



**AGENDA PLACEMENT FORM**

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Date: 07/17/2023

COMMISSIONERS COURT

Meeting Date: 07/24/2023

JUL 24 2023

Submitted By: Scott Porter

Department/Office: Tax Office

Approved

Signature of Director/Official: [Signature]

**Agenda Title:**

Consideration of entering into an interlocal agreement for assessment collection between Johnson County and Joshua Farms Municipal Management District No.1 and Joshua Farms Municipal Management District No.2

**Public Description** (Description should be 2-4 sentences explaining to the Court and the public what action is recommended and why it is necessary):

Historically, the taxing units contract w/the county to provide collection services through the constitutional office of the County TAC. This results in savings of public funds and allows a single bill to be sent to each taxpayer. Since MMD assessments are similar to property taxes, the same arguments in favor also apply

(May attach additional sheets if necessary)

Person to Present: Scott Porter

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) PUBLIC  CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: 5 minutes

Session Requested: Action Item (Action Item, Workshop, Consent, Executive)

**Check All Departments That Have Been Notified:**

County Attorney  IT  Purchasing  Auditor

Personnel  Public Works  Facilities Management

Other Department/Official (list) \_\_\_\_\_

**Please Inter-Office All Original Documents to County Judge’s Office Prior to Deadline & List All External Persons Who Need a Copy of Signed Documents In Your Submission Email**

THE STATE OF TEXAS       §

COUNTY OF JOHNSON       §

**INTERLOCAL COOPERATION AGREEMENT FOR ASSESSMENT COLLECTION  
BETWEEN JOHNSON COUNTY, TEXAS AND JOSHUA FARMS MUNICIPAL  
MANAGEMENT DISTRICT NO. 2**

On this 24 day of July, 2023 (the "Effective Date"), which is no earlier than the date of execution JOSHUA FARMS MUNICIPAL MANAGEMENT DISTRICT NO. 2, herein after called the "Assessing Unit", and JOHNSON COUNTY, hereinafter called "County", enter into this Interlocal Agreement for Assessment Collection of Assessments (this "Agreement") pursuant to the authority granted by TEXAS PROPERTY TAX CODE Sections 6.23, 6.24, and TEXAS GOVERNMENT CODE Chapter 791.

WHEREAS, the property within the Assessing Unit includes approximately 551 acres of land located within the extraterritorial jurisdiction of the City of Burleson, Texas; and

WHEREAS, it would be economically and advantageous to both the Assessing 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 Assessing Unit and the County that upon commencement of the term of this contract as herein stated, the County shall for the same term of this contract provide such necessary tax assessment and collection services; and

WHEREAS, the Assessing Unit shall levy assessments as set forth in a Service and Assessment Plan ("SAP") and update the SAP at least annually pursuant to Chapter 372, Texas Local Government Code, as amended and Chapter 375, Texas Local Government Code, as amended, and as authorized under Chapter 3929, Texas Special District Local Laws Code, as amended.

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

I.

This Agreement shall be effective as of the Effective Date. The term of this Agreement shall be for a period of one year, from October 1, 2023, to and through September 30, 2024. This Agreement shall be automatically renewed for additional one (1) year terms at the discretion of the County and Assessing Unit, unless written notice of termination is provided by the terminating

party prior to one hundred-fifty (150) days of the expiration date of the current term of the Agreement. Assessing Unit agrees to deliver this Agreement no later than September 5, 2023 or the first Monday of September 2023 in manner required by County to fully execute said collection services by County. Should the County decide that the per parcel cost in its collection contracts as listed in Paragraph VII will no longer cover the actual cost of collection, the County will send to Assessing Unit the proposed higher per parcel cost which will go into effect 90 days after delivery.

## II.

For the purposes and consideration herein stated and contemplated, County shall provide the following necessary and appropriate services for Assessing Unit to the maximum extent authorized by this Agreement, without regard to race, sex, religion, color, age, disability, or national origin:

1. County, by and through its duly qualified tax assessor-collector, shall collect Assessing Unit assessments. Assessing Unit does hereby expressly authorize County and County agrees to do and perform for Assessing Unit all acts necessary and proper to collect said Assessing Unit assessments. County agrees to collect assessments, penalties, interest, and attorney's fees as set forth in both the Texas Property Tax Code and the SAP in the same manner as county ad valorem taxes are collected by the county.

2. County agrees to prepare and mail all assessment statements (included on the tax statement for each parcel, provide monthly collection reports to Assessing Unit, maintain both current and delinquent assessment rolls, disburse assessment monies to Assessing Unit weekly (business day) based on assessment postings, and to develop and maintain such other records and forms as are necessary or required by State law, rules or regulations.

3. If County determines, based on Assessing Unit assessment roll, that a person erred in paying an Assessing Unit assessment by making a duplicate payment or payment on the wrong account, County agrees to refund the payment to the person who erred in making it from current Assessing Unit assessment collections. County agrees that such refund will be made as soon as practicable after County discovers the erroneous payment. The refund shall be accompanied by a description of the property subject to the assessment sufficient to identify the property. If the property is assigned an account number, County shall include that number.

4. If County determines, based on Assessing Unit assessment roll, that there has been

an overpayment of an Assessing Unit assessment, County will issue to the owner, from current Assessing Unit assessment collections, a refund of the overpayment.

5. County further agrees to furnish written reports monthly to keep Assessing Unit informed of collections.

6. Assessing Unit agrees to promptly deliver to County all records that it has accumulated and developed in the collection of assessments, and to cooperate in furnishing or locating any other information and records needed by County to perform its duties under the terms and conditions of this Agreement.

7. County agrees to allow an audit of the assessment collection records of Assessing Unit in County's possession during normal working hours with at least 48 hours advance, written notice to County. The expense of any and all such audits shall be paid by Assessing Unit. A copy of any and all such audits shall be furnished to County.

### III.

County hereby designates the Johnson County Tax Assessor/ Collector to act on behalf of the County Tax Office and to serve as Liaison for County with Assessing Unit. The County Tax Assessor/Collector, and/or his/her designee, shall ensure the performance of all duties and obligations of County; 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; and shall provide immediate and direct supervision of the 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 Assessing Unit.

### IV.

It is understood and agreed between County and Assessing Unit that the Assessing Unit, in performing its obligations hereunder, is acting independently, and the County assumes no responsibility or liabilities in connection therewith to third parties. It is further understood and agreed between County and Assessing Unit that the County, in performing its obligations hereunder, is acting independently, and the Assessing Unit assumes no responsibilities in connection therewith to third parties. Nothing in this Agreement is intended to benefit any third party beneficiary. Assessing Unit agrees that it will protect, defend, indemnify, and hold harmless County and all of its officers, agents, and employees from and against all claims, demands, causes of action, damages, judgments, losses and expenses, including attorney's fees, of whatsoever



nature, character, or description that any person or entity has or may have arising from or on account of any injuries or damages received or sustained by person, persons, or property, on account of or arising out of, or in connection with the performance of the services, including without limiting the generality of the foregoing, any negligent act or omission of the Assessing Unit or any employee, officer, agent, subcontractor, servant, invitee, or assignee of the Assessing Unit in the execution or performance of this Agreement. This provision shall survive the termination of this Agreement.

County accepts responsibility for the acts, negligence, and/or omissions of all County employees and agents, sub-contractors and /or contract laborers, and for those actions of other persons doing work under a contract or agreement with County to the extent allowed by law.

V.

Assessing Unit accepts responsibility for the acts, negligence, and/or omissions of all Assessing Unit employees and agents, sub-contractors and/or contract laborers, and for those of all other persons doing work under a contract or agreement with Assessing Unit to the extent allowed by law.

VI.

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

VII.

For the services rendered during the assessment year, Assessing Unit agrees to pay County for the receipting, bookkeeping, issuing, and mailing of assessment statements as follows:

1. The current assessment statements will be mailed in October or as soon thereafter as practical. If Assessing Unit does not provide County with an assessment roll identifying the assessments levied by Assessing Unit's governing body under Local Government Code Section 372.017 on or before September 10 each year, County may charge a \$5,000.00 late processing fee, in addition to the other charges listed below. The assessment roll is to be in the form of a spreadsheet as required by the Tax Assessor/Collector and delivered to the Tax

Assessor/Collector; delivery shall be made electronically in a format as required by the collector and will include the Appraisal District geographical numbers for each parcel. All assessments become due on receipt of the tax statement each year. If the assessment roll is timely, the fee for this service and for the notices listed below will be a rate not to exceed \$1.20 per tract for properties on the Johnson County tax roll and \$2.00 per tract for accounts outside the county. The Assessing Unit will also pay a \$2,500 administrative fee to cover costs of administering these processes.

2. All collections will be collected under the provisions of the Tax Code as if the assessment were a delinquent ad valorem tax.

3. All unpaid assessments become delinquent on February 1st of the year following the assessment year. Penalty and interest fees accrue at the same rate and time schedule as the same year's ad valorem property tax. (Tax Code, Section 31.02(a), and 33.01(a)).

4. Delinquent assessment collection attorneys become involved at the same times as do the delinquent ad valorem property tax attorneys. (Tax Code, Sections 6.30, 33.07, 33.08, 33.11, and 33.48). The current delinquent tax attorney for the County is to be considered the delinquent attorney for the Assessing Unit under this contract. The attorney's compensation shall be paid by the Assessing Unit from the delinquent assessments, penalties and interest collected for the Assessing Unit by such attorney pursuant to their contract with the County.

5. An additional notice will be sent on or about the month of March following the initial mailing for delinquent accounts.

6. At least 30 days, but no more than 60 days, prior to July 1st, and following the initial mailing, a delinquent assessment statement meeting the requirements of Section 33.07 of the Texas Property Tax Code will be mailed to the owner of each parcel having delinquent assessments.

7. For accounts which become delinquent on or after June 1<sup>st</sup> and in which a 33.07 notice was not mailed, County shall mail a delinquent tax statement meeting the requirements of Section 33.08 of the Texas Property Tax Code to the owner of each parcel having delinquent assessments.

8. In the event Assessing Unit levies a supplemental assessment by order of its governing body after the assessment statements have already been mailed, Assessing Unit shall provide County with an updated assessment roll identifying the assessments levied by Assessing Unit's governing body under Local Government Code Section 372.017, as corrected

by any supplemental assessments levied by its governing body under Section 372.019. County will mail corrected statements to the owner of each affected parcel. County will charge a fee for preparing and mailing at a rate not to exceed \$1.20 per tract for properties on the Johnson County tax roll and \$2.00 per tract for accounts outside the county.

9. Assessing Unit understands and agrees that County on or about May 31 of each year covered by this contract, will invoice the Assessing Unit for the services provided. If any supplemental assessments are made, the county will try to invoice within 60 days of receipt of the assessments.

#### VIII.

Assessing Unit further understands and agrees that County (at its sole discretion) may increase or decrease the amounts charged to Assessing Unit for any renewal year of this Agreement as a result of changes in postage, printing or other unforeseen cost, provided that County gives written notice to Assessing Unit sixty (60) days prior to the termination deadline of the current term of the Agreement.

#### IX.

County agrees to remit all assessments, incurred collection penalties, and incurred collection interest collected on Assessing Unit behalf and to deposit such funds into the Assessing Unit depositories, as designated:

1. For deposits of assessments and any penalties and interest accrued thereon by Tax Code 33.01, payment shall be by ACH to Assessing Unit depository accounts only. Only in the event of failure of electronic transfer protocol will a check for deposits of assessments, penalty and interest be sent by mail to Assessing Unit.

2. In anticipation of renewal of this Agreement, County further agrees that deposits will be made weekly. It is expressly understood, however, that this obligation of County shall not survive termination of this Agreement, whether by termination by either party or by failure of the parties to renew this Agreement.

3. In event that County experiences shortage in collections as a result of an outstanding refund, the Assessing Unit agrees that a payment in the amount of shortage shall be made by check or ACH to County within 15 days after notification of such shortage.

#### X.

In the event of termination, the withdrawing party shall be obligated to make such

payments as are required by this Agreement through the balance of the assessment year in which notice is given. County shall be obligated to provide services pursuant to this Agreement, during such period.

XI.

This Agreement represents the entire agreement between Assessing Unit and County and supersedes all prior negotiations, representations, and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by the governing bodies of both Assessing Unit and County or those authorized to sign on behalf of those governing bodies.

XII.

Any and all written notices required to be given under this Agreement shall be delivered or mailed to the listed addresses:

To County:

County Judge  
Johnson County Courthouse  
2 Main Street  
Cleburne, Texas 76033  
Telephone 817-556-6360

To Assessing Unit:

Joshua Farms Municipal Management District No. 2  
c/o Winstead PC  
Attn: Ross Martin  
500 Winstead Building  
2728 N. Harwood St.  
Dallas, Texas 75201

XIII.

The Tax Assessor-Collector may give bond conditioned on the faithful performance of his duties as Tax Assessor-Collector for the Assessing Unit. Said bond shall be made payable to and shall be approved by the governing body of the Assessing Unit in an amount determined by such governing body. The Assessing Unit shall pay the premium for such bond from its current available revenues.

XIV.

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties that the remaining portions shall remain valid and in full force and effect



to the extent possible.

XV.

The undersigned officers and/or agents of the parties are the properly authorized officials and have the necessary authority to execute this agreement on behalf of the parties. Each party hereby certifies to the other that any resolutions necessary for this Agreement have been duly passed and are now in full force and effect.

Executed in duplicate originals by both parties this <sup>24<sup>th</sup></sup> 6<sup>th</sup> day of July, 2023.

JOSHUA FARMS MUNICIPAL MANAGEMENT DISTRICT NO. 2

By: [Signature]  
President, Board of Directors

ATTEST:

By: [Signature]  
Secretary

JOHNSON County

By: [Signature]  
County Judge

Attest: [Signature]  
County Clerk



AGREED AS TO FORM AND CONTENT:

By: [Signature]  
Johnson County Tax Assessor-Collector