ORDINANCE 09032019-1

WHEREAS, the City of Golinda is required to have a tax assessor-collector;

WHEREAS, the McLennan County Tax Assessor-Collector has agreed to serve as the Tax Assessor-Collector for the City of Golinda;

WHEREAS, Texas Law authorizes the City of Golinda and McLennan County to enter into an interlocal agreement providing that the McLennan County Tax Assessor-Collector to assess and collect the City taxes on behalf of the City of Golinda; and,

WHEREAS, McLennan County has provided an Interlocal Agreement for ad valorem tax collection services which is attached hereto and that is utilized by the political entities of McLennan County to contract with the McLennan County Tax Assessor-Collector;

WHEREAS, the Golinda City Council finds that entering into an agreement with McLennan County for ad valorem tax collection services is in the best interest of the City.

THEREFORE, BE IT ORDAINED that the Interlocal Agreement for ad valorem tax collection services presented by McLennan County should be and is hereby approved.

BE IT FURTHER ORDAINED that the Mayor of the City of Golinda is hereby authorized to execute said interlocal agreement and any ancillary documents necessary to accomplish said interlocal agreement.

BE IT FURTHER ORDAINED that the City Attorney is authorized and directed to negotiate and represent the City in accomplishing this agreement with McLennan County.

Passed, Approved, and Adopted on September 3, 2019.

CITY OF GOLINDA, TEXAS

Joyce Farar, Mayor

ATTEST:

Jessica Guerrero, City Secretary

STATE OF TEXAS

COUNTY OF MCLENNAN

INTERLOCAL AGREEMENT FOR AD VALOREM TAX COLLECTION SERVICES

THIS AGREEMENT made and entered into this 1st day of October 2019 by and between the County of McLennan (hereinafter called "County"), a political subdivision of the State of Texas and the City of Golinda, Texas (hereinafter referred to as "Participant"), each duly organized and existing under the laws of the State of Texas, each acting herein by and through its duly authorized official.

WITNESSETH:

WHEREAS, the Participant and the County are political subdivisions established and existing under the constitution and laws of the State of Texas and are governed by duly elected boards who are authorized to enter into Interlocal agreements;

WHEREAS, the parties to this agreement wish to consolidate the current collection of their respective ad valorem property taxes into one agency, i.e., the Tax Assessor- Collector of the County of McLennan and

WHEREAS, the parties enter into this agreement in order to eliminate the potential duplication of the system for collection of taxes and to promote governmental efficiency and economy; and

WHEREAS, the parties enter into this Agreement pursuant to the authority granted by VERNON'S TEXAS CODES ANNOTATED, TAX CODE, Sections 6.23, 6.24, 6.30, and Chapter 791 of the Texas Government Code.

NOW, THEREFORE, for purposes stated herein, it is mutually agreed as follows:

I. DEFINITIONS

"Collection" is defined as assessment, collection, disbursement, and any other function associated with levying and collecting current and delinquent real and personal property taxes as required by Texas Property Tax Code, including administrations of reinvestment zones for Tax Increment Financing, Tax Abatement, Public Improvement District, or similar arrangements.

"Current taxes" are defined as ad valorem taxes on real and personal property legally due and payable without penalty and interest.

"Delinquent Taxes" are defined as ad valorem taxes on real and personal property which have not been received by the County prior to the applicable delinquency dates set forth in the Tax Code and on which penalty, interest, and court costs, etc., are due.

"Participants" means all taxing units for which the McLennan County Tax Office provides collection services.

"Tax Office" and "Consolidated Tax Office" means the McLennan County Tax Assessor-Collector ("TAC") and all employees and facilities necessary to the implementation of this Agreement.

"TAC" refers to the McLennan County Tax Assessor-Collector.

"Tax Office Activity" means any action by the TAC, the County or any agent or employee of the TAC or County undertaken in the performance of this Agreement.

II. APPOINTMENT

The Participant appoints the McLennan County Tax Assessor-Collector ("TAC") as the assessor-collector of taxes for the Participant for the term of this Agreement. The TAC shall have full authority and responsibility to assess all of the real and personal property subject to taxation located within the boundaries of McLennan County and Participant in accord with the laws pertaining thereto. Except to the extent provided otherwise within this Agreement, the TAC is authorized and directed to collect all taxes of the Participant, both current and delinquent, including taxes previously assessed by the Participant. The TAC shall remain in the sole employ and control of the County.

III. SERVICES TO BE PERFORMED

1. The TAC shall perform faithfully and vigorously for and on behalf of the Participant, all services and duties required to be performed by the assessor and the collector of taxes for the Participant in accord with the provisions of the Tax Code and this Agreement and in the best interest of the Participant. In the event any provision of the Agreement is inconsistent with any requirement of law, the requirement of law shall control, and the TAC shall discharge its duties in accord therewith. Said services shall include, but not be limited to:

a. Calculation and publication of the effective tax rate and rollback rate each year within ten (10) business days of receiving all certified appraisal rolls from all applicable appraisal district(s) in accordance with the Texas Property Code.

b. Calculation of current taxes and preparation of current tax roll and delinquent tax roll each year.

c. Preparing and mailing of current and all required delinquent tax statements, deed and supplement changes for all Participant Unit tax accounts, as well as prepare and mail any other mailings as deemed necessary and appropriate by the McLennan County Tax Office.

d. Maintain, update and correct accounts as provided by applicable appraisal district(s);

e. Receive and deposit payment of tax monies on behalf of the Participant.

f. Prepare and issue Tax Certificates in accordance with Texas Property Tax Code Section 31.08

g. Prorating of tax bills as required.

h. Correction of tax bills as required.

i. Preparation of tax receipts.

j. Preparation of tax certificates.

k. Collection of current and delinquent taxes.

l. Issuance of tax refunds as required.

m. Administrative services for each participating unit regarding property taxation in Tax Increment Financing Districts and regarding Tax Abatement Districts.

n. Establish the tax roll based on property values and exemptions certified by the applicable Appraisal District(s), and based on the tax rate and exemptions authorized by the Taxing Unit;

o. Approve and refund overpayment or erroneous payment of taxes for the Participant's governing body, pursuant to Texas Property Code Sections 31.11 and 31.12, from available current tax collections of the Taxing Unit for making refunds.

2. The TAC shall prepare a consolidated tax statement for each taxpayer and shall mail it to each taxpayer or authorized agent.

3. The TAC shall prepare a notice of delinquency and shall deliver it to each property owner at least thirty (30) days and not more than sixty (60) days before July 1st of each year, and include a notice on the statement of the imposition of up to twenty (20%) percent additional penalty for costs of collections and other requirements of Section 33.07 and 33.04.

4. The TAC shall furnish Participant with monthly and annual reports as required under oath by the Tax Code as amended. The monthly and annual reports shall include as a minimum the following information: total taxes collected including penalty and interest, discount, refunds, cumulative collections, less discounts, balance of current and delinquent tax roll and any other information required by the Tax Code. Monthly reports of collections shall be prepared and delivered to a designated representative of the

Participant in sufficient time to deliver to the Participant's governing body on or before the following dates: Reports of collections made in the months of October through January are due on the 25th day of the month following the month that is the subject of the report. Reports of collections made in all other months are due on the fifteenth day of the month following the month that is the subject of the report. The annual report, as required pursuant to Section 31.10 of the Tax Code shall be prepared and submitted to the Participant's governing body by the sixtieth day following the last day of the fiscal year. The TAC will furnish the Participant with additional reports subject to the following conditions: The request must be in writing; must allow sufficient time for adequate response; and must conform to the cost factors of this Agreement.

5. All sums collected by the TAC on behalf of the Participant shall be remitted to the Participant within twenty-four (24) hours of deposit by the TAC. All refunds and amounts applicable for returned checks will be withheld from current collections and will be annotated on the respective report.

6. All receipts will be opened and deposited within one working day of receipt. County shall pay interest at the current rate of BBVA Compass Texas per day on all deposits not timely deposited or remitted to Participant.

7. The TAC will prepare an annual property tax collection activity operational budget on a fiscal year basis, which will include all expenditures, projected to be incurred in the property tax assessment and collections process for the previous year as well as projected income. Copies of this work budget will be made available to representatives of the Participant.

8. The TAC will apply equal effort in the assessment and collections of current and delinquent property taxes for the parties of this Agreement. The Tax Office activity will not show bias toward any taxing unit for which it collects current and delinquent property taxes.

9. The TAC will not permit the taxpayer, in the event payment of less than the consolidated bill is tendered, to apply the payment, as the taxpayer desires. Payments for less than the consolidated bill will be allocated proportionally among each of the taxing entities assessing taxes. However, in the event a Participant refers the delinquent account of his taxing unit to its attorney for collections, the amount collected by that taxing unit shall be applied to said Participant's account.

10. The TAC will obtain written approval from the governing body of a Participant before penalty and interest is waived, either partial or in whole, on any participant account. Any waiver of penalty and interest being considered must establish that the delinquency was caused by a direct action of the Tax Office or by a failure to act as required by the Tax Code.

11. The TAC will limit the time frame allowed for installment payment agreements for delinquent property taxes owing to the Participant to no more than one year. Written approval must be obtained from the Participant's representative signing this agreement or his designee for any deviations.

12. Interest payable under Section 31.12 of the Texas Property Tax Code for payment of refunds will not be considered reimbursable expenses.

13. TAC will be responsible for calculation of the Participant's effective tax rate based on the preliminary appraisal roll and when the certified tax roll is provided pursuant to Section 26.04 (c). Such calculations shall be provided to Participant within five working days of receiving data from the McLennan County Appraisal District and the Falls County Appraisal District.

14. The County will pay any taxes uncollected due to errors by the County in the preparation of Tax Certificates.

15. The governing body of Participant will approve any transfer to an inactive status of ad valorem taxes owed to said Participant.

IV. FEE AND PAYMENT

1. Amount of Fee:

   a. The estimated cost of collecting taxes, as budgeted by the TAC shall be shared by the Participants, and will be charged according to this formula: The percent of each Participant's parcels to total parcels (real estate and personal property) plus the percent of each Participant's levy to total levy divided by two times the amount of the approved budget.

   b. All start-up costs financed by sources other than a Participant or the County will not be charged to Participant.

   c. The County also agrees to adjust the total expenses for the next budgeted year for costs charged to the Consolidated Tax Office but determined by independent audit to be inappropriately charged to the Consolidated Tax Office. Reimbursement will be on a pro-rata basis to Participants. The cost of this independent annual audit will be included in the annual budget of the Tax Office.

2. Method of payment:

The Participant will pay its share to TAC Budget in 12 equal installments, due by the 10th of each month. At the option of Participant, Participant may pay its unpaid share in advance in a lump sum at any time during the fiscal year. In the event payment is not received on or before the due date the Participant agrees that the County may withhold the amount of the delinquent payment from the taxes collected by the County.

V. ADMINISTRATION PROVISIONS

1. All expenses incurred by the County for the collections of taxes shall be clearly kept on the appropriate books and records. The Participant or its designated representative, after notifying the TAC and the County in writing, is authorized to examine the records to be kept by the TAC and the County at such reasonable times and intervals as the Participant deems appropriate.

a. All revenues earned by TAC including but not limited to interest earned on TAC bank account, returned check fees, tax certificate fees, etc., in the collection of ad valorem taxes that are not a Participant's revenue shall be used to reduce TAC expenses allocated to Participant.

b. Allocation of indirect cost to TAC shall be from administrative department funding services to TAC and shall be supported by a cost allocation plan that allocates cost balanced to the audit in a systematic equitable manner to all County activities.

c. Cost of separate mailing of statements due to a Participant not setting a tax rate in time for the consolidated statement will be paid by the Participant. Tax rates will be provided to TAC no later than twenty (20) days prior to the anticipated mail-out date. It is intended by the parties that the mail-out of tax statements will occur on or about October 1st.

d. Cost of separate mailing of statements and processing of refunds due to successful roll-back elections shall be paid by Participant.

e. There will be no separate or additional charge for TAC expenses related to reinvestment zones for Tax Increment Financing, or Tax Abatements, Public Improvement Districts or similar situations where taxes are designated or applied specifically.

f. The Participant's independent auditors will have the right to make any test of tax records pertaining to the Participant necessary to support their opinion of the financial report of the Participant.

g. Satellite offices of TAC will be staffed and paid by the County or the Participant requesting the office. The direct or indirect costs of operating satellite offices are not reimbursable expenses and will not be included in the TAC budget.

VI. MISCELLANEOUS PROVISIONS

1. The Participant agrees to transfer to the possession and control of the TAC, without charge, copies of all records necessary for the performance of the duties and

responsibilities of the TAC pursuant to the Agreement. These records shall include all tax records, including tax rolls or records available to the Participant.

2. Except as provided in Article III, Item 14, neither the County nor TAC shall be liable to the Participant for any failure to collect taxes unless the failure to collect taxes results from willful or intentional failure to perform the duties imposed by law and by this Agreement.

3. The County shall maintain adequate employee dishonesty bonds to indemnify the Participant for any misappropriated funds. If bond funds are not available, the County will pay to the Participant the amount of missing funds from other County general funds, and in accordance with law.

4. Authorized refunds to property owners will be made on the same check for all taxing units contracting for assessment and collection services. Such refunds include, but are not limited to, late exemption claims, clerical errors, overpayment, etc. Refunds in excess of $500 will be approved by the Commissioners Court. The amount of the Participant's refund shall be deducted from collections withheld or, if none are available, shall be remitted by the Participant to the County within seven (7) days of written notification of such sums due.

5. Computerized tax files will be backed up daily, secured and maintained in an off-site location. The location shall provide reasonable and adequate protection and security to prevent theft, tampering, fire damage, or other potential losses of the records, adequate insurance coverage on computer records in a form of valuable papers coverage will be maintained by the County.

VII. DELINQUENT TAXES

1. Pursuant to Section 6.24 of the Texas Tax Code, the Participant hereby authorizes and instructs the County by and through the TAC to collect delinquent taxes for Participant as provided herein. Such collection shall include all taxes delinquent on the effective date of the Agreement.

2. The Participant reserves the right to contract at its own expense with its own attorney to enforce the collection of delinquent taxes in accordance with Section 6.30 of the Tax Code. No additional charge will be made for providing compatible computer tape, diskettes, or records to the Participants.

3. All costs of preparation and mailing to delinquent statements shall be reimbursable expense of the TAC.

VIII. SOVEREIGN IMMUNITY

It is expressly understood and agreed that, in the execution of this Agreement, neither the County nor any Participant waives or shall be deemed hereby to waive any immunity of

defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

IX. TERM

1. This Agreement shall begin effective October 1, 2019, and shall continue in full force and effect from year to year until such time as either party hereto gives written notice of cancellation. The written notice must be provided to the other party on or before April 1 of the year in which the party intends for the Agreement to terminate. Such termination shall be effective September 30 following such notice.

2. In the event of termination of this Agreement, either by withdrawal by either party or the failure to agree on extension of the Agreement beyond the initial period, a magnetic tape of property tax data and other records necessary to collect taxes pertaining to property within the Participant area shall be prepared by the County and delivered to the Participant within thirty (30) days of termination of the Agreement. The actual expenses resulting from the Participant withdrawing from the Agreement shall be chargeable solely to that Participant unless withdrawal is due to default by the County and accordingly the County would be solely chargeable.

3. In the event of default by County, which includes failure to adequately perform any of the terms of this Agreement, a Participant may: (1) offset any amounts due and owing by the County and/or (2) withdraw upon seven (7) days' notice to County. County shall promptly provide the information referred to above without current or future cost to the Participant. These remedies are cumulative and in addition to any other recovery or claim for damages at law or in equity due to breach of any provision in the Agreement including attorney fees and costs as specified herein.

X. GENERAL PROVISIONS

1. Notices:

Any notice or certification required or permitted to be delivered under this agreement shall be deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, properly addressed to the contact person shown at the respective addresses set for below, or at such other addresses as shall be specified by written notice delivered in accordance herewith:

TO COUNTY:
McLennan County Tax Office
215 North 5th Street, Room 118
Waco, TX 76701-1361

TO TAXING UNIT:
City of Golinda, Texas

7039 Golinda Drive
Golinda, TX 76655

3. Parties bound:

This Agreement shall be binding upon the parties, their legal representatives, successors, and assigns.

4. Copies:

This Agreement is executed in multiple copies, any one of which, or a true copy thereof, shall have the same evidentiary value.

5. Completeness:

It is understood and agreed that the entire Agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof.

6. Attorney's fees:

If any legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs in addition to any other relief to which that party may be entitled.

7. Severability:

The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause or phrase of the Agreement is for any reason held to be contrary to the law or contrary to any rule or regulation having the force and effect of law, such decision shall not affect the remaining portions of the Agreement. However, upon the occurrence of such event, either party may terminate this Agreement by giving the other party thirty (30) days written notice.

8. Texas law to apply:

This Agreement shall be deemed to have been made in, and shall be construed pursuant to, the law of the State of Texas.

The obligations and undertakings of each of the parties to this Agreement shall be performable at McLennan County, Texas.

9. Modification:

No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the parties hereto. Any alteration, addition or deletion to the terms of this Agreement which are required by changes in federal of State law are automatically incorporated herein without written amendment to this Agreement and shall be effective on the date designated by state law.

10. Assignment:

The County and Participant agree that this Agreement may not be assigned or otherwise transferred without the written consent of Participant.

11. Relationship of Parties:

County and Participant agree that the terms and conditions of this Agreement do not constitute the creation of a separate legal entity or the creation of legal responsibilities of either party other than under the terms of this Agreement. County and Participant are and shall be acting as independent contractors under this Agreement; accordingly, nothing contained in this Agreement shall be construed as establishing a master/servant, employer/employee, partnership, joint venture, or joint enterprise relationship between County and Participant. Participant and County are responsible for their own acts, forbearance, negligence and deeds, and for those of their respective agents or employee in conjunction with the performance of work covered under this Agreement. Participant represents that it has or will secure at its own expense, all personnel and consultants required in performing the services herein. Such personnel and consultants shall not be employees of or have any contractual relationship with the County.

ACKNOWLEDGEMENT

Each party represents that it has the full right, power and authority to enter and perform this Agreement in accordance with all of the terms and conditions, and that the execution and delivery of the Agreement has been made by authorized representatives of each party to validly and legally bind the respective party to all terms, performances and provisions set forth in this Agreement.

The undersigned agents for the County of McLennan and the Participant of this Agreement, acknowledge that they have read this Agreement and understand that it is the full and complete agreement as between the parties.

In witness whereof, the participant has respectfully caused this Agreement to be duly executed on this 3 day of September 2019

CITY OF GOLINDA, TEXAS

By: _____

Name: Joyce Farrar

Title: Mayor

Attest:

By: Jessica Duenero
City Secretary

COUNTY OF MCLENNAN

By: _____

Name: BEN PERRY

Title: County Judge PRO TEM 9/17/19

Attest:

By: Myrcella Hawkins-Perkins