

THE STATE OF TEXAS §

COUNTY OF DENTON §

**INTERLOCAL COOPERATION AGREEMENT FOR PROPERTY ASSESSMENTS ASSESSMENT AND COLLECTION BETWEEN DENTON COUNTY, TEXAS AND CITY OF CARROLLTON PUBLIC IMPROVEMENT DISTRICT**

**INTERLOCAL COOPERATION AGREEMENT –ASSESSMENTS COLLECTION**

**THIS AGREEMENT** is made and entered into by and between **DENTON COUNTY**, a political subdivision of the State of Texas, hereinafter referred to as “**COUNTY**,” and the **CITY OF CARROLLTON**, Denton County, Texas, also a political subdivision of the State of Texas, hereinafter referred to as “**CITY**.”

**WHEREAS**, **COUNTY** and **CITY** mutually desire to be subject to the provisions of Texas Government Code, Chapter 791, the Interlocal Cooperation Act, and

**WHEREAS**, pursuant to Chapter 372 of the Texas Local Government Code, Subchapter A, **CITY** has created the **PID36-CARROLLTON CASTLE HILLS PID 2 PUBLIC IMPROVEMENT DISTRICT**, hereinafter referred to as “**DISTRICT**,” and has levied special assessments on properties within the boundaries of the **CITY**, and

**WHEREAS**, pursuant to §372.0175 of the Texas Local Government Code, **CITY** has the authority to contract with the **COUNTY** to perform the duties of **CITY** relating to collection of special assessments levied by **DISTRICT** under Chapter 372, Subchapter A, and

**NOW THEREFORE**, **COUNTY** and **CITY**, for and in consideration of the mutual promises, covenants, and agreements herein contained, do agree as follows:

Throughout this Agreement, the term “Property Tax Code” means Title 1 of the Texas Tax Code. Throughout this Agreement, the term “tax year” means the calendar year in which the applicable tax lien attaches to the taxable property. The term “collection year” refers to the period commencing on October 1<sup>st</sup> of the applicable tax year and continuing through the end of the applicable term (September 30<sup>th</sup> of the following year), in which collection and billing services are to be performed under this Agreement.

I.

The Effective Date of this Agreement shall be October 1, 2025. The initial term of this Agreement shall be for a period of one year beginning of the Effective Date and ending September 30, 2026. The initial term of this Agreement is for tax year 2025 property tax rate calculation, billing, and collection services. Following the initial term, this Agreement shall automatically renew for subsequent one-year terms, unless written notice of termination is provided by **COUNTY** or **CITY** no later than one hundred-eighty (180) days prior to the expiration date of the then-current term of the Agreement. If said notice is provided, this

Agreement shall terminate at the end of the then-current term. Each renewal term shall be for property tax rate calculation, billing and collection services for the applicable tax year (the first renewal term will be for tax year 2026, the second renewal terms for tax year 2027, etc.).

## II.

For the purposes and consideration herein stated and contemplated, **COUNTY** shall provide the following necessary and appropriate services for **CITY** to the maximum extent authorized by this Agreement, without regard to race, sex, religion, color, age, disability, or national origin:

1. **COUNTY**, by and through its duly qualified Tax Assessor-Collector, shall collect **DISTRICT** assessments for current tax year. **CITY** does hereby expressly authorize **COUNTY** and **COUNTY** agrees to do and perform for **CITY** all acts necessary and proper to collect said **DISTRICT** assessments. **COUNTY** agrees to collect base assessments, penalties, interest, and attorney's fees.

2. **COUNTY** agrees to prepare and mail all assessment statements (included on the tax statement for each parcel, provide daily, monthly and annual collection reports to **CITY**, maintain both current and delinquent assessment rolls, disburse assessment monies to **CITY** daily (business day) based on prior day assessment postings, and to develop and maintain such other records and forms as are necessary or required by State law, rules, or regulations to **CITY**. If daily disbursal is to be delayed, **COUNTY** will notify **CITY** in the secured web entity folder the reason for the delay.

3. If **COUNTY** determines, based on **DISTRICT** assessment roll, that a person erred in paying a **DISTRICT** assessment by making a duplicate or erroneous payment **COUNTY** agrees to refund the payment to the person who erred in making it from current **DISTRICT** assessment collections. **COUNTY** agrees that such refund will be made as soon as practicable after **COUNTY** discovers the erroneous payment. The refund shall be accompanied by a description of the property subject to the assessment sufficient to identify the property. If the property is assigned an account number, **COUNTY** shall include that number.

4. If **COUNTY** determines, based on **DISTRICT** assessment roll, that there has been an overpayment of a **DISTRICT** assessment, **COUNTY** shall send the owner a refund application. Upon owner's return of the accurate and fully completed refund application, **COUNTY** will issue, from current **DISTRICT** assessment collections, a refund of the overpayment.

5. **COUNTY** agrees to develop and maintain written policies and procedures of its operation. **COUNTY** further agrees to make available full information about the operation of the County Tax Office to **CITY**, and to promptly furnish written reports to keep **CITY** informed of all financial information affecting it.

6. **CITY** agrees to promptly deliver to **COUNTY** all records that it has accumulated and developed in the assessment and collection of assessments, and to cooperate in furnishing or

locating any other information and records needed by **COUNTY** to perform its duties under the terms and conditions of this Agreement.

7. **COUNTY** agrees to allow an audit of the assessment collection records of **CITY** in **COUNTY'S** possession during normal working hours with at least seventy-two (72) hours advance, written notice to **COUNTY**. The expense of any and all such audits shall be paid by **CITY**. A copy of any and all such audits shall be furnished to **COUNTY**.

8. **COUNTY** agrees that it will post a notice on its website, as a reminder that delinquent assessment penalties will apply to all assessments that are not paid by January 31<sup>st</sup> of the collection year.

9. **COUNTY** agrees that it will post to a secure website collection reports for **CITY** listing current assessments, delinquent assessments, and penalties and interest on a daily basis through September 30<sup>th</sup> of the collection year. **COUNTY** will provide monthly collection reports; provide monthly recap reports; and provide monthly attorney fee collection reports.

10. **CITY** retains its right to select its own delinquent collection attorney and **COUNTY** agrees to reasonably cooperate with the attorney selected by **CITY** in the collection of delinquent assessments and related activities.

11. **CITY** will provide **COUNTY** with notice of any change in collection attorney at least seven (7) days before the effective date of the new collection attorney contract.

12. For assessments that become delinquent on February 1st of the tax year, **COUNTY**, in its sole discretion, may mail a reminder notice to the owner of each parcel having delinquent assessments.

### III.

**COUNTY** hereby designates the Denton County Tax Assessor/ Collector to act on behalf of the County Tax Office and to serve as Liaison for **COUNTY** with **CITY**. The County Tax Assessor/Collector, and/or his/her designated substitute, shall ensure the performance of all duties and obligations of **COUNTY**; shall devote sufficient time and attention to the execution of said duties on behalf of **COUNTY** in full compliance with the terms and conditions of this Agreement; and shall provide immediate and direct supervision of the County Tax Office employees, agents, contractors, subcontractors, and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this Agreement for the mutual benefit of **COUNTY** and **CITY**. This Agreement is subject to and the parties herein shall comply with all applicable provisions of the Texas Property Tax Code and all other applicable Texas statutes.

### IV.

**COUNTY** accepts responsibility for the acts, negligence, and/or omissions related to property assessments service of all **COUNTY** employees and agents, sub-contractors and/or contract laborers, and for those actions of other persons doing work under a contract or agreement with **COUNTY** to the extent allowed by law.

It is understood and agreed between **COUNTY** and **CITY** that the **CITY**, in performing its obligations hereunder, is acting independently, and the **COUNTY** assumes no responsibility or liabilities in connection therewith to third parties. It is further understood and agreed between **COUNTY** and **CITY** that the **COUNTY**, in performing its obligations hereunder, is acting independently, and the **CITY** assumes no responsibilities in connection therewith to third parties. Nothing in this Agreement is intended to benefit any third-party.

To the extent permitted under Texas law, **CITY** agrees that it will protect, defend, indemnify, and hold harmless **COUNTY** and all of its officers, agents, and employees from and against all claims, demands, causes of action, damages, judgments, losses and expenses, including attorney's fees, of whatsoever nature, character, or description that any person or entity has or may have arising from or on account of any injuries or damages received or sustained by person, persons, or property, on account of or arising out of, or in connection with the performance of the services, including without limiting the generality of the foregoing, any negligent act or omission of the **CITY** or any employee, officer, agent, subcontractor, servant, invitee, or assignee of the **CITY** in the execution or performance of this Agreement. This provision shall survive the termination of this Agreement.

V.

**CITY** accepts responsibility for the acts, negligence, and/or omissions of all **CITY** employees and agents, sub-contractors and/or contract laborers, and for those of all other persons doing work under a contract or agreement with **CITY** to the extent allowed by law.

VI.

**CITY** understands and agrees that **CITY**, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of **COUNTY**. **COUNTY** understands and agrees that **COUNTY**, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of **CITY**.

VII.

In this Article VII, the term "Prior TY Parcel Count" means the total number of parcels listed on **CITY**'s preceding tax year PID Assessment Roll on September 30<sup>th</sup> of the tax year. For the services rendered during the assessment year, **CITY** agrees to pay **COUNTY** for the receipting, bookkeeping, issuing, and mailing of assessment statements as follows:

1. The County Budget Office establishes collection rates annually based on a survey of actual annual costs incurred by the **COUNTY** in performing assessments collection services. The collection rate for each tax year, referred to in this Article VII as the "Per Parcel Rate," is approved by County Commissioners' Court, and all entities are assessed the same per parcel collection rate, except that, if that Per Parcel Rate multiplied by the entity's Prior TY Parcel Count equals less than \$200, the entity will be assessed a flat fee of \$200. Following approval of

the Per Parcel Rate for each assessments year, **COUNTY** will, at least sixty (60) days prior to the expiration date of the then-current term of this Agreement, provide **CITY** with written notice of that rate.

2. The current assessment statements will be mailed by October 10th of the assessments year or as soon thereafter as practical. If **CITY** does not provide **COUNTY** with the fixed lien assessment levied and the assessment roll by **CITY**'s governing body under Local Government Code Section 372.017 on or before September 10th, **COUNTY** may, in addition to the costs set forth in paragraph 10 (initial term costs) or paragraph 11 (renewal term costs) of this Article VII, whichever is applicable, charge **CITY** a \$5,000 late processing fee. The assessment roll is to be accompanied by the resolution passed by the governing body for the current assessment year. All assessments become due on receipt of the assessment/tax statement each year. The **DISTRICT** assessment shall be entered into the **COUNTY** records as a fixed lien and applied to the properties assessed by the **DISTRICT** as reflected on the Appraisal District records submitted to **COUNTY**. An additional notice will be sent during the month of March following the initial mailing provided that **CITY** has requested such a notice on or before February 28th of the collection year.

3. All unpaid assessments become delinquent on February 1st of the year following the assessment year. Penalty and interest fees accrue at the same rate and time schedule as the same year's ad valorem property tax. (Property Tax Code, Section 31.02(a) and 33.01(a)).

4. Delinquent assessment collection attorneys become involved at the same times as do the delinquent ad valorem property tax attorneys. (Property Tax Code, Sections 6.30, 33.07, 33.08, 33.11, and 33.48).

5. At least thirty (30) days, but no more than sixty (60) days prior to April 1<sup>st</sup> of the collection year and following the initial mailing, a delinquent assessments statement meeting the requirements of Section 33.11 of the Property Tax Code will be mailed to the owner of each parcel having delinquent assessments.

6. At least thirty (30) days, but no more than sixty (60) days prior to July 1<sup>st</sup> of the collection year and following the initial mailing, a delinquent assessments statement meeting the requirements of Section 33.07 of the Property Tax Code will be mailed to the owner of each parcel having delinquent assessments.

7. For accounts that become delinquent on or after June 1<sup>st</sup> of the collection year, **COUNTY** shall mail a delinquent assessments statement meeting the requirements of Section 33.08 of the Property Tax Code to the owner of each parcel having delinquent assessments.

8. In the event **DISTRICT** levies a supplemental corrected assessment by order of its governing body after the assessment statements have already been mailed, **CITY** shall provide **COUNTY** with an updated assessment roll identifying the corrected assessments levied by **DISTRICT**'S governing body under Local Government Code Section 372.017, as corrected by any supplemental assessments levied by its governing body under Section 372.019. **CITY** agrees to pay **COUNTY** a programming charge of \$5,000.00. **COUNTY** will mail corrected

statements to the owner of each affected parcel. The **DISTRICT** assessment shall be entered into the **COUNTY** records as a fixed lien and applied to the properties assessed by the **DISTRICT** as reflected on the Appraisal District records submitted to **COUNTY**. **The corrected assessment is to be accompanied by the resolution passed by the governing body for the assessment year.** The fee for the services performed by **COUNTY** under this paragraph 8 will be the Per Parcel Rate approved by Commissioners Court for the applicable tax year multiplied by the **CITY's** then Prior TY Parcel Count, provided that, if the applicable Per Parcel Rate multiplied by the applicable Prior TY Parcel Count equals less than \$200.00, then the Total Cost of providing all services described in paragraphs 2-6 shall be a flat fee of \$200. When a refund is required per Property Tax Code Section 26.07(g), **COUNTY** will charge a \$1.00 processing fee per check, in addition to the corrected statement mailing costs. Issuance of refunds, in the event of a corrected assessment roll, will be the responsibility of **COUNTY**. **CITY** will be billed for the refunds, postage, and processing fees.

9. **CITY** understands and agrees that **COUNTY** will, no later than January 31<sup>st</sup> of the assessment year, deduct from current collections of **CITY** the "Total Cost" of providing all services described in paragraphs 1-5 above. This Total Cost includes any such services that have not yet been performed at the time of deduction.

10. During the initial term of this Agreement, the Total Cost of providing all services described in paragraphs 2-6 of this Article VII shall be the total of: **\$1.41** (the "TY 2025 Per Parcel Rate") multiplied by **CITY's** Prior TY Parcel Count, provided that, if the TY 2025 Per Parcel Rate of \$1.41 multiplied by the Prior TY Parcel Count equals less than \$200.00, then the Total Cost of providing all services described in paragraphs 2-6 shall be a flat amount of \$200.00.

11. During the first and second renewal terms of this Agreement, and provided that **COUNTY** has provided **CITY** with notice of the Per Parcel Rate as described in paragraph 1 of this Article VII, the Total Cost of providing all services described in paragraphs 2-6 of this Article VII shall be the total of: The Per Parcel Rate approved by Commissioners Court for the applicable tax year (the TY 2026 Per Parcel Rate and the TY 2027 Per Parcel Collection Rate, respectively) multiplied by the **CITY's** then Prior TY Parcel Count, provided that, if the applicable Per Parcel Rate multiplied by the applicable Prior TY Parcel Count equals less than \$200.00, then the Total Cost of providing all services described in paragraphs 2-6 shall be a flat fee of \$200. In the event **COUNTY** does not provide **CITY** with notice of the Per Parcel Rate as described in paragraph 1 of this Article VII, the Per Parcel Rate charged during the preceding term will apply.

12. In the event costs for additional delayed assessments statements, processing, and mailing are incurred as described in paragraph 1 of this Article VII, **COUNTY** shall bill **CITY** for such amounts. **CITY** shall pay **COUNTY** all such billed amounts within thirty (30) days of its receipt of said bill.

VIII.

**COUNTY** agrees to remit all assessments, penalties, and interest collected on **CITY's** behalf and to deposit such funds into the **CITY's** depositories, as designated:

1. For deposits of assessments, penalties, and interest, payment shall be by wire transfer or ACH to **CITY's** depository accounts only as applicable, specific on the Direct Deposit Authorization executed between the **CITY** and **COUNTY**. Only in the event of failure of electronic transfer protocol will a check for deposits of assessments, penalty and interest be sent by mail to **CITY**.

2. In anticipation of renewal of this Agreement, **COUNTY** further agrees that deposits will be made daily through September 30<sup>th</sup> of the collection year. It is expressly understood, however, that this obligation of **COUNTY** shall not survive termination of this Agreement, whether by termination by either party or by failure of the parties to renew this Agreement.

3. In event that **COUNTY** experiences shortage in collections as a result of an outstanding assessment debt of **CITY**, the **CITY** agrees a payment in the amount of shortage shall be made by check or ACH to **COUNTY** within 15 days after notification of such shortage. Failure to remit payment of shortage restricts release of collected assessments until such time as payment is remitted.

IX.

In the event of termination, the terminating party shall be obligated to make such payments as are required by this Agreement through the balance of the assessments year in which notice is given. **COUNTY** shall be obligated to provide services pursuant to this Agreement during such period.

X.

This Agreement represents the entire agreement between **CITY** and **COUNTY** and supersedes all prior negotiations, representations, and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by the governing bodies of both **CITY** and **COUNTY** or those authorized to sign on behalf of those governing bodies.

XI.

Any and all written notices required to be given under this Agreement shall be delivered or mailed to the listed addresses:

**COUNTY:**  
County Judge of Denton County 1 Courthouse Dr Ste 3100  
Denton, Texas 76208  
Telephone: 940-349-2820

CITY:  
City of Carrollton, Texas  
1945 E. Jackson Road  
Carrollton, TX 75006  
Telephone: 972-466-3110

XII.

**CITY** hereby designates Diana Vaughn, CFO to act on behalf of **CITY**, and to serve as Liaison for **CITY** to ensure the performance of all duties and obligations of **CITY** as stated in this Agreement. **CITY's** designee shall devote sufficient time and attention to the execution of said duties on behalf of **CITY** in full compliance with the terms and conditions of this Agreement; shall provide immediate and direct supervision of the **CITY** employees, agents, contractors, subcontractors, and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this Agreement for the mutual benefit of **CITY** and **COUNTY**.

XIII.

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties that the remaining portions shall remain valid and in full force and effect to the extent possible.

XIV.

The undersigned officers and/or agents of the parties are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties. Each party hereby certifies to the other that any resolutions necessary for this Agreement have been duly passed and are now in full force and effect.

Executed in triplicate originals this 17<sup>th</sup> day of June 2025.

COUNTY  
Denton County Texas  
1 Courthouse Dr Ste 3100  
Denton, Texas 76208

CITY  
City of Carrollton, Texas  
1945 E. Jackson Road  
Carrollton, TX 75006

BY: \_\_\_\_\_  
Honorable Andy Eads County  
Judge

BY: \_\_\_\_\_  
Erin Rinehart  
City Manager

ATTEST:

BY: \_\_\_\_\_  
Juli Luke  
Denton County Clerk

ATTEST:

BY: \_\_\_\_\_  
Chloe Sawatzky  
City Secretary

APPROVED FORM AND CONTENT:

Dawn Waye Denton County  
Tax Assessor/Collector