

CONTRACT FOR TAX COLLECTION SERVICES

This interlocal contract is between the Sabine County, hereinafter called "County", and the West Sabine Independent School District, hereinafter called "District" and is entered into under the provisions of Chapter 791, TEX. GOVERNMENT CODE, and Chapter 6, TEX. TAX CODE.

1.0 PURPOSE

The parties to this contract wish to authorize the County to provide the collection of the District's property taxes under the provisions of Section 6.24, of the Texas Tax Code only for those property tax accounts with a situs in Sabine County, Texas.

2.0 TERM

This Contract shall be effective from the 1st day of October, 2021, through the 30th day of September, 2022, and thereafter for year-to-year terms commencing on 1st of each year and ending on 30th of the succeeding year, until terminated by either party pursuant to the termination provisions under §15.0 of this Contract.

3.0 APPOINTMENT OF TAX COLLECTOR

3.01 The Tax Assessor-Collector of Sabine County is hereby designated as Tax Collector for the District for those properties located within Sabine County, Texas.

4.0 SERVICES TO BE PERFORMED

COUNTY agrees to perform all necessary collection functions authorized and required by law for the District. The functions shall include, but not limited to, the following:

- a. Calculation of current taxes and preparation of current tax roll and delinquent tax roll each year. This shall include, but not be limited to, calculation of all exemptions and frozen tax amounts applicable to properties subject to taxation by the District.
- b. Mailing of combined/consolidated current tax bills and all required delinquent tax statements. In addition, to the initial current tax bill to be mailed each year the COUNTY shall also mail the notice required by Section 33.07, Texas Tax Code.
- c. Proration of tax bills as required.
- d. Correction of tax bills as required.
- e. Preparation of tax receipts.
- f. Preparation of tax certificated.
- g. Collection of current and delinquent taxes. The COUNTY shall allow a taxpayer to apply a payment to any tax year or taxing unit without paying other amounts owed. If a partial payment is made and the taxpayer does not specify how it is to be applied the payment shall be prorated between the COUNTY and the District.
- h. Issuance of tax refunds as required.

- i. Provide assistance if needed in the preparation of Report of Property Values as required by the State of Texas and assistance in providing information to file any another reports the District is required to file by State and Federal laws and regulations or in connection with the sale and administration of District bonds.

5.0 COLLECTION RECORDS

5.01 The District shall transfer to the care, custody and control of the County Tax Collector, without charge, copies of all books and records necessary for the performance of the duties and responsibilities of the County pursuant to this Contract.

5.02 At the termination of this Contract for any reason, the COUNTY shall return copies of all collection records it holds concerning the District within fifteen (15) days after receipt of notice of termination of this Contract as provided hereinbelow.

6.0 EMPLOYMENT OF COUNSEL AND AUTHORIZATION TO INSTITUTE LEGAL ACTIONS

6.01 The District has the right and authority to hire legal counsel to collect its delinquent taxes and the District has by contract allowed the Sabine County Commissioners Court to make that designation.

6.02 The County expressly agrees to cooperate with and provide all ordinary, usual and customary assistance to any such private legal counsel who is engaged in the collection of the District's delinquent taxes. Such assistance includes providing to counsel, as and when requested, the following: (a) all essential data regarding each delinquent account in a suitable electronic format, (b) a competent and qualified witness from the office of the County Tax Collector when deemed necessary by such counsel for testimony in matters of delinquent tax litigation, and (c) certified copies of appropriate delinquent tax records for use as evidence in matters of delinquent tax litigation.

6.03 Payment of the District's counsel shall be made by the County from the funds that the County collects for the District and in the amount and manner provided by the contract with such counsel.

7.0 AUDIT

The County agrees to permit auditors engaged by the District to annually audit its collection expenditures and its collection of taxes for the District during the life of this contract. Furthermore, the County agrees to furnish at no charge to the District any audits performed by or for the County that pertain to the District's taxes collected by the County.

8.0 SURETY BOND and SECURITIES

8.01 Upon request by the District, County agrees to obtain a surety bond for the tax collector and staff to assure proper performance of the tax collection functions provided for in this contract. Such bond shall be payable to the District's Board of Trustees in the amount required by law. The District shall bear the cost of any such bond.

8.02 The County's depository must have securities pledged to back the District's funds deposited in the County's depository in an amount at least equal to the amount of said deposits on hand.

9.0 REMITTANCE OF TAX COLLECTIONS

9.01 County agrees to pay over to the District all taxes, penalty and interest collected by its collector, less the following items: (1) any payment of refunds described under §11.0 below, and (2) the costs of performing the services specified in this Agreement as described under §13.0 below.

9.02 Upon request by the District, such remittances shall be made by wire transfer into a depository selected for the District.

9.03 Remittances to the District shall be made on the schedule set out in Section 9.04.

9.04 Remittances shall be made to the District's depository immediately upon the availability of funds according to the following schedule and will provide a report of each such deposit to the District:

| Aggregate Amount of Funds on Hand | Required Remittance Frequency |
|-----------------------------------|-------------------------------|
| \$100,000 or more | Daily |
| \$10,000 to \$99,999.99 | Weekly |
| Less than \$9,999.99 | Monthly |

10.0 REPORTS

In addition to the deposit report described under §9.04 above, County agrees to make reports of its collection of taxes, penalties and interest to the District not less often than monthly. A cumulative annual report for the preceding twelve months shall be prepared by County and furnished to the District not later than the first day of the first month immediately following the last month of the District's fiscal year.

11.0 REFUNDS

11.01 County shall process all applications for refunds and pay all refunds required under the provisions of the Property Tax Code. County shall pay all refunds that are found to be due and owing by the District from collections on hand for the District. If amounts to be refunded exceed collections currently on hand, any required refund shall be remitted by the District to the County within seven (7) days of notification of such sums due.

11.02 County shall pay all refunds due on or before the 60th day after the date the liability for the refund arises. The dates on which liability arises are those dates set forth under

Tex. Tax Code §31.12. Failure of the County or the District to act within any time stated in this provision, which results in the accrual of interest due on any refunds, shall obligate the one failing to act timely to pay such accrued interest. If both parties fail to meet deadlines for a refund, each shall pay one-half (1/2) of the accrued interest.

12.0 REGISTRATION AND CERTIFICATION BY T.A.C.A.

County expressly agrees that all personnel engaged in its collection functions who are required by law to be registered shall remain at all times registered with the Tax Assessor Collections Association and shall become certified as required by law.

13.0 PAYMENT FOR COLLECTIONS SERVICES

13.01 In consideration for service rendered, District shall pay County an annual fee equal to 1% of all taxes, penalties and interest actually collected, payable on a quarterly basis within 30 days of invoice. This consideration is determined by both parties to be an amount that does not exceed the actual costs incurred by County in performing its services under this contract. County shall provide all collection functions, including the preparation and submission of all required reports as further enumerated herein.

13.02 In the event that the District becomes subject to a successful tax rate rollback election, or if the District's tax rate is otherwise changed after the County begins collections for the District in any given year, thus requiring the printing and distribution of new tax statements and the processing of refunds, the District agrees to reimburse the County for the actual costs of providing those additional statements. The manner in which reimbursement is made for those additional costs shall be by the County's withholding such costs from the ordinary remittances of collections made under §9.0 above. The time and manner in which the County shall make any refunds for the District following such a rollback election, shall be within the same time and in the same manner as provided under §9.0 and §11.0 above.

13.03 Should the County's annual expenses incurred in the performance of the responsibilities required in this contract exceed the amount received under §13.01 then the District shall be required to reimburse the County upon receiving written documentation of the expenses incurred. The County is entitled to be reimbursed for tax statement for the District as soon as administratively practicable after the District notifies the County of its tax rate. If separate tax statements are needed for the District they will be prepared and mailed at the expense of the District under the same expenses incurred in collecting taxes for the District including but not limited to expenses for personnel, office space, paper, supplies, postage, publication fees, computer services, wire transfer and other banking fees, ect.

14.0 ADMINISTRATIVE PROVISIONS

14.01 All revenue received from the sale of tax certificates by the County shall be retained by the County as revenue to be applied against its collections expense budget for the year in which it is received.

14.02 The County shall provide the governing body of the District with a print out and a computer tape of the tax roll for each year that this Contract is in effect.

15.0 TERMINATION

15.01 Unless terminated under §15.02 below, this contract shall continue in full force and effect from year to year until such time as the County or the District, by written notice to the other may terminate this contract, such termination to be effective only if notice thereof is provided to the other party on or before March 1st of the year in which the party intends to terminate.

15.02 The parties may in writing agree at any time to any other termination procedure that is mutually acceptable.

16.0 MAILING OF CURRENT TAX STATEMENTS

16.01 The governing body of the District shall adopt its tax rate, and notify County of its tax rate, before the later of September 30th or the 60th day after the date the certified appraisal roll is received by the District from the appraisal district. If this deadline is not met and the District is not able to notify the County of its adopted tax rate in time for the County to include the District's current taxes on a consolidated tax statement then the County may mail out tax statements without the District taxes and mail a separate tax statement for the District as soon as administratively practicable after the District notifies the County of its tax rate. If separate tax statements are needed for the District, they will be prepared and mailed at the expense of the District under the same terms as set out in §13 above.

17.0 NO LIABILITY FOR FAILURE TO COLLECT

The County shall not be liable to the District for any failure to collect taxes under this contract, nor shall the County Tax Collector be liable to the District for any such failure except where the Tax Collector fails to collect taxes resulting from a failure to perform the duties imposed upon that office by law and by this contract; provided, however, the Tax Collector shall not be liable for any failure to collect taxes where the failure to perform duties imposed by law and by this contract arises out of circumstances beyond his/her control.

18.0 SOVEREIGN IMMUNITY

It is expressly understood and agreed that, in the execution of this contract, neither the County nor the District waives or shall be deemed hereby to waive any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

19.0 AMENDMENTS TO THIS CONTRACT

Any amendments, alterations, deletions or waiver of the provisions of this contract shall be valid only when expressed in writing and agreed to by official action of the governing bodies of the County and the District, and will be effective only if they do not adversely affect the prompt fulfillment of contract obligations, except that the joinder of additional taxing units as participants in this agreement shall in no wise be deemed an adverse effect and which may be accomplished without the consent of the district. All amendments concerning or affecting an increase in the amount of payment or costs under this contract shall be effective only if they are agreed upon on or before July 1 of the year of the year in which they are to become effective.

20.0 REGULATIONS AND LAWS

This contract shall be interpreted and construed in accordance with all applicable laws of the United States of America and all applicable laws of the State of Texas, including but not limited to the provisions of the Texas Property Tax Code.

21.0 MISCELLANEOUS PROVISIONS

21.01 Notices. Except as otherwise provided in this contract, all notice required or permitted herein shall be in writing and shall be hand delivered or sent by certified or registered mail, postage prepaid, return receipt required. In the case of notice sent by registered or certified mail, notice shall be deemed effective three days after deposit in a United States Postal Service mailbox or a United States Post Office. In the case of notice by hand delivery, notice shall be deemed effective immediately upon delivery.

21.02 Parties Bound. This contract shall be binding upon the County and the District, and their successors and assigns.

21.03 Copies. This contract is executed in multiple copies, any one of which is a true copy thereof having the same evidentiary value.

21.04 Integration. It is understood and agreed that the entire agreement of the parties is contained herein and that this contract supersedes all written or oral agreements and negotiations between the parties relating to the subject matter hereof.

21.05 Severability. The provisions of this contract are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this contract is held by a court of

competent jurisdiction, for any reason, to be invalid, illegal, or unenforceable, such infirmity shall not affect the remaining provisions of this contract; provided, however, upon the occurrence of such event, a party may terminate this contract forthwith upon the delivery of written notice of termination to the other party in accordance with §15 above.

21.06 Venue. All obligations pursuant to this contract are fully performable in Sabine County, Texas, and venue for any dispute arising out of this contract will lie in the appropriate courts of Sabine County, Texas.

21.07 Effective date. This contract shall become effective on October 1, 2021.

IN WITNESS WHEREOF, these presents are executed by the authority of the governing bodies of the respective parties hereto on the dates shown.

West Sabine Independent School District

Sabine County

Authorized Signature

Authorized Signature

Title: Superintendent

Title: Tax Assessor-Collector

Date: _____

Date: _____