

CITY OF DACULA

STATE OF GEORGIA

AGREEMENT FOR THE COLLECTION OF
DELINQUENT TAXES

This Agreement for the Collection of Delinquent Taxes (hereinafter the “Agreement”) is made and entered into this _____ day of _____, 2024, by and between the City of DACULA (hereinafter the “City”), and DELINQUENT TAX SERVICES INCORPORATED, a Georgia corporation (hereinafter “DTS”).

WHEREAS, the City is charged with collecting taxes as provided by Georgia law; and

WHEREAS, DTS is in the business of providing services to governmental entities and agents such as the City in aid of collecting taxes; and

WHEREAS, the City wishes to obtain the services of DTS in an effort to quickly and efficiently collect delinquent taxes due the City; and

WHEREAS, DTS has submitted to the City its proposal for the collection of delinquent taxes due the City; and;

WHEREAS, DTS’s Proposal has been accepted and approved by the City and is hereby incorporated into this Agreement, by reference, as if fully reproduced herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. Term

This Agreement shall begin on the _____ day of _____, 20____, and shall terminate absolutely and without further obligation on the part of the City on December 31, 20__ and on December 31st of each one-year renewal term thereafter, provided that this Agreement shall automatically renew on January 1 of each subsequent year for a term of one (1) year unless terminated by either party upon sixty (60) days written notice. In no event shall the duration of this Agreement exceed _____ one-year terms.

2. Obligations of the City

The City shall supply DTS with a list of properties the City wishes taxes to be collected upon. Said list shall include the following information with respect to each property:

- a. Property address
- b. Name(s) and address(es) of the property owner(s) of record (when available)
- c. Map and parcel numbers
- d. Copies of the respective tax executions (“fi. fa.”) for each year of collection

It is understood that DTS will act in reliance on the accuracy of the information provided by the City, and DTS is instructed to accept such information as true and correct.

The City further agrees:

- a. To “flag” the respective properties in its computer system at the time the property is turned over to DTS for collection to ensure that the applicable penalties, interest charges and administrative fees are collected.
- b. To provide DTS with such access to its tax and real estate records, such access to include mapping and records of prior appeals, as is necessary to accomplish the ends of this Agreement.
- c. To provide copies of relevant tax records to the owner(s) of record where requested without charge to DTS.
- d. To promptly notify DTS upon receipt of any notice of filing of an owner of record’s petition in bankruptcy.

3. Obligations of DTS

Upon receipt of the information as provided in section two (2) above, DTS agrees to use its best efforts to notify the owner(s) of record of the delinquent taxes due and to attempt to collect the same without the necessity of levy and sale of the property. Where required, collection letters will be sent to the owner(s) of record and any newly acquired addresses in relation to the collection process. This period shall be known as “Stage One” and shall conclude within thirty (30) days of the receipt of information by DTS.

In the event the delinquent taxes due are not collected during Stage One, upon receipt of instruction from the City, DTS agrees to take the following steps in an effort to collect the same:

- a. Run a computerized search of the bankruptcy records under the name(s) of the owner(s) of record.
- b. Run an examination of the real estate records to determine the current ownership and interest(s) of the property in question and all parties entitled to receive notice of levy and sale.

- c. Prepare a notice of levy to the defendant in fi. fa., the current owner(s) of record, the current mortgage and/or other interest holder(s).
- d. Conduct a diligent search of the general execution docket and lien index maintained by the Clerk of Superior Court and federal and state tax records.
- e. Prepare and submit the legal advertisements to the proper legal organ for advertisement of the impending tax sale.

Provided that the city elects to proceed with levy and sale, DTS, as instructed by the City, will supply the necessary information to the City and/or any other person(s) authorized to conduct the sale to begin the levy and sale process. This period shall be known as “Stage Two”.

DTS hereby agrees to abide by all applicable state and federal laws, including, but not limited to, the Fair Debt Collection Practices Act, in carrying out the terms of this Agreement.

The obligations of DTS and the City are set forth in more detail in Exhibit “A,” attached hereto and incorporated herein by reference.

4. Payment of Services Rendered.

Payment to DTS for services rendered shall not be due and payable until such time that payment for the delinquent taxes has been received by the City. It is the intent of the parties that any compensation paid pursuant to this Agreement be construed as conditional rather than contingent. Any compensation paid pursuant to this Agreement is not to be determined based on the amount of delinquent taxes collected but shall instead be based on a predetermined fee based upon if and when the collection of delinquent taxes occurs. It is further agreed that any fees due DTS under this Agreement shall be satisfied out of the delinquent taxes collected as a result of DTS’s efforts. The fees due DTS shall be determined as follows:

For delinquent taxes collected during Stage One, DTS shall receive the sum of sixty-five dollars (\$65.00) as compensation for services rendered for each property on which taxes are collected whereby the total amount collected is greater than or equal to fifty dollars (\$50.00). Where the total amount collected is less than fifty dollars (\$50.00), DTS shall receive the sum of thirty dollars (\$30.00) for each property on which taxes are collected as compensation for services rendered.

For delinquent taxes collected during Stage Two, DTS shall receive the sum of two hundred dollars and thirty dollars (\$230.00) for each property on which taxes are collected as compensation for services rendered. The Stage Two fee shall include all research and notification costs incurred by DTS, including costs of certified mail. DTS shall not be responsible for costs incurred in connection with legal advertisement, sheriff services, recording fees, and deed preparation. Should the City request DTS to prepare tax deeds a cost of \$50.00 shall be applied.

5. Payments Made by Taxpayers/Owner(s) of Record.

All payments made in satisfaction of delinquent taxes due and owing shall be made to the City. Under no circumstance will DTS accept such payments on behalf of the City.

6. Legal Representation; Indemnification.

In the event a lawsuit is filed against the City as a result of the collection efforts of the City and/or the collection efforts of DTS on behalf of the City, the City shall be represented by its own legal counsel at the City's expense and DTS shall have no obligation to voluntarily join in any such lawsuit or provide the City with legal representation. DTS does however agree to assist the City in the defense of any such lawsuit by turning over a copy its file to the City and any information DTS has obtained in the connection with its collection efforts. DTS further agrees to provide the City with access to DTS's legal counsel at DTS's expense to assist the City in the defense of any such lawsuit.

The City shall defend, indemnify and hold harmless DTS and its agents, successors and assigns from and against any and all claims, threats, liabilities, fines, penalties, suits, actions, proceedings, demands, damages, losses, costs and expenses (including attorneys' and experts' fees and court costs) of every kind and nature directly or indirectly arising out of, resulting from, or in connection with DTS's reasonable collection efforts taken in accordance with the terms of this Agreement to the extent allowable by law, with the exception of those matters arising out of the negligence or willful act of DTS. DTS shall defend, indemnify and hold harmless the City and its agents, successors and assigns from and against any and all claims, threats, liabilities, fines, penalties, suits, actions, proceedings, demands, damages, losses, costs and expenses (including attorneys' and experts' fees and court costs) of every kind and nature which results directly or indirectly from any negligent or willful act of DTS.

7. Entire Agreement.

This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless attached hereto and signed by all parties hereto. No representation, promise or inducement not included in this Agreement shall be binding on any party hereto.

8. Notice.

Any notices which may be permitted or required hereunder to be given to the parties hereto shall be in writing and shall be deemed to have been duly given as of the date and time that such notice(s) is hand delivered or mailed to the below address or such other address as the parties hereto shall from time to time designate to the others by

notice in writing as herein required. Provided, however, that if notice is given by mail, the time period for any such notice shall be extended by three (3) days.

If to the City:	Mayor of Dacula 442 Harbins Road Dacula, Georgia 30019
With a copy to: (shall not constitute notice)	Robert Jackson Wilson, City Attorney 295 S. Culver St. Suite C Lawrenceville, Georgia 30046
If to DTS:	Delinquent Tax Services Incorporated Attention: Jonathan Watson 133 East Church Street Monroe, Georgia 30655
With a copy to: (shall not constitute notice)	Russell W. Wall, Esq. Post Office Box 336 Greensboro, Georgia 30642

9. Miscellaneous.

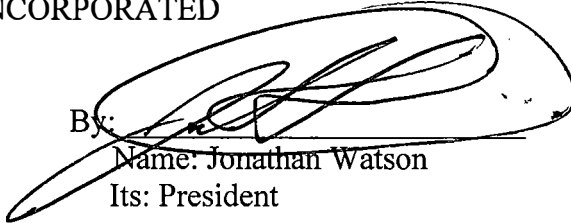
Time is of the essence of this Agreement. The section headings of this Agreement are for convenience sake only and shall not limit or otherwise affect any of the terms hereof. The laws of the State of Georgia shall govern this Agreement. The parties hereto agree that jurisdiction and venue of any litigation between the parties regarding this Agreement shall be Gwinnett County, Georgia. As used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine, or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a trust, an organization and a governing body. Invalidation of any one or more of the provisions hereof shall not affect the validity of the remainder of this Agreement, which shall remain in full force and effect. Title to any supplies, materials, equipment, or other personal property shall remain in DTS until fully paid for by the City.

IN WITNESS WHEREOF, the parties have set their hands and seals this 7th
day of March, 2024.

CITY OF DACULA

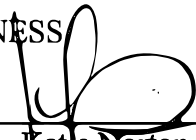
DELINQUENT TAX SERVICES,
INCORPORATED

By: _____
Name: Hugh D. King, III
Its: Mayor

By: 
Name: Jonathan Watson
Its: President

ATTEST:

Brittni Nix, City Administrator

WITNESS


Katie Norton, Executive Assistant

“Exhibit A”

DETAILED SCOPE OF SERVICES

Local Account Representative and Project Manager: DTS shall provide the City with an experienced account representative (the “Representative”). The Representative shall serve as DTS’s project manager for all work performed for the City. The Representative shall have experience and expertise in handling all aspects of delinquent collection programs and shall be immediately accessible to the City by office and cell phone as well as email. The Representative shall give immediate response and priority handling to any request or inquiry made by the City.

Planning: The Representative shall meet with the City to review account volumes and the status of delinquent receivables. Collection goals and objectives will be established according to the needs and desires of the City. Certain accounts may be flagged for removal from the collection process such as debtors under bankruptcy relief and senior exemptions (at the discretion of the City). Planning work will include addressing special needs, project management, communication hot-lines and desired customization of any work processes. A work calendar, suitable to the City, will be developed with work volumes and critical target dates to achieve desired goals.

Stage One (Notice of Delinquency) Production: The City will first issue a fifa as a prerequisite to Stage One processing. At the discretion of the City, fifas may be issued and maintained as either a hard copy document or in an electronic format with a print on demand feature. Fifas that are issued in an electronic format will contain a fifa issue date. A statutory fifa fee will be posted to each delinquent fifa account by the City and included in the due amounts. As a best business practice and when feasibly possible, the City will record each fifa on the lien docket (GED) in the Office of the Clerk of Superior Court as a prerequisite to Stage One Processing.

DTS shall obtain a listing or electronic file of delinquent fifa accounts to be serviced from the City. Delinquent fifa account information will contain tax parcel ID, property street address if available, fifa defendant name and address, fifa issuance date, fifa account number, current owner(s) name and address if different from the fifa defendant, and the year(s) and amount(s) owed. DTS will load the listing or file to its data processing system and aggregate all delinquent years under the respective tax parcel ID. DTS will review all records for completeness of addresses to affect postal delivery. Partial addresses (needing city, state, and zip) will be researched and updated.

DTS will produce a Stage One letter and mail to every defendant in fifa listed in the file provided by the City. The text and wording of the delinquent notice may be customized according to the desire and needs of the City. Any returned mail will be processed to verify a new address and re-mailed within a time frame agreed upon by the City. DTS will utilize a variety of skip tracing methods and proven industry tools such as internet search engines and “people-finder” databases to determine a correct and valid address for

re-mailing. A list of all new address(es) will be maintained in Microsoft Excel, Word, or PDF format and supplied to the City upon request.

If requested, DTS will assist the City in adding a standard service fee to the delinquent fifa account records through manual entry or electronic batch updating.

During Stage One Production, DTS shall provide prompt customer support to the City on any aspect of notice mailings, address corrections, or tax payer concerns.

Stage Two (Levy and Tax Sale) Production: DTS will review all unpaid accounts with the City prior to Stage Two Production. At the discretion of the City, DTS shall prepare an execution of levy notice with a referenced tax sale date against any and all remaining delinquent parcels. Parcels identified for tax sale will be scheduled for levy, notification, advertisement, and sale according to work calendars and legal time frames to affect a non-judicial tax sale. DTS will develop a calendar of critical time frames and dates, to assist the City in adding additional service fees to the fifa account records.

For each delinquent parcel, DTS will prepare a limited abstract of title (“Limited Title Exam”) through deed records to determine the current owner(s), lien holder(s), and mortgagee(s) of record. DTS will verify the correct defendant in fifa for each delinquent year. The Limited Title Exam shall include any and all parties with recorded interest as shown by deed, General Execution Docket, Lis Pendens Docket, and Probate Court records. DTS will also verify that the delinquent tax parcel matches the legal description of the corresponding deeds of record. Parcels that contain ownership and legal description errors, or do not correspond to tax maps, will be returned to the City with corrective information. DTS will assist the City with amending executions on the GED as would be necessary to correct ownership names containing nonentity terms such as “Et al.” or “Estate”.

DTS shall prepare a statutory notice of execution of tax levy in compliance with applicable statutory provisions directed to the current owner(s), lien holder(s), mortgagee(s), defendant in fifa, tenant in possession and other parties with recorded interests. The levy notice will contain a legal description of the property and the necessary recitals so as to be in compliance with all legal requirements for providing written notice of levy on land. DTS will affect service of process by certified mail, return receipt requested, to all parties with recorded interests as identified by the Limited Title Exam including State and Federal taxing authorities. DTS will consult financial directories and databases to insure proper notifications to banks and lending institutions that may have merged or changed names due to acquisitions.

DTS shall monitor files and prepare legal advertisements for all parcels levied for tax sale that remain unpaid. DTS will submit legal advertisements the City legal organ according to critical timeframes and dates.

DTS will assist the City, if so desired, with procedures for physically posting the delinquent property including geographical order of postings for efficiency, time/date stamping, recording pictures and preparing affidavits of posting. Physical property posting is not a legal requirement under current law but serves as an excellent collection tool, a deterrent to future

delinquencies, and a means of performing due diligence when levy notices are returned by the post office as undeliverable or unclaimed.

DTS shall monitor files, update the Limited Title Exam and prepare a statutory notice of pending tax sale for all parcels remaining unpaid. The notice of pending tax sale will be sent by DTS as regular first class mail and certified mail, return receipt requested, to all parties that were listed for service of levy including any municipalities if unpaid tax executions are issued and recorded in the clerk of superior court's office against the delinquent parcel. The notice of pending tax sale shall be mailed according to critical timeframes and dates.

DTS shall prepare and submit the legal advertisements to the proper legal organ for advertisement of the impending tax sale. It shall be up to the city to collect any cost associated with the advertisement of each delinquent tax parcel and pay the legal organ for said legal advertisement. All ads shall run for a minimum of four consecutive weeks prior to the sale unless the tax indebtedness is paid in full to meet the statutory requirements set forth by Georgia law.

Prior to tax sale, DTS shall review each levied parcel according to stringent quality control standards for accuracy, correctness, and due diligence. A final updated Limited Title Exam will be prepared and reviewed to ensure notification of all parties including those that may have entered the chain of title during the interim time period after the effective date of the original Limited Title Exam.

If required, DTS will assist the City with preparing beginning bids including all applicable legal costs, fees, and commissions. DTS, if required by the City, shall also assist with conducting tax sales and issuing bid receipts on the Courthouse steps or other location as officially designated by the City.

DTS shall deliver to the City all title research, notices and return receipt copies at the time of either the first advertisement, 10-day notice of sale or at such time that the City specifies. The complete hard copy files will be delivered to the City on any parcel taken to tax sale.

Tax Sales Files shall contain copies of the following:

- a) Limited Title Exam and any updates
- b) Vesting Deeds, Security Deeds and Liens
- c) Notice of Execution of Tax Levy
- d) 10-Day Notice of Tax Sale
- e) Certified Mail Receipts
- f) Due Diligence Research
- g) Legal Advertisement
- h) File Review and Due Diligence Check List
- i) All notes and comments

The City will place a copy of the executed and recorded tax deed, bid receipt and publisher's affidavit in the file for post sale retention.

Post Sale Processing: During Stage Two Production, DTS will provide prompt customer support to the City on any aspect of the levy and tax sale proceedings as well as post sale

matters. If requested, DTS will assist the City in preparing and reviewing tax deeds and also assist with preparing and mailing post sale notices of excess funds to the record property owner and holders of security or equity interest according to statutory requirements. DTS will assist the City with procedures for making entries on the tax execution(s) and GED reflecting the tax sale with appropriate cross-reference to the recorded tax deed. If desired, DTS will further assist the City with procedures for establishing and maintaining a Sale Docket or similar such docket as exists under the rules of the pertinent jurisdiction.

DTS will assist the City with procedures for holding and distributing excess funds received from tax sales according to fiduciary requirements established by the courts and general law. DTS will review claims in conjunction with the City to determine entitlement according to the order of priority of the claimant's interest, or whether uncertainties or competing interests exist that require the claim to be forwarded to the City Attorney for filing of an interpleader or other action in the requisite court.