



GUILFORD COUNTY
OFFICE OF THE COUNTY ATTORNEY

June 17, 2016

MR. RANDY E. MCCASLIN
ASSISTANT CITY MANAGER
CITY OF HIGH POINT
P.O. BOX 230
HIGH POINT, NC 27261

Re: Guilford County Contract No. 42120-07/16-004
Interlocal Agreement on Tax Collection – 7/1/2016–6/30/2021

Dear Mr. McCaslin:

A fully executed original of the above-referenced Agreement is enclosed for the City's records. If there are any questions or if I may be of any further assistance, please call me at (336) 641-3048 or email me at dbrown@myguilford.com Thank you.

Sincerely,

Dasha W. Brown, NCCP
Paralegal

Enclosure

GUILFORD COUNTY CONTRACT NO. 42120-07/16-004
CITY OF HIGH POINT

NORTH CAROLINA

GUILFORD COUNTY

INTERLOCAL AGREEMENT ON TAX COLLECTION

THIS IS AN INTERLOCAL COOPERATION AGREEMENT (hereinafter called the "Interlocal Agreement") made this the 16th day of May, 2016, and effective as of the 1st day of July, 2016, by and between the **CITY OF HIGH POINT**, a municipal corporation in the State of North Carolina (hereinafter called the "**CITY**"), and **GUILFORD COUNTY**, North Carolina, a body politic and corporate (hereinafter called the "**COUNTY**"), collectively referred to as the "Parties."

WITNESSETH

WHEREAS, on May 20, 2011, the CITY OF HIGH POINT and the BOARD OF COMMISSIONERS OF GUILFORD COUNTY entered into a Contract, effective as of July 1, 2011, whereby the COUNTY agreed to provide ad valorem tax listing and collection services to the CITY; 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 to provide for the listing, billing and collection by the COUNTY of ad valorem 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 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 CITY and COUNTY have ratified this Interlocal Agreement by resolutions being 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:

1. COUNTY Billing and Collection of CITY Taxes. The COUNTY will bill and collect ad valorem taxes (not including motor vehicle taxes collected by the State of North Carolina under N.C.G.S. Chapter 105, Article 22A) for CITY properties located within Guilford County, including current or delinquent taxes due to the CITY, 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, 2016 to June 30, 2021, 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 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 designated staff 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. **Maintenance of a Tax Department Branch Office Located in the CITY.** The COUNTY shall maintain a Tax Department branch office for the collection of taxes owed to the CITY. Said branch office shall be located in the City of High Point.

6. **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.

7. **Delinquent Taxes, Foreclosure.** COUNTY shall advertise for CITY all delinquent ad valorem taxes covered by this agreement 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 covered by this agreement 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. The CITY retains the right to initiate foreclosure on any CITY liens and to include CITY tax liens in such foreclosure actions, if it so chooses. If the CITY intends to bring a foreclosure action on a property on which the County has a

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lien which is proper for inclusion in the action, the County Tax Collector or County Attorney may authorize the City Attorney bringing such action to include any County liens which are proper for inclusion in the action, including County tax liens, and to coordinate with County's legal staff in such action with respect to such lien(s), subject to the approval of the City Attorney.

8. **Discount Rates.** The CITY Council and the Board of COUNTY Commissioners shall determine their respective early discount rates subject to approval by the State Department of Revenue, pursuant to G.S. §105-360.

9. **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.

10. **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 G.S. §105-347.

11. **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.

12. **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.

13. **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.

14. **Bankruptcy Proceedings.** The COUNTY shall file the CITY'S claim for ad valorem taxes due in all proceedings under the Bankruptcy Act.

15. **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 \$323,527.00.

16. **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 the

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

17. 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 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.

18. 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 HIGH POINT
City Manager
P.O. Box 3136
High Point, NC 27402

19. 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.

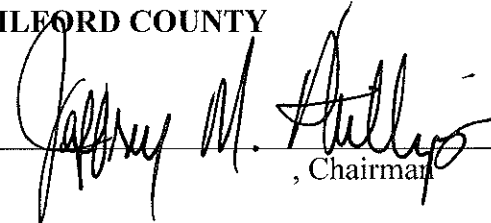
20. Iran Divestment Act. In accordance with N.C.G.S. §143C-6A-5(a), each Party certifies that it is not identified on the list created by the State Treasurer pursuant to N.C.G.S. §143C-6A-4 of persons that the Treasurer has determined engage in investment activities in Iran.

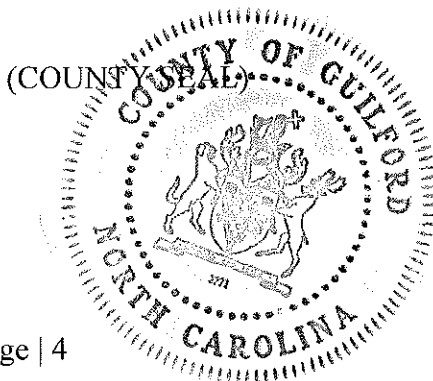
IN WITNESS THEREOF, the Parties have executed this Interlocal Agreement in their respective names and titles, by their proper officials, all by the authority of appropriate resolutions of the governing bodies of each of the taxing units, duly adopted, as of the day and year first written above.

ATTEST:

By: 
Guilford County Clerk to Board

GUILFORD COUNTY

By: 
, Chairman




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

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By: N/A
Guilford County Finance Director

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE.)

ATTEST:

By: Isaiah B. Verley
City Clerk


APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

By: John C. Curbish
City Attorney

THE CITY OF HIGH POINT

By: William Bencini
William Bencini, Mayor

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

By: Joseph M. Moore
City Finance Director

**RESOLUTION RATIFYING AND AUTHORIZING EXECUTION OF AN
INTERLOCAL AGREEMENT BETWEEN THE CITY OF HIGH POINT AND
GUILFORD COUNTY FOR PROPERTY TAX COLLECTION SERVICES BY
GUILFORD COUNTY TAX ADMINISTRATION FOR AREAS OF HIGH POINT
LOCATED IN GUILFORD COUNTY**

BE IT RESOLVED by the High Point City Council that the attached Interlocal Agreement between the CITY OF HIGH POINT and GUILFORD COUNTY, on behalf of its Tax Administration, for the provision of property tax collection services for areas of High Point which are located in Guilford County, is hereby ratified as required by N.C.G.S. 160A-461.

BE IT FURTHER RESOLVED that the Mayor and the City Clerk are hereby authorized to execute the said agreement, on behalf of the City of High Point, subject to a pre-audit certificate thereon by the City Finance Director, and approval as to form by the City Attorney.

BE IT FURTHER RESOLVED that this resolution ratifying interlocal cooperation between the City of High Point and Guilford County is hereby spread upon the minutes of the High Point City Council.

Adopted by the High Point City Council, this the 16th day of May, 2016.



William S. Bencini, Jr., Mayor

ATTEST:



Maria A Smith,
High Point Deputy City Clerk

