



## RESOLUTION 230613-2

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEONARD, TEXAS, APPROVING AN INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF LEONARD, TEXAS, AND THE FANNIN CENTRAL APPRAISAL DISTRICT; AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** The City of Leonard (the "City") is a General Type A municipality located in Fannin County, Texas; and is governed by the City Council; and

**WHEREAS,** the City Council is authorized to enter into contracts for professional services as necessary to complete the work of the City; and

**WHEREAS,** the City Council deems it necessary for the operation of the City to renew the interlocal agreement with Fannin Central Appraisal District;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEONARD, TEXAS:**

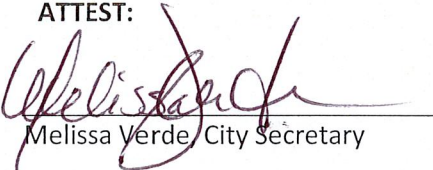
**Section 1.** The City of Leonard is authorized to enter into an interlocal agreement, exhibit A to this Resolution, with the Fannin Central Appraisal District for the calculation, preparation, assessment, and collection of city property taxes, to begin on June 13, 2023, and renew yearly every first of June.

**Section 2.** The City Council authorizes the Mayor to sign the agreement.

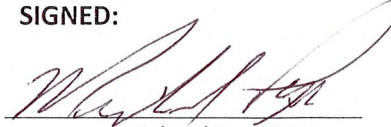
**Section 3.** This Resolution shall become effective after the City Council's adoption.

**ADOPTED this 13<sup>th</sup> day of June 2023.**

**ATTEST:**

  
Melissa Verde, City Secretary

**SIGNED:**

  
Michael Pye, Mayor



# EXHIBIT A

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## ASSESSMENT AND COLLECTIONS AGREEMENT

### City of Leonard and the Fannin Central Appraisal District

STATE OF TEXAS

COUNTY OF FANNIN

This contract is between the Fannin Central Appraisal District, (hereinafter called "CAD") and the **City of Leonard, Texas**, (hereinafter called "Entity") and is entered into on this 13<sup>th</sup> day of June, 2023 under the provisions of Chapter 791 of the Texas Government Code and Chapter 6 of the Texas Property Tax Code.

#### DEFINITIONS:

For the purpose of this agreement, the terms "Assessment" and "Collection" shall include calculation of tax, preparation of the current and delinquent tax rolls, pro-ration of taxes, correction of clerical errors in the tax rolls, collection of current liabilities, collection of delinquent taxes, issuance of refunds, and calculation of the no-new revenue rate, voter approval rate, or other rates required by Chapter 26 of the Texas Property Tax Code. All aspects of assessment and collections shall fall clearly within published guidelines outlined in the Texas Property Tax Code, and the International Association of Assessing Officers (IAAO) publications and standards as applicable.

Each party understands the term "Assessment" shall not include those functions assigned to either the Chief Appraiser or the Appraisal District under the Texas Property Tax Code.

This assessment and collections agreement is in compliance with Texas Attorney General Opinion GA-0030 which in summary states:

"The budget of a tax appraisal district may allocate to the taxing units within the district only the costs of operating the appraisal district for its appraisal purposes. The costs of tax assessment or collections, which the appraisal district may opt to perform for the taxing units under contract, are paid by the unit that has contracted with the district for these services and are not allocated to all taxing units within the district, regardless of whether or not the unit contracted with the district for assessment and collection services."

**I.**

**PURPOSE**

The parties to this contract wish to enter into this Assessment and Collection Agreement under the provisions of section 6.24 of the Texas Property Tax Code.

**II.**

**TERM**

This contract shall be effective from June 13, 2023, through May 31, 2024, and thereafter for yearly terms commencing on June 1 of each year, and ending with May 31 of the succeeding year, until terminated by one or more parties pursuant to the termination provision of this contract.

**III.**

**APPOINTMENT OF TAX ASSESSOR-COLLECTOR**

The Chief Appraiser of the CAD is hereby designated as the Tax Assessor-Collector for the Entity.

The Chief Appraiser of the CAD is also hereby appointed by the governing body of the Entity as the person designated to perform tax rate computations for the Entity, with supporting information provided by the Entity, as outlined in Chapter 26 of the Texas Property Tax Code.

**IV.**

**SERVICES TO BE PERFORMED:**

The CAD agrees to perform all necessary Assessment and Collections functions authorized by law for the Entity.

The functions shall include the following enumerated duties and any additional duties that are duly within the professional job requirements of the office of the Tax Assessor-Collector, and that may not be specifically enumerated herein:

- 1) Assistance in the calculation of both the no new revenue tax rate and the voter approval tax rate each year;

- 2) Publishing of required tax rate hearing and adoption notices;
- 3) Calculation and Assessment of all current taxes for owners of property within the taxing jurisdictional boundaries of the Entity;
- 4) Preparation of Current Tax Roll and production of a Delinquent Tax Roll for release to the Entity or any attorneys representing the Entity in the collection of delinquent taxes as specified each year;
- 5) Mailing of all current and required statements;
- 6) Pro-ration of tax bills as required;
- 7) Correction of tax bills as required;
- 8) Preparation of tax receipts and tax certificates;
- 9) Collection of current taxes and delinquent taxes;
- 10) Manage and direct the work of outside counsel collecting delinquent taxes for the efficiency of the CAD office and in the best interests of the Entity.
- 11) Issuance of Tax Supplements, Credits, and Refunds as required;
- 12) Perform disbursement and reporting of collections as further defined by this Agreement.

## **V.**

### **ASSESSMENT AND COLLECTION RECORDS**

At the termination of this contract for any reason, the CAD shall return copies of all Assessment and Collection records it holds or possesses concerning the Entity within a reasonable time not to exceed thirty (30) days commencing the day after receipt of notice of termination of this contract as provided herein.

## **VI.**

### **AUDIT**

The CAD agrees to permit auditors engaged by the Entity to, at any reasonable time, audit its assessment and collection expenditures and the collection of taxes for the Entity during the life of this contract. Such auditors shall report directly to the Entity.

## **VII.**

### **SURETY BOND**

Upon written request by the Entity and consistent with the requirements of Section 6.29 of the Texas Property Tax Code, the CAD agrees to obtain a surety bond for the Tax Assessor-Collector and appropriate staff to assure proper performance of the assessment and collections functions provided for in this contract. Such bond shall be payable in the sum it designates unless otherwise provided by law and executed by a solvent surety company, licensed to do business in Texas. The entity shall reimburse the CAD for the cost of such bond immediately upon receipt of an invoice of the cost of such bond.

## **VIII.**

### **REMITTANCE OF TAX COLLECTIONS**

The CAD agrees to pay over to the Entity all net taxes, penalties and interest, after payment of refunds. Current taxes collected will be disbursed by either mail, by designated courier provided by the Entity, or by electronic means directly to the Entity. Disbursements shall be not less than once per week October through April and may extend to once every two weeks May through September.

## **IX.**

### **REPORTS**

The CAD agrees to make reports of its collection of taxes, penalties and interest to the Entity with each disbursement. A cumulative Annual Report for the preceding twelve (12) months shall be prepared by the CAD and furnished to the Entity not later than one month following the end of the Entity's fiscal year.

## **X.**

### **REFUNDS**

The CAD shall process all applications for refunds and pay all refunds required under the provisions of the Texas Property Tax Code. This will include all refunds that are found to



be due and owing from current collections on hand for the Entity. If amounts to be refunded exceed current collections on hand, the CAD shall retain the collections received for the Entity until sufficient funds are on hand to pay refunds that may be due. If sufficient funds are not on hand within ten (10) days from the original due date of the refund, the CAD shall notify the Entity of the amount needed to pay the refund due, and the Entity shall within fifteen (15) days of such notice, remit such additional funds to the CAD, which shall forthwith complete the refund due.

The Entity designates the Chief Appraiser of the CAD as its auditor for the sole purpose of approving refunds as required by Section 31.11(a)(2) of the Texas Property Tax Code up to the amount of \$5,000 per account. Notice of all refunds in excess of \$5,000 per account shall be sent to the Entity by the CAD.

The CAD shall send any request for a refund in excess of \$5,000 to the Entity within seven (7) days of processing, and the Entity shall have any request for a refund that is approved by the governing body of the Entity returned to the CAD for payment within thirty (30) days of receipt. The disbursement report required by this contract will reflect all refunds paid.

The CAD shall pay all refunds within sixty (60) days of the due date. Failure of either party in this contract to act within any time stated in this contract which results in the accrual of interest due on any refunds, shall obligate themselves to pay such accrued interest. If both parties fail to meet deadlines, each shall pay one-half of the accrued interest.

## **XI.**

### **REGISTRATION CERTIFICATION WITH TDLR**

The CAD expressly agrees that all personnel engaged in its assessment and collections functions who are required by law to be registered with the Texas Department of Licensing and Regulation shall remain at all times registered and shall become certified as required by law.

## **XII.**

### **PAYMENT FOR ASSESSMENT AND COLLECTION SERVICES**

The Entity agrees to pay the CAD an "Annual Fee" for performing the assessment and collection services described in this Agreement. In conjunction with determining the "Annual Fee" for these services, the CAD agrees to provide to the Entity, a copy of its annual budget for its assessment and collections functions no later than June 15 each year. The "Annual Fee" shall be determined according to the following formula:

The Entity will be allocated a portion of the amount of the tax collection budget equal to the proportion that the total dollar amount of property taxes imposed by the Entity within the territorial jurisdiction of the CAD for the year in which the budget proposal is prepared bears to the sum of the total amount of property taxes imposed within the territorial jurisdiction of the CAD by each taxing unit participating for the purposes of tax assessment and collections services.

In the event that the governing body of the Entity fails to adopt its tax rate or fails to notify the CAD of its adopted rate before September 30 of a given tax year and are not included in the combined statement prepared by the CAD for that year, the CAD shall calculate the cost of preparing, printing, mailing and processing separate tax statements for the Entity. The Entity shall be notified of these costs, and the Entity shall make payment of these costs to CAD within 30 days after receiving the notice.

In the event the Entity shall be subject to a successful tax rate rollback election requiring the printing and distribution of new statements or the processing of refunds, the Entity agrees to reimburse the CAD within thirty (30) days after receiving notice of these costs by the CAD.

One half of all revenue received from the sale of Tax Certificates issued by the CAD, shall be remitted as per Section VIII of this agreement. The remaining one half shall be paid into the general account of the CAD. All remaining fees of office are retained in full by the CAD.

The Entity shall pay to the CAD an "Annual Fee" for the services outlined in this contract. One half of the "Annual Fee" shall be paid before January 1 of the tax year and the remaining one half of the "Annual Fee" shall be paid before July 1 of the tax year.

The "Annual Fee" may only increase in the event of necessary additional expenditures by the CAD in postage charges by the United States Postal Service, or due to mandate, law, judgment, opinion, or order of the legislative, executive or judicial branch or agency of state government.

### **XIII.**

#### **ATTORNEY SELECTION**

The Entity shall have the sole right and responsibility to contract with an attorney or law firm for the effective collection of delinquent taxes.

XIV.

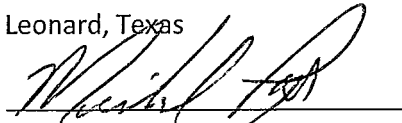
TERMINATION

This contract may be terminated at any time by either party effective at midnight March 31 of any year upon proper written notification to the other party. In order for the notice to be effective it must be received by the other party not later than October 15 preceding the March 31 termination date. The parties may agree in writing at any time to any other termination procedure that is mutually acceptable.

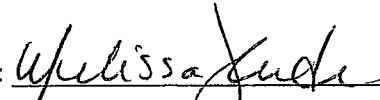
Agreed upon and accepted on this 13<sup>th</sup> day of June, 2023:

City of Leonard, Texas

By:

  
Mayor

Attest:

  
City Secretary

Fannin Central Appraisal District

By:

\_\_\_\_\_  
Chief Appraiser

Attest:

\_\_\_\_\_  
Chair, Board of Directors