

**APPROVAL OF INTERLOCAL COOPERATION AGREEMENT FOR PROPERTY TAX  
ASSESSMENT AND COLLECTION WITH DENTON COUNTY**

June 10, 2025

**SUMMARY**

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

**BOARD GOAL:**

Growth & Management – In pursuit of excellence, we value:

- Demonstrating effective and efficient management of district resources
- Providing leadership and/or oversight to ensure District meets all fiscal, legal and regulatory requirements

**PREVIOUS BOARD ACTION:**

August 10, 2021

**BACKGROUND INFORMATION:**

The Denton County Tax Office has collected taxes for Denton ISD for over 30 years. The collection fee is per parcel per year plus some reimbursements for certain direct expenses and extra mailings. In 2019-2020, the contract became a multi-year contract, renewing automatically unless the contract was terminated, or the contract needed to be updated. The contract renews automatically unless terminated by either party no later than 180 days prior to the expiration date of the then-current term of the contract.

**SIGNIFICANT ISSUES:**

- The Denton County Tax Office has requested the signed agreement be returned no later than July 1, 2025, to become effective October 1, 2025.
- Current tax statements will be mailed by October 10<sup>th</sup> of the tax year, or as soon thereafter as practical.
- Tax rates must be adopted before September 30<sup>th</sup> of the collection year or the 60<sup>th</sup> day after the certified appraisal roll is received, pursuant to Texas Property Tax Code 26.05(a).

**FISCAL IMPLICATIONS:**

- Denton County is required to notify us of any changes in pricing within 60 days of the expiration of the current term. We received notification of the change in pricing on May 2, 2025.
- Since 2018, the parcel price has remained \$1.00 per statement.
- Denton County has cited the following cost increases since 2018 for the increase in pricing:
  - Paper Costs – increase of 51%
  - Postage Rates – increase of 46% (with seven individual rate hikes since 2019)
  - Cost of Living – increase of 22.88% based on the PCE Index and increase of 27.29% based on the CPI
- Effective October 1, 2025, the parcel price will be \$1.41. This is an approximate increase of \$40,000.
- The total cost of providing all services will be deducted from current collections, no later than January 31<sup>st</sup> of the tax year.

**BENEFIT OF ACTION:**

Using one tax collector for Denton County tax collections improves efficiency of the tax collection process.

**SUPERINTENDENT’S RECOMMENDATION:**

- Recommend the tax collection contract with Denton County be approved effective October 1, 2025 - September 30, 2026, then automatically renewing for subsequent one-year terms.
- Recommend Jennifer Stewart, Executive Director of Budget, be designated as Liaison to serve between Denton ISD and the County Tax office.

**STAFF PERSONS RESPONSIBLE:**

Dr. Jeremy Thompson, Deputy Superintendent  
Jennifer Stewart, Executive Director of Budget

**ATTACHMENTS:**

2025/05-02 - Updated Contract and Parcel Fee Adjustments Letter  
Interlocal Cooperation Agreement for Property Tax Assessment and Collection

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_  
Signature of Divisional Leader: \_\_\_\_\_  
Signature of Superintendent: \_\_\_\_\_