

ASSESSMENT AND COLLECTION AGREEMENT

STATE OF TEXAS
COUNTY OF HAYS

This contract is between Hays County, hereinafter called "County", and the City of San Marcos, Texas, acting as the Trace Public Improvement District Board of Directors, hereinafter called "District", and is entered into on this the ____ day of _____, 2018, under the provisions of Chapter 791 Government Code, V.T.C.S. and Chapter 6, Property Tax code.

I. PURPOSE

The parties to the contract wish to consolidate the assessment and collection of property taxes and special assessments, hereinafter called "Assessments", into one entity, Hays County, under the provisions of Section 6.24 of the Property Tax Code.

II. TERM

This contract shall be effective from October 1, 2018 through September 30, 2019, and thereafter for yearly terms commencing on October 1 of each year and ending on September 30 of the succeeding year, until terminated by one or more of the parties pursuant to the termination provisions of this contract.

III. APPOINTMENT OF TAX ASSESSOR-COLLECTOR

The Tax Assessor-Collector of Hays County is hereby designated as Tax Assessor-Collector for the District. The District authorizes the County to make all decisions regarding collection of assessments that would otherwise be made by the District in the absence of this contract.

IV. SERVICES TO BE PERFORMED

County agrees to perform all necessary assessment and collection functions authorized by law for the District. The functions shall include:

- a. Receive current and delinquent assessment roll from the District on or before September 15 of each year.
- b. Mailing of current and all required delinquent assessment statements, which may be combined with property tax statements.
- c. Proration of assessment bills as required.
- d. Correction of assessment bills as required.
- e. Preparation of assessment receipts, which may be combined with property tax receipts.
- f. Collection of current and delinquent assessments.
- g. Issuance of assessment refunds as required.

V. ASSESSMENT AND COLLECTION RECORDS

The District's initial assessment levy shall be for the year 2017. To date, no prior assessment records exist. At the termination of this Contract for any reason, County shall return copies of all assessment and collection records it holds concerning the District within fifteen (15) days after receipt of notice of termination of this contract as provided herein below

VI. DELINQUENT ASSESSMENTS / EMPLOYMENT OF COUNSEL AND AUTHORIZATION TO INSTITUTE LEGAL ACTIONS.

- A. Pursuant to Section 6.24 of the Texas Property Tax Code, the District hereby authorizes the County by and through the County's Tax Assessor-Collector to collect delinquent assessments

for the District as the County deems necessary.

- B. Pursuant to Section 372.018(f) of the Texas Local Government Code, the District hereby consents to the attorney or law firm that represents the County to enforce the collection of delinquent taxes to represent the District in the collection of delinquent assessments. The District further agrees that such fee as is allowed by law and provided in the contract with private legal counsel will be paid from the delinquent taxes, penalties and interest collected for the District by such private legal counsel. The County will provide a copy of the current written contract with legal counsel to the District, and will provide periodic performance reports regarding such contract.

VII. AUDIT

County agrees to permit auditors engaged by the District to annually audit its assessment and collection expenditures and its collection of assessments for the District during the life of this contract. Such auditors shall report directly to the District.

VIII. SURETY BOND

Upon written request by the District, County agrees to obtain a surety bond for the tax assessor-collector and staff to assure proper performance of the tax assessing and collection functions provided for in this contract. Such bond shall be payable to the District in the sum it designates, unless otherwise provided by law, executed by a solvent surety company, licensed to do business in Texas. The District shall reimburse the County for the cost of such bond immediately upon receipt of an invoice from the County for the cost of such bond.

IX. REMITTANCE OF ASSESSMENT COLLECTIONS

County agrees to pay over to the District all net assessments, penalties and interest, after payment of refunds under XI. below. All payments received for the District shall be paid to the District monthly. County expressly agrees to process all payments, whether paid by mail, in person or otherwise within three business days of receipt by County. A report of each disbursement to District of assessments collected on its behalf will be completed to show the amount and distribution of monies. This report will be forwarded to the District immediately after each disbursement.

X. REPORTS

County agrees to make reports of its collection of assessments, 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 November 1st of each year.

XI. REFUNDS

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 which are found to be due and owing from current collections on hand for the District. If amounts to be refunded exceed current collections on hand, County shall retain the collections received for the District until sufficient funds are on hand to pay the refunds due. If sufficient funds are not on hand within two weeks from the original due date of the refund, County shall notify the District of the amount needed to pay refunds due and the District shall within thirty (30) days of

such notice remit such additional amount to County, which shall forthwith make the refund.

The District designates the Tax Assessor-Collector of County as its auditor for the sole purpose of approving refunds as required by Section 31.11 of the Property Tax Code up to the amount of \$2,500.00 per account. All refund requests in excess of \$2,500.00 per account shall be sent to the District by County for approval by its governing body. County shall send such refund request within seven days of processing and the District shall have such refunds approved and the requested returned to County for payment within thirty (30) days of receipt. The monthly report of collections forwarded from County to the District shall also report all funds paid out.

County shall pay all refunds due within sixty (60) days after due. Failure of 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 each shall pay ½ of the accrued interest.

XII. PAYMENT FOR ASSESSMENT AND COLLECTION SERVICES

The District agrees to pay County a fee for performing the assessment and collections services described above. The fee for assessment and collections services furnished to the District shall be \$0.15 (15 cents) for each parcel on the District's assessment roll which lies within Hays County and \$0.85 (85 cents) for each parcel on the District's assessment roll which lies outside Hays County. County shall bill the District annually on April 1st for this fee, which the District shall pay within 30 days of receipt of bill.

The District agrees to bear all printing expenses associated with the adoption of its assessment roll rate each year.

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

XIII. TERMINATION

This Contract may be terminated by County or by the District effective on September 30 of any year upon proper notice to the other party. In order for notice to be effective it must be received by the other party not later than the first day of July preceding the September 30 effective date.

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

XIV. NONLIABILITY FOR FAILURE TO COLLECT

County shall not be liable to the District for any failure to collect any tax, penalty or interest under any provision of this Contract.

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

CITY OF SAN MARCOS, TEXAS, ACTING AS THE
TRACE PUBLIC IMPROVEMENT DISTRICT
BOARD OF DIRECTORS

By: _____
Mayor

Attest: _____
City Secretary

HAYS COUNTY

By: _____
Bert Cobb, County Judge

APPROVED: _____
Luanne Caraway
Tax Assessor-Collector

Attest: _____
County Clerk