

THE STATE OF TEXAS X

COUNTY OF FRANKLIN X

INTERLOCAL AGREEMENT FOR
ASSESSMENT AND COLLECTION OF TAXES

On this 11th, day of May 2026, hereinafter called the “**City of Mt. Vernon**”, and **FRANKLIN COUNTY**, hereinafter called “County”, enter into the following agreement pursuant to the authority granted by **TEXAS PROPERTY TAX CODE** Sections 6.23, 6.24, and **TEXAS GOVERNMENT CODE** Chapter 791

WITNESSETH:

WHEREAS, it would be economically advantageous to both the Taxing Unit and the County to consolidate the tax assessment and collection functions; and

WHEREAS, in entering into this Agreement, it is the intention of the Taxing Unit and the County that upon commencement of the term of this Agreement as herein stated, the County shall for the said term of this Agreement provide such necessary tax assessment and collection services;

NOW, THEREFORE, the said parties have and do hereby covenant and agree as follows:

1. The County shall collect the ad valorem property taxes owing to the Taxing Unit for that portion of Taxing Unit and those accounts and property appraised of Taxing Unit found within the same boundaries of County and shall perform all assessment and collection duties and functions imposed by law upon the tax assessor and collector for the Taxing Unit for that portion of Taxing Unit and those accounts and property appraised of Taxing Unit found within the same boundaries of County, including, but not limited to the following:

- a) calculation of taxes;
- b) preparation of tax roll;
- c) proration of taxes;
- d) correction of clerical errors in tax rolls;
- e) collection of tax liabilities;
- f) issuance of refunds;

- g) calculation and publication of an effective tax rate;
- h) timely preparation and mailing of current tax bills;
- i) preparation and mailing of delinquent tax bills;
- j) statement of delinquent tax mailing provided to Taxing Unit on a quarterly basis;
- k) remittance of taxes collected to the Taxing Unit;
- l) provide monthly reports of collections and annual reports of all taxes collected or delinquent.

2. The County shall remit all collections to the Taxing Unit's depository by mail two days after they are processed and deposited in the County's depository (or on a weekly basis, if so requested).

3. The County shall retain all fees charged for the issuance of tax certificates and any interest accruing upon tax payments while deposited in the County's depository prior to remittance to the Taxing Unit. The County shall expend such retained funds solely on tax assessment and collection services.

4. The County shall provide an annual independent audit of all funds collected for the Taxing Unit, all funds retained by the county, all cost payments received by the County from the Taxing Unit as required by this Agreement, and all expenditures made by the County in its performance under this Agreement. Said audit shall be conducted by a certified public accounting firm, and a copy of the audit report shall be provided to the Taxing Unit at no additional cost.

5. The Taxing Unit authorizes the County to enter an agreement with a delinquent tax attorney on behalf of the Taxing Unit, as provided by TEXAS PROPERTY TAX CODE SECTION 6.30, for the collection of delinquent taxes owed to the Taxing Unit. The attorney's compensation shall comply with the additional penalty provisions of the Texas Property Tax Code and the contract for representation between the attorney and the taxing units or County. The attorney's compensation shall be paid by the Taxing Unit from the delinquent taxes, penalties and interest collected for the Taxing Unit by such attorney. The Taxing Unit authorizes the County to retain an amount equal to delinquent tax attorney fees stipulated in the attorney contract. County agrees to disperse said fees to the delinquent tax attorney on a periodic basis.

6. The Taxing Unit shall provide to the County, without charge, copies of all records necessary for performance by the County under this Agreement.

7. The Tax Assessor-Collector shall give bond conditioned on the faithful performance of his duties as Tax Assessor-Collector for the Taxing Unit. Said bond shall

be made payable to and shall be approved by the governing body of the Taxing Unit in an amount determined by such governing body. The Taxing Unit shall pay the premium for such bond from its current available revenues.

8. In consideration of the services to be rendered by the County, the Taxing Unit shall pay the County as follows:

- a) The Taxing Unit agrees to pay the County up one percent of assessed taxes per parcel, as determined by the County Judge and Commissioners Court.
- b) In the event that payments received exceed the actual cost of providing services pursuant to this Agreement, the County shall reimburse the Taxing Unit or credit future payments to be made by the Taxing Unit to the extent of the excess funds.
- c) In the event that payments received are less than the actual cost of providing services pursuant to this Agreement, the Taxing Unit shall reimburse the County all actual costs incurred for the collection of taxes, but not to exceed one dollar (\$1.00).
- d) In the event that the Taxing Unit's tax rate is rolled back or otherwise changed after the County begins collections for the Taxing Unit in any given year, the County will continue to act for the Taxing Unit in providing refunds to taxpayers or sending corrected billings. The cost of additional publications and notices will be the responsibility of the Taxing Unit. All costs incurred by the County for late and separate tax bill processing or issuance of corrected bills, or refunds associated therewith, shall be strictly accounted for by the County and shall be payable by the Taxing Unit upon submission of that accounting by the County. This cost shall be the actual cost of providing those extra services required by the rollback or change of tax rate.
- e) In the event that the Taxing Unit fails to adopt its tax rate before the last work day prior to the first Monday in September the costs for late and separate tax bill processing, if required, shall be accounted for by the County and shall be payable by the Taxing Unit upon submission of that accounting by the County.

9. The Taxing Unit agrees payments shall be retained from the tax disbursement the amount equal to charges stated above for services rendered.

10. This Agreement shall be effective on May 1, 2026 and shall continue in full force and effect through April 30, 2026 and thereafter, from year to year until such time either party hereto, by written notice to the other party, may terminate the same, such termination to be effective only if provided to the other party on or

before April 1 of the tax year in which the party intends for the Agreement to terminate, or by mutual consent of the parties. Any such termination shall be effective as of May 1 of such tax year. Upon termination, the County shall provide the Taxing Unit, without charge, copies of the Taxing Unit's current and delinquent tax rolls and of any additional tax records requested by the Taxing Unit.

11. It is agreed and understood that this Agreement is not transferable or assignable without the written consent and approval of the Taxing Unit. The terms herein stated shall be bound upon the parties hereto, their successors, assigns and legal representatives.

12. It is agreed and understood that each party paying for performance of governmental functions or services must make those payments from current revenues available to the paying party required by Tex. Gov. §791.011.

13. It is agreed and understood that payments made under this agreement must be and are in an amount that fairly compensates the performing party for the services or functions performed under the Agreement as required by Tex. Gov. §791.011.

14. County shall designate and does hereby designate the County Tax Assessor Collector to act on behalf of the County Tax Office, and to serve as Liaison for County with and between County and Taxing Unit. County Tax Assessor Collector and his/her designated substitute, shall ensure the performance of all duties and obligations of County as herein stated; 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, shall provide immediate and direct supervision of 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 Taxing Unit.

15. Taxing Unit agrees to and accepts full responsibility for the acts, negligence, and/or omissions of all Taxing Unit employees and agents, subcontractors, and/or contract laborers, and for those of other persons doing work under contract or agreement with Taxing Unit.

16. Taxing Unit understands and agrees that Taxing Unit, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of County.

17. 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 Taxing Unit, other than as tax collectors.

18. The provisions of this Agreement are severable. If any paragraph section, subdivision, sentence, clause or phrase of this Agreement is for any reason held to the contrary to law or contrary to any rule or regulation having force and effect of law, such decision shall not affect the remaining portions of the Agreement.

IN WITNESS WHEREOF, the respective parties hereunto set their hands

This 11th day of May, 2026

FRANKLIN COUNTY

BY: Scott Lee
Franklin County Judge

BY: _____

BY: M. M. Skair II
Franklin County Tax Assessor-Collector

WITNESS Frank Buncie

