

This Agreement, made and entered this 4 day of April, 1999, by and among Rutherford County (hereinafter referred to as the County) and Town of Ruth (hereinafter referred to as the Town), is to provide for centralized and systemized billing and collection of property taxes in Rutherford County, which will benefit the units of government contracting, both in cost and information services. The parties to this agreement, pursuant to the authority contained in Article 20 of Chapter 160A of the North Carolina General Statutes, contract and agree as follows:

- I. The County shall perform for itself and the Town all of the tax collection functions prescribed in Subchapter II of Chapter 105 of the North Carolina General Statutes (hereinafter referred to as the Machinery Act). This activity shall hereinafter be referred to as the joint tax collection system.
- II. Effective July 1, 1999, the Town shall appoint a tax collector and any such town-appointed tax collector shall be empowered to and shall collect all Town taxes not part of the joint tax collection system herein detailed. By way of illustration, such taxes currently include Town privilege licenses, animal taxes, delinquent taxes and assessments. In performing this function a town-appointed tax collector shall be responsible to the governing body of the appointing municipality. The town-appointed tax collector shall have the authority to collect any Town tax that is part of the joint tax collection system. Any Town-appointed tax collector shall furnish a bond as required by the Machinery Act in an amount established by the appointing governing body.
- III. Effective with the tax levy for the fiscal year beginning July 1, 1999 and each fiscal year thereafter so long as this contract is in effect the governing bodies of the County and the Town shall adopt an order pursuant to North Carolina General Statute 105-321 (b) directing the County collector to collect the taxes charged in the tax records and receipts. A copy of this order shall be delivered to the tax collector. Thereafter, the tax collector shall cause the preparation of the tax "Scroll" and shall deliver a copy thereof to the Town.
- IV. The Annual Settlement of the tax collector as detailed in Sections 105-352 and 105-373 of the North Carolina General Statutes shall be made to the governing body of the County.
- V. Except as expressly provided herein the Rutherford County Board of Commissioners shall have the sole and absolute authority to make any and all elections, determinations and decisions for the County and the Town that the governing bodies of the County and Town are authorized to make pursuant to Articles 21, 26, 27, and 28 of Chapter 105 of the North Carolina General Statutes. The Town shall adopt the same discount schedule as the County, as this can not be separated on the Bills.
- VI. When taxes are paid in full, tax receipts may be forwarded to the taxpayer from the County tax collector after verification of the transaction. Partial payments

may be made and partial payment receipts may be issued and forwarded to the taxpayer by the tax collector. Any such partial payment may be identified where appropriate as to a particular parcel or tract of land or personal property, and credited as prescribed by law as to collection expenses, interest, penalty and principal, and to each governing body proportionately. The Town shall be credited by the tax collector with that portion of the payment received that bears the same relationship to the total amount received as the amount of taxes owed to the Town for the property bears to the total amount of taxes owed for the property. All tax payments mailed to the Town shall be forwarded, along with the postmarked envelope, to the County for processing after being date-stamped when received by an authorized member of the town staff.

- VII. All tax collections that are made pursuant to the joint tax collection system shall be deposited in the County bank account. The County Finance Office will cause the Town's share of taxes to be transferred to a Town account in the bank as designated by the Finance Officer of the Town. The share for the Town shall be determined by a computer distribution of all payments. The distribution of taxes will be distributed at the end of each month except during the heavy collection periods in August, December, and January; and a more frequent distribution may be negotiated with the County Finance Officer. The County Finance Officer will provide monthly reports with distribution information to the Finance Officer of the Town. Additionally, monthly reports will be provided which include a listing of any changes to the levy such as discoveries, and taxes released, refunded, compromised or in any other way affected by actions of the County Board of Commissioners, Tax Collector or Tax Assessor.
- VIII. The County shall receive as compensation from each Town for tax billing and collection:
\$1.25 per bill number billed, for billing; and
\$1.00 per bill number billed, for collection; and
\$1.00 per bill number billed, for town solid waste fee billed.
The County will bill each Town for billing and collection when the tax bills are mailed.
- IX. Any annexation by the Town that is part of this contract shall be effective June 30th. Any exception to this annexation schedule shall be negotiated based on the actual cost for any refunds and extra billings due to the annexations.
- X. Collection of all delinquent town taxes after the effective date of this agreement and all taxes becoming delinquent thereafter shall be the sole responsibility of the County. The County will use the same diligence and effort to collect taxes owed to the Town as it does to collect taxes owed to the County. The County may elect to buy property at foreclosure on the basis of sound business considerations. Nothing in this section or agreement requires the County to purchase property at foreclosure or otherwise, in situations where the market value of the property does not exceed the cost of extinguishing all liens on the property at the time of sale.

- XI. This agreement may be terminated at the conclusion of any fiscal year. The governmental unit wishing to terminate the agreement may do so only after giving each other unit of government six months written notice of its decision to do so. The cost for this will be born by the requesting party.
- XII. The cost for any billing and collections software or hardware, requested for any special function by any governmental unit, shall be born by that governmental unit.
- XIII. This agreement shall become effective when properly executed by all parties pursuant to resolutions adopted by the governing boards of each.

The parties hereto have caused this agreement to be executed in accordance with resolution of their respective governing bodies, the 4 day of April, 1999.

COUNTY OF RUTHERFORD

By: Franklin Goode

ATTEST:

Harold S. Hazen
CLERK

TOWN OF RUTH

BY: Don Zynwald

ATTEST:

Bethie R. Goode
CLERK