



Travis County Commissioners Court Agenda Request

Meeting Date: 8/19/2014, 9:00 AM, Voting Session

Prepared By/Phone Number: J. Elliott Beck, County Attorney's Office,
854-9565

Elected/Appointed Official/Dept. Head: David Escamilla, County Attorney

Commissioners Court Sponsor: Judge Biscoe

AGENDA LANGUAGE:

CONSIDER AND TAKE APPROPRIATE ACTION ON AN AD VALOREM TAX
COLLECTION CONTRACT BETWEEN TRAVIS COUNTY AND THE CITY OF ROUND
ROCK.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

n/a

STAFF RECOMMENDATIONS:

n/a

ISSUES AND OPPORTUNITIES:

n/a

FISCAL IMPACT AND SOURCE OF FUNDING:

n/a

REQUIRED AUTHORIZATIONS:

J. Elliott Beck, Assistant County Attorney



BRUCE ELFANT

TAX ASSESSOR - COLLECTOR
VOTER REGISTRAR

July 31, 2014

MEMORANDUM FOR THE COUNTY JUDGE SAM BISCOE
PRECINCT 1, COMMISSIONER RON DAVIS
PRECINCT 2, COMMISSIONER BRUCE TODD
PRECINCT 3. GERALD DAUGHERTY
PRECINCT 4, MARGARET GÓMEZ

FROM: Bruce Elfant, Tax Assessor-Collector

SUBJECT: New Tax Assessment and Collection Agreement Between Travis County and
City of Round Rock

Dear Judge and Commissioners:

The Agreement for Assessment and Collection Services attached hereto provides that the County Tax Assessor-Collector perform tax assessment and collection services for the City of Round Rock, as requested by the entity to consolidate the assessment and collection of property taxes within the entity, which is located wholly in Travis County.

If you should have any concerns or comments, please do not hesitate to call us at 4-7969 or 4-3858.

Attachment: Agreement for Assessment and Collection Services

BE/vr cc

cc: Sara L. White, City Clerk, City of Round Rock



ROUND ROCK, TEXAS
PURPOSE. PASSION. PROSPERITY.

July 28, 2014

Travis County Tax Office
Truth-in-Taxation
Attn: Veronica Ruiz
P.O. Box 1748
Austin, Texas 78751

Dear Ms. Ruiz:

On July 24, 2014, the Round Rock City Council approved Resolution No. R-2014-1612. This resolution approved the Agreement for Assessment and Collection Services with Travis County.

Enclosed are two originals that have been signed by the City of Round Rock. Please have both signed and return one fully executed originals to my attention in the enclosed self-addressed envelope. It is imperative that I received a signed agreement back. If you have any questions, please feel free to contact me at 512-218-5404.

Sincerely,

Sara L. White, TRMC
City Clerk

Mayor
Alan McGraw

Mayor Pro-Tem
George White

Councilmembers
Craig Morgan
Joe Clifford
Will Peckham
John Moman
Kris Whitfield

City Manager
Steve Norwood

City Attorney
Stephan L. Sheets

Cc: File: R-2014-1612

Enclosure

**AGREEMENT FOR ASSESSMENT AND COLLECTION SERVICES
BETWEEN TRAVIS COUNTY AND
CITY OF ROUND ROCK**

This agreement ("Agreement") is between the County of Travis (the "County"), a political subdivision of the State of Texas, the Travis County Attorney, and the City of Round Rock (the "City"), a Texas home rule city, duly organized and existing under Texas laws.

RECITALS

This Agreement's parties wish to consolidate the assessment and collection of property taxes into one agency, the Tax Assessor/Collector of Travis County, except for those taxes on property located outside of the County. This is done to eliminate duplication of services, which promotes governmental efficiency. The parties intend that the County, through its Tax Assessor/Collector, assess and collect the ad valorem property taxes owing to City and that the Travis County Attorney represent the City in enforcing the taxes. This Agreement is authorized by Texas Property Tax Code sections 6.23, 6.24 and 6.30, and by Texas Government Code Chapter 791, which is known as the Interlocal Cooperation Act. Given this, the parties mutually agree as follows:

1.0 Performance. County's assessment and collection of each year's property taxes will begin not earlier than October 1 of the current tax year and will be completed not later than September 30 of the following tax year, unless the County finds extension to be necessary.

2.0 Services to be Performed.

2.01 Assessment and Collection of Ad Valorem Property Taxes and Delinquent Taxes. The County will assess and collect the ad valorem property taxes owing to the City with regard to all properties on the City's tax roll, except for those properties on the City's tax roll that are located outside of the County. The County will also collect the delinquent taxes owing to the City, as this Agreement provides, including enforcing the collection of the delinquent taxes, except for delinquent taxes on properties locate outside of the County. The County, however, will handle pending lawsuits for the collection of delinquent taxes on properties located outside of Travis County as provided in this Agreement's subsection 9.02. For ad valorem property taxes, including delinquent taxes that the County collects as specified in this subsection the County further agrees to perform for the City all the duties related to assessing and collecting taxes for the City that Texas law provides.

2.02 Performing Functions and Consolidated Tax Statements. For ad valorem property taxes and delinquent taxes that the County collects for the City under this Agreement, the County will perform all the functions set out in subsection 12.01. In connection to that, the County agrees to prepare consolidated tax statements for each taxpayer. The tax statement will include taxes owed to all taxing units to which the

taxpayer owes taxes, except those units that have not contracted with the County for the assessment and collection of its taxes and except for taxes owed to the City on properties located outside of the County. The County will mail the tax statements to each taxpayer or authorized agent of property within the City that is covered under this Agreement.

2.03 *Tax Assessor/Collector for City.* The City designates the Travis County Tax Assessor-Collector as its tax assessor and tax collector for all purposes under the Texas Tax Code, with respect to the collection of ad valorem taxes on property within the City, except for property located outside of the County.

2.04 *Copy of Tax Roll.* The County will provide the City's governing body with a copy of the tax roll for each year that this Agreement is in effect, with respect to ad valorem property taxes that this Agreement covers.

3.0 Payment.

3.01 *Amount of Payment.* City agrees to pay the County the costs of performing the services that this Agreement specifies. These costs will be allocated among the City and the other taxing units contracting for assessment and collection services in the same manner so that the City and each of the other taxing units pay the same rates approved by the Travis County Commissioners Court.

3.01.01 For the 2014 tax year, the City will pay the rate approved by the Travis County Commissioners Court in 2014, per parcel for all parcels located in Travis County and on the City's tax roll; and, for each year thereafter during this Agreement, the City will pay the rate approved by the Travis County Commissioners Court for the tax year in question, per parcel for all parcels located in Travis County and on the City's tax roll.

3.01.02 The County will notify the City in writing in subsequent years of this Agreement of the amount that the City will pay to the County for performing tax assessment and collection services under to this Agreement.

3.02 *Method of Payment.* The County will withhold from the remittances to the City the amount of money necessary to pay for the cost of assessing and collecting current taxes for the City, until the County has received the amount of payment authorized under Subsection 3.01 above.

4.0 Remittance of Collection. The taxes collected for the City will be remitted to the City daily, after the proper amount of payment authorized under Subsection 3.01 above and/or taxpayer refunds have been withheld. Taxes collected will be remitted to the City on the day after they are processed and credited by the County Tax Office, but no later than when the taxes collected for the County have been remitted to the County Treasurer.

5.0 Delinquent Taxes.

5.01 *Collection of Delinquent Taxes.* Under Texas Property Tax Code section 6.24, City authorizes the County, by and through the County's Tax Assessor/Collector, to collect delinquent taxes covered by Subsection 2.01 of this Agreement, for City, as the County deems necessary. In addition, the City authorizes the County, by and through the County's Tax Assessor/Collector, to waive penalties and interest for the City in delinquent tax cases where the County, by and through the County's Tax Assessor/Collector, determines that Texas Property Tax Code section 33.011 requires or authorizes such waiver as advised by the Travis County Attorney's Office.

5.02 *Delinquent Tax Suits.*

5.02.01 Under Texas Property Tax Code section 6.30, City authorizes the Travis County Attorney's Office to institute delinquent tax suits for the collection of delinquent taxes covered by Subsection 2.01 of this Agreement.

5.02.02 If the County chooses to have the Tax Office represented by a private attorney, City agrees that the private attorney selected by the County will also represent City in delinquent tax cases. City is not directly responsible for compensation of the private attorney selected by the County, although such attorney will receive compensation in accordance with the Texas Property Tax Code for representing City in delinquent tax cases. If City selects an attorney to represent it in delinquent tax cases, other than the County Attorney or a private attorney selected by the County, City will notify the County in writing of such fact at least thirty (30) days before implementing such decision, in accordance with the notice provisions set forth in Subsection 13.01 of this Agreement.

5.03 *Costs, Expenses and Fees in Delinquent Tax Suits.* All legal services rendered by the Travis County Attorney will be included as part of the services to be performed under this Agreement's terms and provisions, for the consideration given by City under this Agreement, and for the costs, expenses, and fees recovered by County under this Subsection. Under Texas Property Tax Code section 33.48, the County, in collecting delinquent taxes for City, may recover, in addition to other costs authorized by law, the following costs, expenses, and fees in a suit to collect a delinquent tax:

5.03.01 All usual court costs, including the cost of serving process;

5.03.02 Costs of filing for record a notice of lis pendens against property;

5.03.03 Expenses of foreclosure sale;

5.03.04 Reasonable expenses that are incurred by the taxing unit in determining the name, identity, and location of necessary parties and in procuring necessary legal descriptions of property on which a delinquent tax is due;

5.03.05 Attorney's fees in the amount of fifteen percent (15%) of the total amount of taxes, penalties, and interest due City; and

5.03.06 Reasonable attorney ad litem fees approved by the Court that are incurred in a suit in which the Court orders the appointment of an attorney to represent the interests of a defendant served with process by means of citation by publication or posting.

The costs, expenses, and fees recovered by the County under Texas Property Tax Code section 33.48 will be payment to the County for the County's collection of delinquent taxes for City under Subsection 2.01 of this Agreement; provided, however, under sections 33.71, 33.72 and 33.73 of the Texas Property Tax Code, the County, for collecting delinquent taxes for City under Subsection 2.01 of this Agreement, may also recover the reasonable costs of a tax master for any tax suits instituted by the County under this Agreement.

6.0 Administrative Provisions.

6.01 *Books and Records.* All expenses incurred by the County for the assessment and collection of taxes under this Agreement will be clearly kept on the books and records of the County. City or its designated representatives, upon written request submitted to the Travis County Tax Assessor/Collector, are authorized to examine the books and records to be kept by the County at such reasonable times and intervals as City deems fit. Such books and records will be kept in the office of the Travis County Tax Assessor/Collector.

6.02 *Surety Bond.* The County agrees to obtain a surety bond in the amount of \$100,000 for the Tax Assessor/Collector acting in his capacity as assessor/collector for City as provided in this Agreement. City agrees to pay the premium for such bond.

6.03 *Change in Tax Rate.* In case City's tax rate is rolled back or otherwise changed after the County begins collections for City in any given year, the County will continue to act for City in providing refunds to taxpayers or sending corrected billing statements only if City assumes all additional costs of collection arising from such rollback or other change in the tax rate. These costs will be the actual costs of providing those extra services required by the rollback or other change in the tax

rate, and such costs will be withheld in the same manner as provided in Subsection 3.02 of this Agreement.

7.0 General Provisions.

7.01 Books and Records Held by City. City agrees to transfer to the possession and control of the County, without charge, copies of all books and records necessary for performing the County's duties and responsibilities under this Agreement. These books and records will include all tax records, including existing tax rolls or other records available to City.

7.02 Limit on Liability. The County will not be liable to City for any failure to collect taxes under this Agreement; neither will the County Tax Assessor/Collector be liable to City for any failure to collect taxes, unless the Tax Assessor/Collector's failure to collect taxes results from his failure to perform the duties imposed upon the Tax Assessor/Collector by law and by this Agreement. The Tax Assessor/Collector, however, will not be liable to City for any failure to collect taxes where his failure to perform duties imposed by law and by this Agreement arises out of circumstances beyond his control.

7.03 Current Revenue Funds. Payments by the parties for services under this Agreement will be made from current revenues available to the parties.

7.04 Agreement Voidable. For each year during the term of this Agreement, if City has not established the tax rate as required by law for City and notified the Tax Assessor/Collector accordingly within sixty (60) days after the Central Appraisal District Appraisal Review Board has certified to City the assessed values on the property in City, or by September 30, whichever is later, this Agreement becomes voidable at the County's option. In the event County chooses to void this Agreement, County will give written notice of such action to City, in accordance with the notice provisions set forth in Subsection 13.01 of this Agreement.

7.05 Authorized Refunds. Authorized refunds to property owners will be made so that each property owner receiving refunds will receive a single check covering all refunds for all taxing units contracting for assessment and collection services, except for any refunds applicable to property located outside of the County. Refunds may become necessary because of changes that include late exemption claims, clerical errors, overpayment, etc. Refunds from the City to the property owners within the City, except for refunds applicable to property located outside of the County, will be deducted from the collections and withheld from the City in the same manner as provided in Subsection 3.02 of this Agreement; or, if no collections are available, City will remit such refunds to the County within seven (7) days of notification of such sums due. In accordance with Texas Property Tax Code section

31.11(a)(2)(B), the County is authorized to approve refunds not exceeding \$2,500. All refunds exceeding \$2,500 must be approved by the City Council of the City.

8.0 Sovereign Immunity. By executing this Agreement, neither the County nor the City waives or will be deemed to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

9.0 Termination.

9.01 *Termination of Agreement.* Unless the County declares this Agreement null and void under Subsection 7.04, this Agreement will continue in full force and effect from year to year until such time as either party terminates it by written notice to the other party under Subsection 13.01 of this Agreement. But such termination will be effective only if notice is given to the other party on or before July 1 of the year in which the party intends this Agreement to terminate, and only if notice is given at least thirty (30) days prior to the effective date of termination. However, the City may, at its option, declare this Agreement null and void by giving written notice from the City to the Tax Assessor/Collector, in accordance with the Notice provisions set forth in Subsection 13.01 of this Agreement, in the event the County chooses to have the Tax Office represented by a private attorney and the City does not agree with the County's choice. If either party terminates this Agreement according to this Agreement's terms, this Agreement will terminate in its entirety, except as otherwise expressly provided by Subsection 9.02 below.

9.02 *Pending Cases.* In the event either party terminates this Agreement for any reason, the County reserves the right to continue to handle pending cases for the collection of delinquent taxes on properties located in the City, for a six (6) month period following the effective date of termination. As used in this Subsection 9.02, "Pending Cases" are cases where the City is the taxing unit and include the following:

9.02.01 - Each case for which the County has sent a demand letter to the delinquent taxpayer;

9.02.02 - Each delinquent tax suit filed in court or intervened in court by County; or

9.02.03 - Each case in which the County and the delinquent taxpayer have agreed that the delinquent taxpayer will pay the delinquent tax in partial payments over a specified period of time.

9.03 *Transfer.* Upon the expiration of the six (6) month period specified in Subsection 9.02 above, the County will transfer all remaining, pending cases to the

City's new legal representative, and upon such transfer, this Agreement will terminate in its entirety.

10.0 **Amendments.** Any amendments, alterations, deletions or waiver of the provisions of this Agreement will be valid only when expressed in writing and agreed to by official action of the governing bodies of both parties, and will be effective only if they do not adversely affect the prompt fulfillment of contract obligations. However, in the performance of services under this Agreement, the County, the County Tax Assessor/Collector, and/or the County Attorney's Office may institute changes, as required or authorized by applicable law.

11.0 **Regulations and Laws.** This Agreement will be governed, interpreted, construed, and enforced in accordance with all applicable laws of the United States of America and the State of Texas (statutory law, case law, rules and regulations), including the provisions of the Texas Property Tax Code.

12.0 **Definitions.**

12.01 *Assessment and Collection.* For purposes of this Agreement, the terms "assessment" and "collection" will include the following:

12.01.01 Calculation of tax;

12.01.02 Preparation of tax rolls;

12.01.03 Proration of taxes;

12.01.04 Correction of clerical errors in tax rolls;

12.01.05 Collection of tax liabilities; and

12.01.06 Issuance of refunds and calculation of an effective tax rate as required by Texas Property Tax Code section 26.04, for the years covered by this Agreement.

The term "assessment" does not include those functions defined as "appraisal" by the Texas Property Tax Code.

12.02 *Current Taxes.* For purposes of this Agreement, the term "current taxes" includes only those taxes legally due and payable without penalty and interest.

12.03 *Delinquent Taxes.* For purposes of this Agreement, the term "delinquent taxes" includes any taxes that have not been received by the County on or before January 31 of any given tax year and on which penalty and interest are due.

12.04 *Tax Year.* For purposes of this Agreement, the term "tax year" refers to the twelve (12) month period that runs from October 1 of one year through September 30 of the following year.

13.0 **Miscellaneous Provisions.**

13.01 *Notice.* Except as otherwise provided in this Agreement, all notice required or permitted under this Agreement will be in writing and will be hand delivered or sent by certified or registered mail, postage prepaid, return receipt requested. For purposes of sending notice under this Agreement, the address of the County is: Honorable Bruce Elfant (or his successor), Travis County Tax Assessor/Collector, 5501 Airport Boulevard, Austin, Texas 78751. For purposes of sending notice under this Agreement, the address of the City is: The City of Round Rock C/O Stephan L. Sheets (or his successor) at Sheets & Crossfield, P.C.; 309 E. Main St.; Round Rock, Texas 78664. Either party may change its address by giving written notice as provided in this subsection or by notifying the City and all other entities by a general mass mail-out. In the case of notice sent by registered or certified mail, notice will be deemed effective three days after deposit in a United States mailbox or a United States post office. In the case of notice made by hand delivery, notice will be deemed effective immediately. This Section does not preclude the County Tax Assessor/Collector from providing the City and all other entities general notice concerning the Tax Assessment and Collection Agreements or any related matter through general mass mail-outs by regular mail.

13.02 *Parties Bound.* This Agreement is binding upon the parties to it and their executors, heirs, legal representatives, successors, and assigns.

13.03 *Copies.* This Agreement is executed in multiple copies, any one of which is a true copy, having the same evidentiary value.

13.04 *Integration.* This represents the entire Agreement and supersedes all prior agreements and negotiations, either written or oral, between the parties relating to the subject matter here.

13.05 *Severability.* The provisions of this Agreement are severable. If any paragraph, section, subsection, sentence, clause, or phrase of this Agreement is held by a court of competent jurisdiction, for any reason, to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect the remaining provisions of this Agreement. If such an event occurs, however, either party may terminate this Agreement by providing written notice of termination to the other party under Subsections 9.0 and 13.01.

13.06 *Venue.* All obligations and undertakings under this Agreement are fully performable in Travis County, Texas. Venue for any dispute arising out of this

Agreement will lie in the courts of appropriate jurisdiction in Travis County, Texas exclusively.

13.07 *Effective Date.* This Agreement will take effect on the date this Agreement is approved by the Travis County Commissioners Court.

13.08 *Titles, Headings and Subheadings.* The titles, headings, and subheadings set forth in this Agreement are intended for the convenience of the parties and are not intended for use in the construction or interpretation of the provisions contained in it.

13.09 *Gender and Number.* As used in this Agreement, unless the context indicates otherwise, a masculine, feminine, or neuter gender include the other, and the singular or plural number include the other.

13.10 *Instruments.* Each party agrees that it will execute, in a timely manner, all instruments and documents needed to implement this Agreement's terms, conditions, and provisions, or that are needed for the other party's performance of its duties and responsibilities under this Agreement.

EXECUTED in triplicate by the County of Travis and by the City of Round Rock, on this the 24th day of July, 2014.

CITY OF ROUND ROCK

By: George White
~~Alan McGraw~~ George White
~~Mayor~~ Mayor Pro-Tem

Date: 7.24.14

Approved as to form:

Stephan L. Sheets
Stephan L. Sheets, City Attorney

TRAVIS COUNTY, TEXAS

By: _____
Honorable Samuel T. Biscoe
Travis County Judge

Date: _____

By: _____
J. Elliott Beck
Assistant County Attorney

For: David Escamilla
Travis County Attorney

Date: _____