

INTERLOCAL AGREEMENT BETWEEN ROWAN
COUNTY AND THE CITY/TOWN OF LANDIS
FOR PROPERTY TAX COLLECTION SERVICES

This interlocal agreement, made and entered into pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes this ____ day of _____, 2025, by and between Rowan County, a body politic and corporate organized and existing under the laws of the State of North Carolina (hereinafter called the "County") and the Town of Landis, a North Carolina Municipal Corporation organized and existing under the laws of the State of North Carolina (hereinafter referred to as "Municipality").

WITNESSETH

WHEREAS, the County has in prior years listed, billed and collected ad valorem taxes and related charges (excluding motor vehicle taxes) which are due to the Municipality; and

WHEREAS, the County and Municipality have determined that it is in the public benefit and interest to memorialize that relationship and enter into an Interlocal Agreement for Property Tax Collection Services to provide for the listing, billing and collection by the County of ad valorem taxes and related charges (excluding motor vehicle taxes) which are due to the Municipality; and

WHEREAS, the County and Municipality have agreed that the payment set forth herein is in the best interests of their citizens; and

WHEREAS, the North Carolina General Statutes (NCGS) Chapter 160A, Article 20, provides that units of local government may enter into agreements in order to execute an undertaking providing for the continual exercise by one unit of any power, function or right, including the collection of property taxes; and

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions contained in this Interlocal Agreement herein accruing to the benefit of each of the respective parties hereto and other good and valuable consideration, receipt and sufficiency of which is acknowledged by the County and the Municipality, the parties agree as follows:

- 1) County Billing and Collection of Municipal Taxes

- a) The County shall continue to provide ad valorem property tax collection services (excluding the collection of registered motor vehicle taxes) and other related services to the Municipality, including the collection of current and delinquent taxes. "Collection" as used herein includes receiving all payments by taxpayers, as well as the authority of the County to pursue any and all available statutory remedies for collection of unpaid delinquent taxes as provided in NCGS Chapter 105.
- b) The Tax Collector of the County is, by this Agreement, designated as the Tax Collector for the City. All duties of the City Tax Collector for the collection of the taxes to be collected by the County, pursuant to NCGS §105-349 through 378, are transferred to the County Tax Collector, including settlements as provided in NCGS §105-373.
- c) All decisions involving discoveries, garnishments, attachments and other collection proceedings are delegated to the County. The County agrees to use its best efforts in accurately listing, assessing, billing and collecting the City taxes. The County will not be held to a higher standard for collecting City taxes than it has for collecting County taxes.

2) Registered Motor Vehicle Taxes

Registered motor vehicle taxes are collected by the State of North Carolina. Collections of these taxes are reported monthly through the North Carolina Vehicle Tax System (NCVTS) and funds, including funds belonging to the Municipalities within the County's jurisdiction, are remitted monthly to the County. The County will include the Municipality's share of these funds with the monthly distribution of property taxes collected by the County.

3) Term of Agreement

This Interlocal Agreement shall remain in effect unless terminated by either Party pursuant to the terms herein (Section 9).

4) Compliance

The County will comply with all applicable tax collection laws of North Carolina, including those contained in Subchapter II of Chapter 105 of the NCGS, and all

administrative mandates issued by the State of North Carolina.

5) Records and Accounts

- a) The County shall be responsible for maintaining all ad valorem property tax records and other related charges, including amounts paid and unpaid, in the same manner as County records are maintained.
- b) The Municipality will provide the County with all necessary information for transfer of property tax funds due to the Municipality. The County will properly account for and distribute such funds by check or other mutually agreed-upon method on a monthly basis.
- c) The County shall provide the Municipality with all necessary and required reports in such format and detail as to enable the Municipality to prepare and record the necessary financial transactions.
- d) The County shall provide the Municipality's Internal and External Auditors, during regular business hours, access to the daily cash transactions related to the Municipality's Tax Receivables, and other records pertaining thereto to the fullest extent practicable.
- e) The Municipality shall provide the County Tax Collector's Office with access, to the extent legally allowable, into any of the Municipality's records systems that the Municipality deems to be beneficial in the collection of the Municipality's taxes.

6) Pro Rata Payments

The County shall distribute partial payments received from Municipal taxpayers on a proportionate basis between taxes owed to the County and the Municipality, such distribution to be based on respective tax rates, after all interest and penalties are first paid.

7) Costs for Billing and Collection

The County shall incur all costs for preparing, printing, billing and collecting the Municipality's tax bills, including notices and advertisement of delinquent taxes.

8) Payment to County

The Municipality agrees to pay the County a fee equal to 1.35% of collections (excluding registered motor vehicle taxes) for the fiscal year ending June 30, 2025. The tax collection fee, thereafter, will increase to 1.50% during the fiscal year ending June 30, 2026 and remain at 1.5% until this Agreement is either terminated as provided in Section 10 below or amended by written agreement of the County and Municipality. This fee will be subtracted from the bi-monthly distribution of tax collections made by the County to the Municipality.

9) Other Fees to be Paid by the City to the County

- a) In addition to the foregoing, all fees collected by the County for additional services such as garnishment, advertisement and returned checks shall be retained by the County.
- b) When real property is sold at a foreclosure sale for the collection of ad valorem taxes, County agrees to use reasonable efforts to assure that the opening bid is sufficient to pay both the City and County ad valorem property taxes, including taxes, penalties, interest and such costs as accrued prior to the institution of the foreclosure action. In the event the property is sold for an amount not sufficient to satisfy both the City and County taxes, including penalties, interest and costs, the money shall be distributed as follows:

County shall first be reimbursed for actual expenses and disbursements made by it in connection with the foreclosure action, including cost of advertising, legal fees and other necessary legal expenses, and any balance remaining after the payment of these expenses shall be distributed to County and City in proportion to their respective interest.

In the event that County shall become the purchaser at a foreclosure sale, the property shall be held and disposed of pursuant to NCGS §105-376(b).

10) Termination

This Interlocal Agreement may be terminated by either party by providing a six (6) month notice prior to the start of the next fiscal year. Upon notice of termination of the Interlocal Agreement, the County shall deliver to the Municipality all tax records, in a customary electronic data format, or in whatever form held in its hands, pertaining to the Municipality's listing, billing and

collections by February pt of the fiscal year in which the termination shall become effective. The County shall continue to collect current and delinquent taxes through June 30th of the fiscal year in which the termination shall become effective and shall provide a full accounting to the Municipality of the status of all tax collections as of June 30th. After June 30th of the fiscal year in which the termination becomes effective, the County shall not be further obligated either as to current or delinquent taxes due to the Municipality.

11) Entire Agreement

This Interlocal Agreement sets forth the entire Agreement between the Parties regarding the services and matters set forth herein. All prior conversations or writings between the Parties hereto or their representatives on this subject matter are merged within and extinguished. This Interlocal Agreement shall not be modified or amended except by a written instrument executed by duly authorized representatives of the Parties herein.

12) Notice

Notice under this Interlocal Agreement shall be deemed sufficient upon the mailing to the parties by certified or registered mail at the following locations:

Rowan County
Attention: County
Manager
130 West Innes Street
Salisbury, NC 28144

Town of Landis
ATTN: Town Manager
PO Box 8165
Salisbury, NC 28088

Signature Page Follows

Signature Page Interlocal Agreement Tax Collection

ROWAN COUNTY

By:

Gregory C. Edds
Its: Charman of the Board of Commissioners

TOWN OF LANDIS

By:

Meredith Smith
Its: Mayor

This instrument has been pre-audited in the manner
required by the Local Government Budget and Fiscal
Control Act.

Rowan County Finance Director

This instrument has been pre-audited in the manner
required by the Local Government Budget and Fiscal
Control Act.

Town of Landis Finance Director