

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 1<sup>st</sup> day of July, 2016, by and between the **TOWN OF OAK RIDGE**, a municipal corporation in the State of North Carolina (hereinafter called the "**TOWN**"), and **GUILFORD COUNTY**, North Carolina, a body politic and corporate (hereinafter called the "**COUNTY**"), collectively referred to as the "Parties."

WITNESSETH

THAT WHEREAS, on May 19, 2011, the TOWN OF OAK RIDGE and the BOARD OF COMMISSIONERS OF GUILFORD COUNTY entered into a Contract (Guilford County Contract No. 87954-04/11-017), effective July 1, 2011, whereby the COUNTY agreed to provide collection of ad valorem taxes and related charges on behalf of the TOWN; and

WHEREAS, the TOWN 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 to provide for the listing, billing and collection by the COUNTY of ad valorem taxes and related charges which are due to the TOWN; 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 TOWN and the 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 TOWN 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 TOWN and the COUNTY, the Parties agree as follows:

1. COUNTY Billing and Collection of TOWN Taxes. The COUNTY shall provide collection of TOWN 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 related charges on behalf of the TOWN, including current or delinquent taxes due to the TOWN, beginning July 1, 2016, for the 2016-17 fiscal year.

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2. Term of Agreement. This Interlocal Agreement shall continue for five (5) years, from July 1, 2011 to June 30, 2016, unless terminated pursuant to the terms herein.

3. Compliance. 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 TOWN will provide the COUNTY with all necessary information for wire transfer for all funds due the TOWN and the COUNTY will properly account for and distribute such funds by electronic transfer or other mutually agreed-upon method on a monthly basis and notify the TOWN Finance Director by 10:00 a.m. on the first business day of each month of amounts to be transferred.

(c) The COUNTY shall provide the TOWN with all necessary and required reports in such format and detail to enable the TOWN to prepare and record the necessary financial transactions. Such reports shall be mutually agreed upon by the TOWN and COUNTY Finance Directors.

(d) The COUNTY shall provide the TOWN'S Internal and External Auditors, during regular business hours, access to the TOWN Tax Receivables' daily cash transactions, and other records pertaining thereto to the fullest extent practicable.

(e) The TOWN shall provide the COUNTY Tax Collection Office with access, to the extent legally allowable, into any of the TOWN'S records systems that the TOWN deems to be beneficial in the collection of TOWN Taxes.

5. Pro Rata Payments. The COUNTY shall distribute part payments received from TOWN taxpayers on a proportionate basis between taxes owed the COUNTY and the TOWN, 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 TOWN 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 TOWN 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.

7. Discount Rates. The TOWN 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.

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8. Refunds and Rebates. Applications from TOWN taxpayers for refunds and rebates for TOWN taxes shall be considered by the COUNTY and determined in the same manner as applications for refunds and rebates on COUNTY taxes. TOWN refunds will be deducted from daily transfer amounts due CITY.
  
9. Adoption of Tax Rates. The TOWN 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 TOWN 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 TOWN tax bills, including follow-up and delinquency notices.
  
11. Annexations. The TOWN agrees to make every effort concerning involuntary annexations, to make such annexations effective on June 30<sup>th</sup> prior to the ensuing fiscal year. With respect to voluntary annexations, the TOWN will provide the COUNTY information on the date of annexation of each such boundary annexation, and the COUNTY shall prorate taxes due the TOWN 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 TOWN, the TOWN agrees to bid on the property in an amount sufficient to cover all TOWN and COUNTY ad valorem taxes.
  
13. Bankruptcy Proceedings. The COUNTY shall file the TOWN'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 \$4,300.00.
  
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 TOWN 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 the Interlocal Agreement the COUNTY shall provide a full accounting to the TOWN of the status of all tax collections. After June 30 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 TOWN.
  
16. Entire Agreement. This Interlocal Agreement, including all exhibits or attachments if any, sets forth the entire Agreement between the Parties regarding the services and matters set forth herein. All

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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.

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

TOWN OF OAK RIDGE  
Town Manager  
P.O. Box 374  
Oak Ridge, NC 27310

18. Jurisdiction. The Parties agree that this Interlocal Agreement 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 Interlocal Agreement 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 THEREOF, the Parties have executed this Interlocal Agreement 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 THE FOLLOWING PAGE.)

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ATTEST:

**THE TOWN OF OAK RIDGE**

By: \_\_\_\_\_  
Town Clerk

By: \_\_\_\_\_  
Spencer Sullivan, Mayor

(TOWN SEAL)

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

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

By: \_\_\_\_\_  
Town Attorney

\_\_\_\_\_  
Town Finance Officer