

STATE OF TEXAS
COUNTY OF HIDALGO

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

This Agreement made and entered into this 29th day of April, 2014, by and between the County of Hidalgo (hereinafter called "COUNTY"), a political subdivision of the State of Texas and the City of ALAMO, Texas, (hereinafter called "CITY") duly organized and existing under the laws of the State of Texas, each acting herein by and through its duly authorized officials.

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 (hereafter 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 Sections 6.23 (a) (4), 6.24, 6.29 and 6.30 of the Texas Property Tax Code (hereafter called "Tax Code") and Section 791.001 of the Texas Government Code, known as the "Inter-local Cooperation Act";

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

I. TERM:

This Agreement becomes effective on May 1st, 2014 for the collection of CITY taxes for the period of May 1st, 2014 through September 30th, 2017. Upon completion of this term, this Agreement shall be automatically renewed for an additional year on October 1st of each calendar year unless either party gives written notice to the other of its intent to terminate this agreement, at least thirty (30) days prior to the renewal date.

II. APPOINTMENT:

The CITY appoints the TAC as the Assessor-Collector of taxes for the CITY 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

CITY in accord with the laws pertaining thereto. The TAC is authorized and directed to collect all taxes of the CITY, both current and delinquent, including taxes previously assessed by the CITY. 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 CITY. Expenses for all notices and publications shall be borne by the CITY;
 - B. Establish the tax roll based on property values and exemption certified by the Appraisal District and the tax rate, exemptions, and discounts authorized by the CITY;
 - C. Prepare and mail tax statements for all of the CITY tax accounts;
 - D. Receive payment of taxes on behalf of the City;
 - E. Refund overpayment or erroneous payments of taxes as provided by law.
 - F. Disburse tax monies received at the COUNTY Tax Office during the term of this contract, on the next business day. All other payments received at the COUNTY 'S Depository Bank ("Bank") will be received in accordance with the terms of the 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 City 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. The COUNTY shall also provide current and delinquent tax rolls, quarterly status reports, on partial payment contracts, and delinquent tax statements upon request.
 - H. The TAC will apply equal effort in the assessment and collection of current and delinquent property taxes for the parties of the Agreement. The TAC 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 Section 31.07 of the Property Tax Code which states that if a collector accepts a partial payment of a tax bill that includes taxes for more than one taxing unit, the collector shall allocate the partial payment among all the taxing units included on the bill in proportion to the amount of tax included in the bill for each taxing unit.
 - J. Any waiver of penalty and interest being considered must establish that the delinquency was caused by a direct action or inaction of the TAC or Appraisal as described by the Property Tax Code.
 - K. The TAC will limit the time frame allowed for installment payment agreement on delinquency property taxes owing to the City to no more than twelve (12) months. Written approval must be obtained for the City Manager or his designee for deviations.
 - L. The TAC will refrain from seizing and/or selling any property pertaining to the CITY'S Tax Roll, having a homestead designation, for payment of delinquent taxes, without written approval.
 - M. The TAC will certify to the Board an estimate of the collection rate of the current year, the amount of debt taxes, if applicable, and other required information pursuant to Tax Code Sec. 26.04(b). The CITY and COUNTY agree that interest payments required as a result of untimely processing of refunds are not considered reimbursable expenses.
2. The CITY hereby specifically authorizes and empowers Hidalgo County, Texas, its employees, officials and agents to perform and all acts which the COUNTY, its employees, officials, and agents determine necessary proper, and in the best interest of the CITY in order to accomplish the services hereby agreed to be performed by the COUNTY.
3. The following duties and responsibilities of the CITY are specifically excluded from this Agreement:
- A. Any obligation of the Hidalgo County Appraisal District;
 - B. Adoption of a tax rate for the CITY;
 - C. Obligation of the CITY regarding publication of tax information, meeting notices and elections regarding the establishment of a tax rate; and

- D. Any other obligations imposed by law upon the CITY not specifically agreed to be performed herein by the COUNTY.
- 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 by the COUNTY, including funds held in trust for the CITY.

V. DELINQUENT TAXES:

1. Pursuant to Section 6.24 of the Texas Tax Code, the CITY hereby authorizes the COUNTY by and through the TAC to collect delinquent taxes for the CITY as provided herein.
2. Pursuant to Subsection (c.), Section 6.30, Texas Property Tax Code Ann., if the CITY has entered into a contract with a law firm to represent the CITY in the enforcing and collecting of delinquent taxes. The delinquent taxes. The attorney's compensation is set forth in such contract. A copy of the CITY'S Delinquent Tax Collection Agreement must be attached hereto and incorporated herein by reference as Exhibit "A".
3. Pursuant to Section 33.07, Texas Property Tax Code Ann., the COUNTY agrees to produce and deliver to the "CITY'S" delinquent tax attorney a Notice of Delinquency which includes the additional penalty to defray the costs of collection for mailing to the property owner at least thirty (30) and not more than sixty (60) days before July 1.
4. No installment agreement for the payment of CITY'S delinquent taxes, which are in excess of \$5,000.00, will be entered into by the TAC without the prior approval of the CITY. No installment agreements on behalf of the CITY will be entered into prior to July 1 for payment of current year delinquent taxes.

VI. CONSIDERATION:

1. The CITY hereby agrees to pay and the COUNTY agrees to accept a fee of \$100,640.00 of all current and delinquent base taxes collected from May 1st, 2014 through September 30, 2017. The breakdown for this fee is as follows: \$11,750.00 for the period of May 1st, 2014 through September 30th, 2014; \$28,200.00 for the period of October 1st, 2014 through September 30th, 2015; \$29,610.00 for the period of October 1st, 2015 through September 30th, 2016; and \$31,080.00 for the period of October 1st, 2016 through September 30th, 2017. For subsequent years, after reviewing actual collection costs, the COUNTY will submit to the CITY, prior to May 1, the fee for the following year. The CITY will have until June 1, to accept the recommended fee.

2. The COUNTY will deduct a 1/12th - collection fee from monthly collections and submit monthly collections reports, commencing on the effective date of this agreement.
3. If for any reason the CITY is unable to provide the COUNTY with necessary tax account information and adopted tax rate prior to the COUNTY'S mailing of its own Tax Bills, the CITY agrees to assume the entire cost for such additional mailing. It is understood however, that the CITY will be charged a prorated amount on an equal basis if another Entity is consolidated on such billing.
4. The CITY is to provide in writing its adopted tax rate to the COUNTY no later than October 1st of each year and the COUNTY is to mail out the consolidated tax statements no later than November 1st of each year. If the CITY 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, then the COUNTY at its own expense will mail a separate tax statement for the CITY by November 1st.
5. The CITY 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 CITY in an amount to be determined by the CITY.

VI. MISCELLANEOUS:

1. It is expressly understood and agreed that, in the execution of this Agreement, neither the COUNTY nor CITY 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.
2. 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: Hon. Ramon Garcia, County Judge
P.O. Box 1356
Edinburg, Texas 78540

WITH COPIES TO: Pablo (Paul) Villarreal, Jr., RTA
Hidalgo County Tax Assr/Coll
P.O. Box 178
Edinburg, Texas 78540-0178

Ray Eufrazio, County Auditor
2808 S. Bus Hwy 281
Edinburg, Texas 78539

IF TO THE CITY:

Hon. Diana Martinez, Mayor
City of Alamo
420 N. Tower Rd.
Alamo, Texas 78516

- 3. TEXAS LAW TO APPLY: This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of parties created hereunder are performable in Hidalgo County, Texas.
- 4. LEGAL CONSTRUCTION: 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.
- 6. PRIOR AGREEMENT SUPERSEDED: 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.

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

COUNTY OF HIDALGO:

CITY OF ALAMO: _____ :

BY: Ramon Garcia
Ramon Garcia, County Judge
Hidalgo County, Texas

BY: Diana Martinez
Diana Martinez, Mayor
City of Alamo, Texas

ATTEST: APPROVED BY
COMMISSIONERS' COURT
ON: 4/29/14

Arturo Guajardo Jr.
Arturo Guajardo Jr., County Clerk
Hidalgo County, Texas

Margot Saenz
Margot Saenz, City Secretary
City of Alamo, Texas

Agreement for Tax Collection Services

This Agreement is made between Linebarger Goggan Blair & Sampson, LLP (hereinafter referred to as the "Firm") and City of Alamo (hereinafter referred to as the "Client").

Article I

Nature of Relationship

1.01 The parties hereto acknowledge that this Agreement creates an attorney-client relationship.

1.02 The Client hereby employs the Firm to provide the services hereinafter described for compensation hereinafter provided.

Article 2

Scope of Services

2.01 The Firm shall take reasonable and necessary actions to collect property taxes that are owed to the Client and to any other taxing unit whose taxes are assessed and collected by the Client, and that are subject to this agreement, as hereinafter provided.

2.02 The Client may from time-to-time specify in writing additional actions to be taken by the Firm in connection with the collection of taxes that are owed to the Client. Client further constitutes and appoints the Firm as Client's attorneys to sign all legal instruments, pleadings, drafts, authorizations and papers as shall be reasonably necessary to prosecute the Client's claim for taxes.

2.03 Taxes owed to the Client shall become subject to this agreement upon the following dates, whichever occurs first:

(a) On February 1 of the year in which the taxes become delinquent if a previously filed tax suit is then pending against the property subject to the tax;

(b) On the date any lawsuit is filed with respect to the recovery of the tax if the tax is delinquent and is required to be included in the suit pursuant to TEX. TAX CODE § 33.42(a);

(c) On the date of filing any application for tax warrant where recovery of the tax or estimated tax is sought and where the filing of an application for tax warrant by the Firm is at the request of Client's Tax Assessor-Collector;

(d) On the date of filing any claim in bankruptcy where recovery of the tax is sought; or

(e) In the case of tangible personal property, on the 60th day after the February 1 delinquency date; or

(e) In the case of tangible personal property, on the 60th day after the February 1 delinquency date; or

(f) On July of the year in which the taxes become delinquent.

3.01 Client agrees to pay to the Firm, as compensation for the services required herein, as follows:

(a) fifteen (15%) percent of the amount of all 2002 and prior year taxes, penalty and interest subject to the terms of this contract as set forth in Paragraph 2.03 above, collected and paid to the collector of taxes during the term of this contract, as and when collected; and

(b) twenty (20%) percent of the amount of all 2003, 2004, 2005, 2006, 2007 and 2008 year taxes, penalty and interest subject to the terms of this contract as set forth in Paragraph 2.03 above, collected and paid to the collector of taxes during the term of this contract, as and when collected.

(c) fifteen (15%) of the amount of all 2009 and subsequent year taxes, penalty and interest subject to the terms of this contract as set forth in Paragraph 2.03 above, collected and paid to the collector of taxes during the term of this contract, as and when collected.

3.02 The Client shall pay the Firm by the twentieth day of each month, all compensation earned by the Firm for the previous month as provided in this Article 3. All compensation above provided for shall become the property of the Firm at the time payment of the taxes, penalty and interest is made to the collector.

Article 4

Intellectual Property Rights

4.01 The Client recognizes and acknowledges that the Firm owns all right, title and interest in certain proprietary software that the Firm may utilize in conjunction with performing the services provided in this Agreement. The Client agrees and hereby grants to the Firm the right to use and incorporate any information provided by the Client ("Client Information") to update the databases in this proprietary software, and, notwithstanding that Client Information has been or shall be used to update the databases in this proprietary software, further stipulates and agrees that the Client shall have no rights or ownership whatsoever in and to the software or the data contained therein, except that the Client shall be entitled to obtain a copy of such data that directly relates to the Client's accounts at any time.

4.02 The Firm agrees that it will not share or disclose any specific confidential Client Information with any other company, individual, organization or agency, without the prior written consent of the Client, except as may be required by law or where such information is otherwise publicly available. It is agreed that the Firm shall have the right to use Client Information for internal analysis, purposes of improving the proprietary software and database, and to generate aggregate data and statistics that may inherently contain Client Information. These aggregate statistics are owned solely by the Firm and will generally be used internally, but may be shared with the Firm's affiliates, partners or other third parties for purposes of improving the Firm's software and services.

used internally, but may be shared with the Firm's affiliates, partners or other third parties for purposes of improving the Firm's software and services.

Article 5

Costs

5.01 The Firm and Client recognize that publication costs for citations and notices of sale and title abstract costs will be incurred in the process of providing the litigation services contemplated in this Agreement. All such costs shall be billed to the Client, in care of the Firm, and the Firm will advance the payment of such costs on behalf of the Client. Upon recovery of such costs from the defendants or from the tax sale of defendants' property, the Firm shall be reimbursed for the advance payment. Alternatively, the Firm may arrange with the vendor or agency providing the service that actual payment of the costs of services is wholly contingent upon recovery of such costs by the Client or the Firm from the defendants or from the tax sale of defendants' property. In such contingent arrangements, the Client has no responsibility or liability for payment or advancement of any costs, other than forwarding to the vendor or service provider any cost amounts received from defendants or from the tax sale of defendants' property.

5.02 The Client acknowledges that the Firm may provide services, such as title research, with its own employees or with other entities or individuals who may be affiliated with the Firm, but the Firm agrees that any charges for such services will be reasonable and consistent with what the same services would cost if obtained from a third party. The Client agrees that upon the recovery of such costs, the Client will: (i) pay the Firm for any such costs which have been advanced by the Firm or performed by the Firm, and (ii) pay any third party agency or vendor owed for performing such services.

Article 6

Term and Termination

6.01 This Agreement shall be effective on March 1, 2010 (The "Effective Date") and shall expire on February 28, 2013 (the "Expiration Date") unless extended as hereinafter provided.

6.02 Unless prior to 60 days before the Expiration Date, the Client or the Firm notifies the other in writing that it does not wish to continue this Agreement beyond its initial term, this Agreement shall be automatically extended for two additional years without the necessity of any further action by either party. In the absence of any such 60 day notice by either the Client or the Firm, the Agreement shall continue to automatically renew for additional and successive one-year terms in the same manner at the end of each renewal period.

6.03 If at any time during the initial term of this Agreement or any extension hereof, the Client determines that the Firm's performance under this Agreement is unsatisfactory, the Client shall notify the Firm in writing of the Client's determination. The notice from the Client shall specify the particular deficiencies that the Client has observed in the Firm's performance. The Firm shall have sixty (60) days from the date of the notice to cure any such deficiencies. If at the conclusion of that sixty-day remedial period, the Client remains unsatisfied with the Firm's performance, the Client may terminate this Agreement effective

upon the expiration of thirty days following the date of written notice to the Firm of such termination ("Termination Date").

6.04 Whether this Agreement expires or is terminated, the Firm shall be entitled to continue to prosecute any tax suits, applications for tax warrants or bankruptcy claims pending on the Termination Date or Expiration Date for an additional six months following termination or expiration. The Client agrees that the Firm shall be compensated as provided by Article 3 for any base tax, penalties and interest collected in the pending matters during the six-month period.

6.05 The Client agrees that the Firm shall be reimbursed for any costs advanced and shall be paid for any services performed pursuant to Article 5 when such costs are recovered by or on behalf of the Client, regardless of the date recovered. It is expressly agreed that neither the expiration nor the termination of this Agreement constitutes a waiver by the Firm of its entitlement to be reimbursed for such costs and to be paid for such services. It is further expressly agreed that the expiration of any six-month period under Section 6.04 does not constitute any such waiver by the Firm.

Article 7 *Miscellaneous*

7.01 *Assignment and Subcontracting.* This Agreement is not assignable, provided however, the Firm may from time-to-time obtain co-counsel or subcontract some of the services provided for herein to other law firms or entities. In such cases, the Firm will retain supervisory control and responsibility for any services provided by such co-counsel or subcontractors and shall be responsible to pay any compensation due to any such co-counsel or subcontractor.

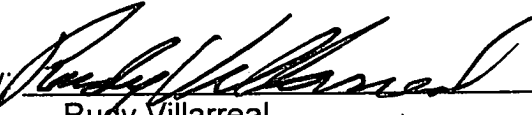
7.02 *Arbitration.* Any controversy between the parties to this Agreement involving the construction or application of any of the terms, covenants, or conditions of this Agreement shall, on the written request of one party served on the other, be submitted to arbitration, and such arbitration shall comply with and be governed by the provisions of the Texas General Arbitration Act.

7.03 *Integration.* This Agreement contains the entire agreement between the parties hereto and may only be modified in a written amendment, executed by both parties.

7.04 *Representation of Other Taxing Entities.* The Client acknowledges and consents to the representation by the Firm of other taxing entities that may be owed taxes or other claims and be secured by the same property as the Client's claim.

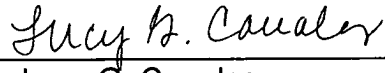
In consideration of the terms and compensation herein stated, the Firm hereby accepts said employment and undertakes the performance of this Agreement as above written. This Agreement is executed on behalf of the Firm and of the Client by the duly authorized persons whose signatures appear below.

City of Alamo

By: 
Rudy Villarreal
Mayor

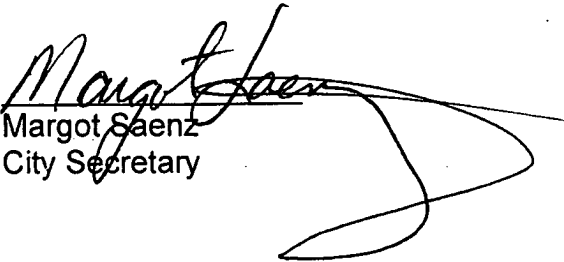
Date: _____

Linebarger Goggan Blair
& Sampson, LLP

By: 
Lucy G. Canales
Partner

Date: 2/11/2010

ATTEST:


Margot Saenz
City Secretary

RESOLUTION

THE STATE OF TEXAS
COUNTY OF HIDALGO

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WHEREAS, CITY OF ALAMO wishes to defray its costs of collection, as authorized by TEX. TAX CODE §§ 33.07 and 33.08, that it incurs under a contract for collection of delinquent property taxes between said CITY and a private law firm entered into pursuant to TEX. TAX CODE § 6.30;

WHEREAS, under said Sections 33.07 and 33.08, the governing body of CITY OF ALAMO is empowered to authorize the addition of a collection penalty in an amount that does not exceed the amount of the compensation specified in the contract with the private law firm;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSIONERS OF CITY OF ALAMO, SITTING AS THE GOVERNING BODY OF SAID CITY, THAT:

Section 1: THE RECITALS SET FORTH IN THIS RESOLUTION ARE TRUE AND CORRECT.

Section 2: (a) AN ADDITIONAL PENALTY ON DELINQUENT TAXES FOR TAX YEARS 2009 AND SUBSEQUENT YEARS IS HEREBY AUTHORIZED AND IMPOSED, AS PROVIDED BY SECTION 33.07, TEXAS TAX CODE, IN THE AMOUNT OF 15% OF THE DELINQUENT TAX, PENALTY AND INTEREST IF THE TAX BECOMES DELINQUENT ON OR AFTER FEBRUARY 1 OF A YEAR BUT NOT LATER THAN MAY 1 OF THAT YEAR AND REMAINS DELINQUENT ON JULY 1 OF THE YEAR IN WHICH THE TAX BECOMES DELINQUENT; AND

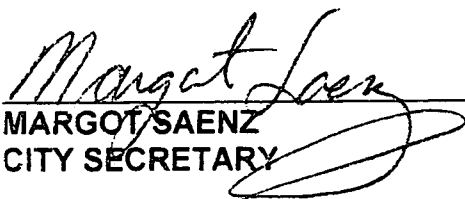
(b) AN ADDITIONAL PENALTY ON DELINQUENT TAXES FOR TAX YEARS 2009 AND SUBSEQUENT YEARS IS HEREBY AUTHORIZED AND IMPOSED, AS PROVIDED BY SECTION 33.08, TEXAS TAX CODE, IN THE AMOUNT OF 15% OF THE DELINQUENT TAX, PENALTY AND INTEREST IF THE TAX BECOMES DELINQUENT ON OR AFTER JUNE 1 UNDER SECTION 26.07(F), 26.15(E), 31.03, 31.031, 31.032. OR 31.04, TEX. TAX CODE.

PASSED, APPROVED and ADOPTED this ____ day of _____, 2010.

CITY OF ALAMO

BY: 
RUDY VILLARREAL
MAYOR

ATTEST:


MARGOT SAENZ
CITY SECRETARY