

**INTERLOCAL AGREEMENT FOR**  
**ASSESSMENT AND COLLECTION OF TAXES**

On this 5<sup>TH</sup> day of July, 2024, The City Tatum, hereinafter called the "Taxing Unit", and Panola County, hereinafter called "County", enter into the following agreement pursuant to the authority granted by TEXAS TAX CODE ANN, SECTION 6.23, 6.24 and TEXAS GOVERNMENT CODE, SECTION 791.001.

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 contract and agreement, it is the intention of the Taxing Unit and the County that upon commencement of the term of this contract as herein stated, the County shall for the said term of this contract 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 and shall perform all assessment and collection duties and functions imposed by law upon the tax assessor and collector for the Taxing Unit, including, but not limited to the following:
  - a) calculations 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) timely issuance of refunds and Taxing Unit hereby appoints the Tax Assessor Collector as its auditor for the sole purpose of approving refunds as required by section 31.11 of the Property Tax Code;
  - g) timely preparation and mailing of current tax bills;
  - h) remittance of taxes collected to the Taxing Unit;
  - i) provide monthly reports of collections and annual reports of all taxes collected or delinquent.
2. The County agrees to assess and collect taxes for all parcels of the Taxing Unit within Panola County.
3. The County shall remit all collections to the Taxing Unit monthly after they are processed and deposited in the County's depository.
4. 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.

5. 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 contract, and all expenditures made by the County in its performance under this contract. 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.

6. The County Tax Assessor/Collector will serve as Liaison between the County and Taxing Unit. The County agrees to perform the services provided for in this Agreement in a prudent, efficient and economical manner.

7. The Taxing Unit shall provide to the County, without charge, copies of all final and signed and authorized resolution setting Taxing Unit's tax rates each year and every tax year on or before September 15<sup>th</sup> of each tax year in order to allow for timely tax collections notices to be mailed on or as reasonably possible by October 1<sup>st</sup> of each tax year. In the event Taxing Unit fails to provide its signed and authorized tax adoption resolution setting its tax rates on or before September 15<sup>th</sup> of the tax year, Taxing Unit will be responsible for any and all costs of separate tax bill printing and mailing costs occurred on behalf of Taxing Unit.

8. The Tax Assessor-Collector shall give bond as may be required by section 6.29 of the Property Tax Code and conditioned on the faithful performance of his duties as Tax Assessor-Collector for the Taxing Unit.

9. 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 \$750.00 annually but said sum not to exceed the actual cost of collection, as determined by the County Judge and Commissioners Court.
- b) 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 in tax rate.

10. The Taxing Unit agrees payments shall be made annually to the County within 30 days of billing by County. Upon notification by the County Judge and Commissioners Court, any probable increase in the collection fee will be reported to the Taxing Unit by the Tax Assessor-Collector as soon as possible, and an updated agreement will be executed.

11. Taxing Unit agrees that all fees relating to the initial conversion of electronic data info formats acceptable to CAD for the purpose of transferring data from Taxing Unit's current collector to the CAD shall be paid in whole by the Taxing Unit.

12. This contract shall be effective on October 1, 2024, and shall continue in full force and effect from year to year until such time as 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 January 1 of the tax year in which the party intends for the contract 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.

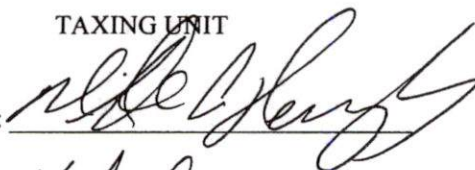
13. The Taxing Unit hereby agrees to contract on its own behalf with private legal counsel for the collection of delinquent taxes and provide attorney information to the Panola County Tax Office. The attorney's compensation shall be paid by the County from the delinquent taxes collected for the Taxing Unit by such attorney.

14. It is agreed and understood that this contract is not transferrable or assignable without the written consent and approval of both parties. The terms herein stated shall be bound upon the parties hereto, their successors, assigns and legal representatives.

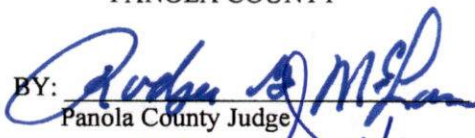
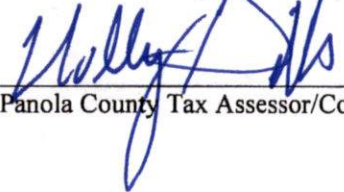
15. The provisions of this contract are severable. If any paragraph, section, subdivision, sentence, clause or phrase of this contract if for any reason held to the contrary to law or contrary to any rule or regulation having force and effect of law, such decision shall not affect the remaining portions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

IN WITNESS WHEREOF, the respective parties hereunto set their hands this 5<sup>TH</sup> day of July, 2024.

TAXING UNIT

BY:   
Michael Henry, MAYOR  
Name and Title  
JE  
TATUM

PANOLA COUNTY

BY:   
Panola County Judge  
BY:   
Panola County Tax Assessor/Collector