

NORTH CAROLINA

GUILFORD COUNTY

INTERLOCAL AGREEMENT ON TAX COLLECTION

THIS IS AN INTERLOCAL COOPERATION AGREEMENT (hereinafter called the "Interlocal Agreement") made this the _____ day of _____, 2016, and effective as of the 1st day of July, 2016, by and between **GUILFORD COUNTY**, a body politic and corporate of the State of North Carolina, hereinafter referred to as the "**COUNTY**," and the **CITY OF GREENSBORO**, a municipal corporation in the State of North Carolina, hereinafter referred to as the "**CITY**," collectively referred to as the "Parties."

WITNESSETH:

WHEREAS, on April 5, 2011, the CITY COUNCIL OF THE CITY OF GREENSBORO and the BOARD OF COMMISSIONERS OF GUILFORD COUNTY entered into an Interlocal Agreement on Tax Collection, relative to the collection of real property and personal property taxes owed to the CITY by the COUNTY, which was amended on May 22, 2014, by an Amended Interlocal Agreement on Tax Collection; and,

WHEREAS, this prior Agreement, as amended, will expire on June 30, 2016; and,

WHEREAS, the CITY and COUNTY have determined that it is in the public benefit and interest to enter into a new Interlocal Agreement on Tax Collection effective upon the expiration of the former Interlocal Agreement on Tax Collection, as amended, to provide for the billing and collection by the COUNTY of real and personal property taxes (not including registered motor vehicle taxes) levied by the CITY; and,

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

WHEREAS, the North Carolina General Statutes in Chapter 160A, Article 20, provide 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 taxes; and,

WHEREAS, the CITY and COUNTY agree that this Interlocal Agreement shall continue for five (5) years, from July 1, 2016 to June 30, 2021, unless terminated pursuant to the terms herein; and,

WHEREAS, the governing bodies of the CITY and COUNTY have ratified this Interlocal Agreement by resolutions recorded in their respective Minutes; and,

THEREFORE, in consideration of the mutual covenants, terms and conditions contained in this Interlocal Agreement accruing to the benefit of each of the Parties and other good and valuable consideration, receipt and sufficiency of which is acknowledged by the CITY and the COUNTY, the Parties agree as follows:

**GUILFORD COUNTY CONTRACT NO. 36460-07/16-003
CITY OF GREENSBORO**

1. **COUNTY Billing and Collection of CITY Taxes.** The COUNTY will bill and collect CITY ad valorem taxes (not including motor vehicle taxes collected by the State of North Carolina under N.C.G.S. Chapter 105, Article 22A) and other related charges, including current or delinquent taxes due to the CITY, beginning July 1, 2016, for the 2016-17 fiscal year.
2. **Term of Agreement.** This Interlocal Agreement shall continue for five (5) years, from July 1, 2016 to June 30, 2021, unless terminated pursuant to the terms herein.
3. **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 General Statutes of North Carolina, and all administrative mandates issued by the State of North Carolina.
4. **Records and Accounts.**
 - (a) The COUNTY shall be responsible for maintaining, in an on-line environment, all ad valorem tax records and other related charges, including amounts paid and unpaid, in the same manner as COUNTY records are maintained.
 - (b) The CITY will provide the COUNTY with all necessary information for wire transfer for all funds due the CITY and the COUNTY will properly account for and distribute such funds by electronic transfer or other mutually agreed-upon method, on a daily basis and notify the CITY Finance Director by 10:00 a.m. each day of amounts to be transferred.
 - (c) The COUNTY shall provide the CITY with all necessary and required reports in such format and detail to enable the CITY to prepare and record the necessary financial transactions. Such reports shall be mutually agreed upon by the CITY and COUNTY Finance Directors.
 - (d) The COUNTY shall provide the CITY's Internal and External Auditors, during regular business hours, access to the CITY Tax Receivables' daily cash transactions, and other records pertaining thereto to the fullest extent practicable.
 - (e) The CITY shall provide the COUNTY Tax Collection Office with access, to the extent legally allowable, into the CITY's water service system, privilege license system, and any other systems that the CITY deems to be beneficial in the collection of CITY Taxes.
5. **Pro Rata Payments.** The COUNTY shall distribute part payments received from CITY taxpayers on a proportionate basis between taxes owed the COUNTY and the CITY, such distribution to be on the basis of respective tax rates, after all interest and penalties are first paid.
6. **Delinquent Taxes, Foreclosure.** The COUNTY shall advertise for the CITY all delinquent ad valorem taxes that constitute a lien on real property in the same advertisement in which the COUNTY advertises its delinquencies. COUNTY shall perform all foreclosure proceedings when applicable to CITY tax liens to the extent permitted by law. In the discretion of County's Tax Collector or its counsel, any tax foreclosure proceeding may include other liens held by either Party which are proper for inclusion in tax foreclosure proceedings.

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- 7. Discount Rates.** The CITY Council and the Board of COUNTY Commissioners shall determine their respective early discount rate subject to approval by the State Department of Revenue pursuant to N.C.G.S. §105-360.
- 8. Refunds and Rebates.** Applications from CITY taxpayers for refunds and rebates for CITY taxes shall be considered by the COUNTY and determined in the same manner as applications for refunds and rebates on COUNTY taxes. CITY refunds will be deducted from daily transfer amounts due CITY.
- 9. Adoption of Tax Rates.** The CITY will make every effort to adopt its tax rate not later than July 1 of any fiscal year. However, in the event it is necessary to adopt an interim budget, the CITY will adopt its tax rate not later than August of that fiscal year pursuant to N.C.G.S. §105-347.
- 10. Costs for Billing and Collection.** The COUNTY shall incur all costs for preparing, printing, billing and collecting the CITY tax bills, including follow-up notices.
- 11. Annexations.** The CITY agrees to make every effort concerning involuntary annexations, to make such annexations effective on June 30th prior to the ensuing fiscal year. With respect to voluntary annexations, the CITY will provide the COUNTY information on the date of annexation of each such boundary annexation, and the COUNTY shall prorate taxes due the CITY and collect them accordingly.
- 12. Acquisition upon Foreclosure.** In the event a tax foreclosure results in a tax foreclosure sale of property located in the CITY, the CITY agrees to bid on the property in an amount sufficient to cover all CITY and COUNTY ad valorem taxes.
- 13. Bankruptcy Proceedings.** The COUNTY shall file the CITY's claim for ad valorem taxes due in all proceedings under the Bankruptcy Act.
- 14. Annual Payment to COUNTY.** The annual fee for collection services for each fiscal year shall be payable by December 31 of that fiscal year and shall be calculated based on 0.62% of the collections (not including any registered motor vehicle revenue) for the fiscal year ended June 30 of the prior year. Thus, the payment due December 31, 2016 is 0.62% of the collections (not including any registered motor vehicle revenue) for the fiscal year ended June 30, 2015, which comes to \$918,200.00.
- 15. Termination.** This Interlocal Agreement may be terminated by either Party by providing twelve (12) months' notice prior to the start of the next fiscal year. Upon notice of termination of the Interlocal Agreement, the COUNTY shall deliver to the CITY all tax records, in a customary electronic data format, or in whatever form held in its hands, pertaining to its listing, billing, and collecting, consistency of the tax bills, tax scrolls, and other related records by February 1 of the fiscal year in which the termination shall be effective. The COUNTY shall continue to collect current and delinquent taxes through June 30 of the fiscal year in which the termination shall be effective. Upon termination of this Interlocal Agreement, the COUNTY shall provide a full accounting to the CITY of the status of all tax collections. After June 30 of the fiscal year in which the termination becomes

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effective, the COUNTY shall not be further obligated either as to current or delinquent taxes due to the CITY.

16. **Entire Agreement.** This Interlocal Agreement contains the entire Agreement regarding the matters set forth herein. This Interlocal Agreement shall not be modified or amended except by an instrument in writing signed by an authorized representative of the Parties herein.

17. **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:

GUILFORD COUNTY
County Manager
P.O. Box 3427
Greensboro, NC 27402

CITY OF GREENSBORO
City Manager
P.O. Box 3136
Greensboro, NC 27402

18. **Jurisdiction.** The Parties agree that this Contract is subject to the jurisdiction and laws of the State of North Carolina. Both Parties will comply with applicable laws, including N.C.G.S. §143-129(j) regarding E-Verify. Any controversies arising out of this Contract shall be governed by and construed in accordance with the laws of the State of North Carolina.

19. **Iran Divestment Act.** In accordance with N.C.G.S. §143C-6A-5(a), each Party certifies that it is not identified on the list created by the State Treasurer pursuant to N.C.G.S. §143C-6A-4 of persons that the Treasurer has determined engage in investment activities in Iran.

IN WITNESS WHEREOF, the Parties have executed this Amendment to Interlocal Agreement on Tax Collection in their respective names and titles, by their proper officials, all by the authority of appropriate resolutions of the governing bodies of each of the taxing units, duly adopted, as of the day and year first written above.

ATTEST:

GUILFORD COUNTY

By: _____
Guilford County Clerk to Board

By: _____
Marty K. Lawing, Guilford County Manager

(COUNTY SEAL)

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

By: _____
Guilford County Finance Director

(SIGNATURES CONTINUE ON NEXT PAGE.)

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CITY OF GREENSBORO**

ATTEST:

THE CITY OF GREENSBORO

By: _____
Greensboro City Clerk

By: _____
Nancy Vaughan, Mayor

(CITY SEAL)

APPROVED AS TO FORM:

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

By: _____
Greensboro City Attorney

By: _____
Deputy Greensboro Finance Officer