

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**INTER-LOCAL COOPERATION AGREEMENT
FOR TAX ASSESSMENT AND COLLECTION**

This Agreement made and entered into this _____ day of _____, 2009, by and between the **County of Hidalgo** (hereinafter called "COUNTY"), a political subdivision of the State of Texas and the **DONNA Independent School District**, (hereinafter called "DISTRICT") 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 parties to this Agreement wish to consolidate the assessment and collection of property taxes into one person, the Tax Assessor-Collector of Hidalgo County, Texas (hereinafter called "TAC"); and

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

WHEREAS, the parties enter into this Agreement pursuant to the authority granted by Section 6.22, 6.24, 6.29 and 6.30 of the Texas Property Tax Code (hereinafter called "Tax Code") and Chapter 791, Texas Government (hereinafter known as the Inter-Local Cooperation Act.)

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

I. TERM:

1. This Agreement is for the collection of DISTRICT taxes for the year 2009. This Agreement shall be effective September 1ST, 2009. This Agreement shall be automatically renewed on JUNE 1, of each calendar year unless either gives written notice to the other of its intent to terminate, at least sixty (60) days prior to the renewal date.

II. APPOINTMENT:

1. The DISTRICT appoints the TAC as the Assessor-Collector of taxes for the DISTRICT 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 the DISTRICT in accord with the laws pertaining thereto. The TAC is authorized and directed to collect all taxes of the DISTRICT, both current and delinquent, including taxes previously assessed by the DISTRICT. The TAC shall remain in the sole employ and control of the COUNTY.

III. Description of Services

1. The COUNTY, through its TAC, hereby agrees to provide the following ad valorem tax related services:
 - A. Compute and publish the effective tax rate subject to consideration and approval of the DISTRICT. Expenses for all notices and publications shall be borne by the DISTRICT.
 - B. Establish the tax roll based on property values and exemptions certified by the Appraisal DISTRICT and the tax rate, exemptions, and discounts authorized by the DISTRICT.
 - C. Prepare and mail tax statements for all DISTRICT tax accounts.
 - D. Receive payment of taxes on behalf of the DISTRICT.
 - E. Refund overpayment or erroneous payments of taxes as provided by law.
 - F. Disburse tax monies received at the County Tax Office during the months of October through January, on the next business day, and at other months of the year, on a weekly basis or sooner in the event tax revenues equal or exceed \$100,000. All other payments received at the County's depository bank will be received according to Lock-Box processing agreement between the Bank and the COUNTY.
 - G. Prepare and submit reports as required pursuant to Texas Property Tax Code Ann. Sec. 31.10 to the DISTRICT accounting for all taxes collected. The COUNTY further agrees to prepare and/or provide information and reports for State agencies, auditors and other activities regarding the assessment, collection, and disbursement of ad valorem taxes.
 - H. The TAC will apply equal effort in the assessment and collection 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.
 - I. The TAC will permit the taxpayer, in the event of payment of less than the consolidated bill is tendered, to apply the payment as the taxpayer desires, in compliance with State law. In the absence of the expression of any preference as to application of payment, the payment will be applied in compliance with State Law.
 - J. Any waiver of penalty and interest being considered must establish that the delinquency was caused by a direct action or inaction of the Tax Office as required by the Tax Code.
 - K. The TAC will limit the time frame allowed for installment payment agreement on delinquent property taxes owing to the DISTRICT to no more than twelve months. Written approval must be obtained from the DISTRICT'S Superintendent or his designee for any deviations.
 - L. The TAC will refrain from seizing and/or selling any property pertaining to the DISTRICT's Tax Roll, having a homestead designated, for payment of delinquent taxes without written approval.
 - M. Interest payments required as a result of untimely processing of refunds are not considered reimbursable expenses.
 - N. The TAC will certify to the Board an estimate of the collection rate for the current year, the amount of debt taxes, if applicable, and other required information pursuant to Tax Code 26.04 (b).

2. The DISTRICT hereby specifically authorizes and empowers Hidalgo County, Texas its employees, officials and agents to perform any all acts which the COUNTY, its employees, officials and agents determine necessary and proper in the best interest of the DISTRICT in order to accomplish the services hereby agreed to be performed by the COUNTY.
3. The following duties and responsibilities of the DISTRICT are specifically excluded from this agreement.
 - A. Any obligation of the Hidalgo County Appraisal District.
 - B. Adoption of a tax rate for the DISTRICT.
 - C. Obligation of the DISTRICT regarding publication of tax information, meeting notices and elections regarding the establishment of a tax rate; and
 - D. Any other obligation imposed by law upon the DISTRICT not specifically agreed to be performed by the COUTNY
4. Each Party agrees to give the other free and open access, at reasonable times and without charge, to whatever information is needed for the mutual performance of the terms of this Agreement.

IV. COUNTY AUDITING PROCEDURES:

1. It is understood by the DISTRICT that nothing in this Agreement shall in any way impair or other wise compromise the County Auditor's authority pursuant to Texas Local Government Code 112.002, 113.021, 113.024, 113.043, 113.047, 114.043, 115.004 to:
 - A. Prescribe the system of accounting for the COUNTY and the forms to be used by all persons in the collection and disbursement of COUNTY funds including funds held in trust for the DISTRICT pursuant to this Agreement;
 - B. Prescribe the mode and manner in which the COUNTY TAC shall keep COUNTY accounts including any account designated for the DISTRICT pursuant to this Agreement;
 - C. Require the COUNTY TAC and the DISTRICT to furnish monthly, annual or other reports under oath of all monies, taxes or fees of every nature received, disbursed, or remaining on hand;
 - D. Verify and count the cash on hand or on deposit in a bank in connection with any report submitted by the COUNTY TAC; and,
 - E. Adopt and enforce reasonable regulations not inconsistent with the Constitution and laws of this State as may be deemed essential for the proper collection, checking, and accounting of revenues received by the COUNTY, including funds held in trust for the DISTRICT.

V. DELINQUENT TAXES:

1. Pursuant to Section 6.24 of the Tax Code, the DISTRICT hereby authorizes the COUNTY by and through the TAC to collect delinquent taxes for the DISTRICT as provided herein.

2. Pursuant Section 6.30(b), Tax Code, the DISTRICT agrees to consent to representation by the attorney representing the COUNTY to enforce the collection of delinquent taxes.
3. Pursuant to Section 6.30(c), Texas Property Tax Code Ann., the COUNTY has entered into a contract with a law firm to represent the COUNTY in the enforcing and collecting of delinquent taxes. The attorney's compensation is set forth in the contract. A copy of the COUNTY'S Delinquent Tax Collection Agreement is attached hereto and incorporated herein by reference as Exhibit "A".
4. Pursuant to Section 33.04(a), 33.04(b), Texas Property Tax Code Ann., the COUNTY agrees as the collector for the DISTRICT to deliver notices of delinquency. Pursuant to Section 33.07, Texas Property Tax Code Ann., the COUNTY agrees as the collector for the DISTRICT to deliver a Notice of Delinquency which includes the additional penalty to defray the costs collection to the property owner at least thirty (30) and not more than sixty (60) days before July 1.
5. No Installment Agreements for the payment of DISTRICT'S delinquent taxes, which are in excess of \$5,000.00, will be entered into by the Hidalgo County Tax Assessor/Collector without prior approval of the DISTRICT. No Installment Agreements on behalf of the DISTRICT will be entered into prior to July 1 for payment of current year delinquent taxes.

VI. CONSIDERATION:

1. The DISTRICT hereby agrees to pay and the COUNTY agrees to accept a fee of **\$70,000.00** for all current and delinquent base taxes collected from **SEPT. 1ST, 2009** through, **AUGUST 31ST, 2010**. For subsequent years, after reviewing actual collection costs, the COUNTY will submit to the DISTRICT, prior to **APRIL 1ST**, the fee for the following year. The District will have until **MAY 1ST** to accept the recommended fee.
2. The COUNTY will deduct a 1/12th collection fee from monthly collections and submit monthly collection reports.
3. If for any reason the DISTRICT is unable to provide the COUNTY with necessary tax account information and adopted tax rate prior to the entire COUNTY'S own mailing, the DISTRICT agrees to assume the entire cost for such additional mailing. It is understood however, that the DISTRICT will be charged a prorated amount on an equal basis if another DISTRICT is consolidated on such billing.
4. The DISTRICT is to provide in writing its adopted tax rate to the COUNTY no later than **SEPTEMBER 30TH** of each year and the COUNTY is to mail out the consolidated tax statement no later than **NOVEMBER 1ST** of each year. If the DISTRICT fulfills this requirement and the COUNTY, due to a delay in adoption of its tax rate or other entities tax rate determines that it will not be able to mail consolidated tax statements by November 1st, than the COUNTY, at its own expense, will mail a separate tax statement for the DISTRICT by **NOVEMBER 1ST**.

5. The DISTRICT will require the TAC to give bond conditioned on his faithful performance of duties. The bond shall be payable to, approved by, and paid for by the Board in an amount to be determined by the Board.

VII. SOVEREIGN IMMUNITY:

1. It is expressly understood and agreed that, in the execution of the Agreement, neither the COUNTY nor 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.

VIII. NOTICES:

1. All notices provided to be given under this Agreement shall be given by regular or certified mail addressed to the proper party, at the following address:

IF TO COUNTY: JD Salinas
Hidalgo County Judge
100 E. Cano
Edinburg, Texas 78539

WITH COPIES TO: Armando Barrera Jr., RTA
Tax Assessor-Collector
P.O. Box 178
Edinburg, Texas 78540-0178

Ray Eufrazio
County Auditor
100 E. Cano, 3rd Floor
Edinburg, Texas 78539

IF TO TAXING UNIT: Donna Independent School District
Attn: Mr. David Simmons
904 Hester Ave.
Donna, Texas 78537

IX. TEXAS LAW TO APPLY:

1. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas.

X. LEGAL CONSTRUCTION:

1. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

XI. PRIOR AGREEMENT SUPERSEDED:

1. This Agreement constitutes the sole and only Agreement of the parties hereto and supercedes any prior understandings or written or oral agreements between the parties respecting the subject matter.

XII. AMENDMENT:

1. No amendment, modification, or alteration of the terms shall be binding unless the same be in writing, dated subsequent to the date thereof, and duly executed by the parties.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE THE FULL FORCE AND EFFECT OF AN ORIGINAL THIS THE ____ DAY OF _____, 20__.

COUNTY OF HIDALGO:

HIDALGO COUNTY

BY: _____

JD Salinas,
Hidalgo County Judge
Hidalgo County, Texas

BY: _____

Alfredo Lugo,
School Board President

ATTEST:

Arturo Guajardo,
Hidalgo County Clerk

Nick Castillo,
School Board Secretary