

## **APPROVAL OF TAX COLLECTION CONTRACT WITH DENTON COUNTY**

August 11, 2009

### **SUMMARY:**

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

### **PREVIOUS BOARD ACTION:**

June 10, 2008

### **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 fifteen (15) years and is recommended for renewal for the 2009-2010 School Year.

### **SIGNIFICANT ISSUES:**

There are two changes in the 2009 agreement.

- 1) Section II, paragraph 12 requests a copy of the delinquent property tax attorney contract each February and notice of any change in law firms service the taxing entity.
- 2) Section VII, paragraph 7 allows the County an alternate collection method for unpaid mailing statement/ mailing charges.

Additionally the small entity minimum fee has been removed from this Agreement.

### **FISCAL IMPLICATIONS:**

- Per parcel price of \$0.74 per statement for all statements mailed on or before October 20, 2009.
- In the event the School District fails to set its tax rate by September 29, 2009, 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 \$0.74 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 \$0.74 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 \$0.74 per statement.
- In the event of a successful rollback election after tax bills have been mailed, the District will incur a \$5,000 programming charge and \$.74 per statement. Additionally, in the case of a refund, the charge will be \$.25 per check.

### **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 renewed for a period of one year, beginning September 1, 2009.

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

**STAFF PERSONS RESPONSIBLE:**

Debbie Monschke, Executive Director of Administrative Services

**ATTACHMENT:**

Denton County Tax Collection Contract

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Divisional Leader: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_

Comments: \_\_\_\_\_