **COUNTY** agrees to develop and maintain written policies and procedures of its operation. **COUNTY** further agrees to make available full information about the operation of the County Tax Office to **DISTRICT**, and to promptly furnish written reports to keep **DISTRICT** informed of all financial information affecting it.

7. **DISTRICT** agrees to promptly deliver to **COUNTY** all records that it has accumulated and developed in the assessment and collection of taxes, and to cooperate in furnishing or locating any other information and records needed by **COUNTY** to perform its duties under the terms and conditions of this Agreement.

8. **COUNTY** agrees to allow an audit of the tax records of **DISTRICT** in **COUNTY'S** possession during normal working hours with at least 48 hours advance, written notice to **COUNTY**. The expense of any and all such audits shall be paid by **DISTRICT**. A copy of any and all such audits shall be furnished to **COUNTY**.

9. If required by **DISTRICT**, **COUNTY** agrees to obtain a surety bond for the County Tax Assessor/Collector. Such bond will be conditioned upon the faithful performance of the Tax Assessor/Collector's lawful duties, will be made payable to **DISTRICT** and in an amount determined by the governing body of **DISTRICT**. The premium for any such bond shall be borne solely by **DISTRICT**.

10. COUNTY agrees that it will post a notice on its website, as a reminder that delinquent tax penalties will apply to all assessed taxes which are not paid by January 31, 2015. COUNTY agrees to mail a reminder notice to delinquent property accounts in the month of February notifying that delinquent tax penalties will apply to all assessed taxes which are not paid by January 31, 2015. The reminder notices will be mailed between February 5<sup>th</sup> and February 28<sup>th</sup>

11. COUNTY agrees that it will post to a secure website collection reports for DISTRICT listing current taxes, delinquent taxes, penalties and interest on a daily basis through September 30, 2015. COUNTY will provide monthly Maintenance and Operation (hereinafter referred to as "MO"), and Interest and Sinking (hereinafter referred to as "IS") collection reports; provide monthly recap reports; and provide monthly attorney fee collection reports.

12. DISTRICT retains its right to select its own delinquent tax collection attorney and COUNTY agrees to reasonably cooperate with the attorney selected by DISTRICT in the collection of delinquent taxes and related activities.

13. DISTRICT will provide COUNTY with a copy of their current tax collection attorney contract on or before each February 15<sup>th</sup> each year. DISTRICT will provide COUNTY with notice of any change in collection attorney on or before the effective date of the new collection attorney contract.

III.

**COUNTY** hereby designates the Denton County Tax Assessor/ Collector to act on behalf of the County Tax Office and to serve as Liaison for **COUNTY** with **DISTRICT**. The County Tax Assessor/Collector, and/or his/her designated substitute, shall ensure the performance of all duties and obligations of **COUNTY**; shall devote sufficient time and attention to the execution of said duties on behalf of **COUNTY** in full compliance with the terms and conditions of this Agreement; and 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 purposes, terms and conditions of this Agreement for the mutual benefit of **COUNTY** and **DISTRICT**.

IV.

**COUNTY** accepts responsibility for the acts, negligence, and/or omissions related to property tax service of all **COUNTY** employees and agents, sub-contractors and /or contract laborers, and for those actions of other persons doing work under a contract or agreement with **COUNTY** to the extent allowed by law.

V.

**DISTRICT** accepts responsibility for the acts, negligence, and/or omissions of all **DISTRICT** employees and agents, sub-contractors and/or contract laborers, and for those of all other persons doing work under a contract or agreement with **DISTRICT** to the extent allowed by law.

VI.

**DISTRICT** understands and agrees that **DISTRICT**, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of **COUNTY**. **COUNTY** understands and agrees that **COUNTY**, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of **DISTRICT**.

VII.

For the services rendered during the 2014 tax year, **DISTRICT** agrees to pay **COUNTY** for the receiving, bookkeeping, issuing, and mailing of tax statements as follows:

1. The current tax statements will be mailed by October 10<sup>th</sup> or as soon thereafter as practical. In order to expedite mailing of tax statements the **DISTRICT** must adopt their 2014 tax rate by September 29, 2014. Failure of the **DISTRICT** to adopt a tax rate by September 29, 2014 will cause delay in timely mailing of tax statements. Pursuant to Texas Property Tax Code §26.05 if the **DISTRICT** must adopt a tax rate by the later of September 30<sup>th</sup> or 60 days after the certified appraisal roll is received.

Failure to adopt and deliver a tax rate by the later of September 30<sup>th</sup> or 60 days after the certified appraisal roll is received may result in delay of processing and mailing **DISTRICT** tax statements. **DISTRICT** agrees to assume the costs for additional delayed tax statements, processing and mailing as determined by **COUNTY**. Notwithstanding the provisions of the Tax Code, if **DISTRICT** fails to deliver the adopted tax rates (M&O and I&S) to the Tax Assessor Collector by September 29, 2014, it may cause a delay in the publication and release of tax statements.

2. An additional notice will be sent during the month of March following the initial mailing provided that **DISTRICT** has requested such a notice on or before February 28th.

The fee for this service will be a rate not to exceed \$0.69 per statement.

3. At least 30 days, but no more than 60 days, prior to April 1st, 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 to the owner of each parcel having delinquent taxes.

4. At least 30 days, but no more than 60 days, prior to July 1st, 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 to the owner of each parcel having delinquent taxes.

5. For accounts which become delinquent on or after June 1<sup>st</sup>, **COUNTY** shall mail a delinquent tax statement meeting the requirements of Section 33.08 of the Texas Property Tax Code to the owner of each parcel having delinquent taxes.

6. In event of a successful rollback election which takes place after tax bills for **DISTRICT** have been mailed, **DISTRICT** agrees to pay **COUNTY** a programming charge of \$5,000.00. The fee for this service will be a rate not to exceed \$0.69 per statement, Property Tax Code Section 26.07 (f). When a refund is required per Property Tax Code Section 26.07 (g), **COUNTY** will charge a \$.25 processing fee per check, in addition to the corrected statement mailing costs. Issuance of refunds, in the event of a successful rollback election, will be the responsibility of the **COUNTY**. **DISTRICT** will be billed for the refunds, postage and processing fees.

7. **DISTRICT** understands and agrees that **COUNTY** will, no later than January 31<sup>st</sup>, deduct from current collections of **DISTRICT** the "Total Cost" of providing all services described in paragraphs 1-5 above. This "Total Cost" includes any such services that have not



yet been performed at the time of deduction. The "Total Cost" of providing all services described in paragraphs 1-5 above shall be the total of:

§ 0.69 x the total number of parcels on **DISTRICT'S** Tax Roll for tax year 2013. In the event that a rollback election as described in paragraph 6 takes place, **COUNTY** shall bill **DISTRICT** for the applicable programming charge, check processing fees, refunds paid, and refund postage costs. **DISTRICT** shall pay **COUNTY** all billed amounts within 30 days of its receipt of said bill. In the event costs for additional delayed tax statements, processing and mailing are incurred as described in paragraph 1, **COUNTY** shall bill **DISTRICT** for such amounts. **DISTRICT** shall pay **COUNTY** all such billed amounts within 30 days of its receipt of said bill.

8. **DISTRICT** further understands and agrees that **COUNTY** (at its sole discretion) may increase or decrease the amounts charged to **DISTRICT** for any renewal year of this Agreement, provided that **COUNTY** gives written notice to **DISTRICT** sixty (60) days prior to the expiration date of the initial term of the Agreement. The County Budget Office establishes collection rates annually based on a survey of actual annual costs incurred by the **COUNTY** in performing tax collection services. The collection rate for each year is approved by County Commissioners' Court. All entities are assessed the same per parcel collection rate.

#### VIII.

**COUNTY** agrees to remit all taxes, penalties, and interest collected on **DISTRICT's** behalf and to deposit such funds into the **DISTRICT's** depositories as designated:

1. For deposits of tax, penalties, and interest, payment shall be by wire transfer or ACH to **DISTRICT's** depository accounts only, and segregated into the appropriate MO and IS

accounts. Only in the event of failure of electronic transfer protocol will a check for deposits of tax, penalty and interest be sent by mail to **DISTRICT**.

2. If **DISTRICT** uses the same depository as **COUNTY**, the deposits of tax, penalty and interest shall be by deposit transfer.

3. In anticipation of renewal of this Agreement, **COUNTY** further agrees that deposits will be made daily through September 30, 2015. It is expressly understood, however, that this obligation of **COUNTY** shall not survive termination of this Agreement, whether by termination by either party or by failure of the parties to renew this Agreement

4. In the event that **COUNTY** experiences shortage in collections as a result of an outstanding tax debt of **DISTRICT**, the **DISTRICT** agrees a payment in the amount of shortage shall be made by check or ACH to **COUNTY** within 15 business days after notification of such shortage.

#### IX.

In the event of termination, the withdrawing party shall be obligated to make such payments as are required by this Agreement through the balance of the tax year in which notice is given. **COUNTY** shall be obligated to provide services pursuant to this Agreement, during such period.

#### X.

This Agreement represents the entire agreement between **DISTRICT** and **COUNTY** and supersedes all prior negotiations, representations, and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by the governing bodies of both **DISTRICT** and **COUNTY** or those authorized to sign on behalf of those governing bodies.

XI.

Any and all written notices required to be given under this Agreement shall be delivered or mailed to the listed addresses:

**COUNTY:**

County Judge of Denton County  
110 West Hickory  
Denton, Texas 76201  
Telephone 940-349-2820

**DISTRICT:**

Aubrey Independent School District  
Address: 415 Tisdell Lane  
City, State, Zip: Aubrey, Texas 76227  
Telephone: (940) 668-0060 Email: dsanders@aubreyisd.net

XII.

**DISTRICT** hereby designates Denton County to act on behalf of **DISTRICT**, and to serve as Liaison for **DISTRICT** to ensure the performance of all duties and obligations of **DISTRICT** as stated in this Agreement. **DISTRICT**'s designee shall devote sufficient time and attention to the execution of said duties on behalf of **DISTRICT** in full compliance with the terms and conditions of this Agreement; shall provide immediate and direct supervision of the **DISTRICT** employees, agents, contractors, subcontractors, and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this Agreement for the mutual benefit of **DISTRICT** and **COUNTY**.

XIII.

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties that the remaining portions shall remain valid and in full force and effect to the extent possible.

XIV.

The undersigned officers and/or agents of the parties are the properly authorized officials and have the necessary authority to execute this agreement on behalf of the parties. Each party hereby certifies to the other that any resolutions necessary for this Agreement have been duly passed and are now in full force and effect.

Executed in duplicate originals this, 21st day of May 2014.

**COUNTY:**

Denton County  
110 West Hickory  
Denton, Texas 76201

**DISTRICT:**

Aubrey Independent School District  
Address: 415 Tisdell Lane  
City, State, Zip: Aubrey, Texas 76227

BY: \_\_\_\_\_  
Honorable Mary Horn  
Denton County Judge

BY: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

**ATTEST:**

BY: \_\_\_\_\_  
Cynthia Mitchell  
Denton County Clerk

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

APPROVED FORM AND CONTENT:

APPROVED AS TO FORM:

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Michelle French  
Denton County  
Tax Assessor/Collector

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Denton County  
Assistant District Attorney