

THE STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**INTERLOCAL COOPERATION AGREEMENT FOR
 THE COLLECTION OF TAXES**

This Interlocal Agreement (hereinafter referred to as “Agreement”) is made and entered into pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Section 6.24 of the Texas Property Tax Code, by and between FORT BEND COUNTY, TEXAS (hereinafter referred to as “County”), acting through its governing body, FORT BEND COUNTY COMMISSIONERS COURT, and FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2, duly organized and existing under the laws of the State of Texas, acting by and through the Board of Directors of Fort Bend County Water Control and Improvement District No. 2 (hereinafter referred to as “WCID #2”).

RECITALS

WHEREAS, House Bill 4174 enacted by the Texas Legislature in the 84th Regular Session, amended Chapter 312, Acts of the 57th Legislature, Regular Session, 1961, to create a defined area within the District (“DEFINED AREA #1”), for the purpose of financing improvements, facilities, or services that primarily benefit DEFINED AREA # 1; and

WHEREAS, WCID # 2 has entered into a Defined Area Financing Agreement (the “Financing Agreement”) with the East Fort Bend County Development Authority (the “EFBCDA”), which was created by the County to aid and assist the County in the administration and implementation of development and construction of a mixed-use development within DEFINED AREA # 1; and

WHEREAS, pursuant to the Financing Agreement, WCID # 2 will levy a defined area tax on property located within DEFINED AREA # 1 for the purpose of financing certain public works and improvements in DEFINED AREA # 1, such tax being separate from and in addition to the district-wide debt service tax levied by WCID # 2 (the “Defined Area Tax”); and

WHEREAS, WCID #2 has the authority to authorize County to act as tax assessor/collector for DEFINED AREA #1, and County has the authority to so act as described in the Interlocal Cooperation Act, Texas Government Code Chapter 791; and,

WHEREAS, the Fort Bend County Tax Assessor/Collector has approved this Agreement; and,

WHEREAS, WCID #2 and County believe it is in the best interests of the citizens of Fort Bend County to enter into this Agreement; and,

NOW THEREFORE, County and WCID #2 for the mutual consideration hereinafter stated, agree as follows:

ARTICLE I
PURPOSE

The purpose of this Agreement is to designate the Fort Bend County Tax Assessor/Collector as the tax assessor/collector for the collection of the Defined Area Tax, including penalties, interest and attorney's fees for the collection of the Defined Area Taxes owed within DEFINED AREA #1.

ARTICLE II
TERM

- 2.01 This Agreement shall be effective on the date the last party executes this Agreement and shall terminate on June 30, 2018.
- 2.02 This Agreement shall automatically renew thereafter for four (4) additional one (1) year terms on an annual basis unless sooner terminated as provided herein.
- 2.03 WCID #2 may terminate this agreement at any time by providing ninety (90) days advanced written notice to County.
- 2.04 County may terminate this agreement by providing written notice to WCID #2 no later than six (6) months in advance of the expiration of the initial term of this Agreement or any renewal term.
- 2.05 In the event of termination of this Agreement by WCID #2, WCID #2 shall assume all contractual obligations entered into with County for services rendered to WCID # 2 for DEFINED AREA #1 for the duration of the term of the Agreement and any renewal, and County shall be relieved of all contractual obligations under this agreement.
- 2.06 As soon as practicable after the date of termination or the expiration of this Agreement, the County shall submit a final report containing the information set forth in Article III. At that time, distribution of the amount due to WCID # 2 for DEFINED AREA TAXES shall be made or WCID # 2 shall be invoiced for any amounts due pursuant to the terms of this Agreement. Payments are to be made on or about forty-five (45) days after receipt of an invoice. Copies of all reports and all records of DEFINED AREA #1 shall be delivered to WCID #2 when and if this Agreement is terminated or upon its expiration if not sooner terminated.

ARTICLE III
OBLIGATIONS OF COUNTY

- 3.01 For the purposes and consideration herein stated and contemplated, County shall provide tax collection services by and through the Fort Bend County Tax Assessor/Collector for DEFINED AREA #1 for tax accounts within the boundaries of DEFINED AREA #1.
- 3.02 WCID #2 hereby designates the County Tax Assessor/Collector as its Tax Assessor/Collector for the collection of the Defined Area Tax within DEFINED

- AREA #1 for purposes of compliance with Chapter 26 of the Texas Property Tax code, as amended.
- 3.03 County shall perform all the duties required by law of the Tax Assessor-Collector of DEFINED AREA #1 with regard to assessing and collection of the Defined Area Tax.
- 3.04 WCID # 2 shall adopt a tax rate for DEFINED AREA #1 in accordance with Tax Code 26.05 (a). WCID #2 shall reimburse County for any additional costs incurred by County for any delay in adopting a tax rate for DEFINED AREA #1.
- 3.05 WCID #2 hereby expressly authorizes County to do and perform all acts necessary and proper to collect the Defined Area Tax within DEFINED AREA #1, including but not limited to:
- A. Calculation of taxes, preparation of current and delinquent tax rolls, pro-ration of taxes, correction of clerical errors in tax rolls, collection of current liabilities, collection of delinquent taxes, issuance of refunds and calculation of the effective and rollback tax rates as required by Section 26.04 of the Property Tax Code.
 - B. Assessment and collection of the Defined Area Tax owing to WCID #2. The term “assess” does not include those functions defined as “appraisal” by the Property Tax Code.
 - C. Production of a consolidated tax statement for the County tax, WCID # 2 debt service tax and Defined Area Tax.
 - D. Preparation and consolidation of tax statements for each parcel on the tax rolls of DEFINED AREA #1.
 - E. Mailing tax statements.
 - F. Mailing notices of delinquent service charges in accordance with Section 33.07, 33.08 and 33.11 of the Texas Property Tax Code.
 - G. The performance for WCID #2 of all duties provided by law of the State of Texas for the collection of taxes.
 - H. The performance of any additional, reasonable services which may be requested in writing by WCID #2 and as agreed to by the Fort Bend County Tax Assessor/Collector.
- 3.06 County shall provide the following reports with respect to DEFINED AREA # 1, upon request, by WCID #2:
- A. Report of the current year tax levy, showing taxable value, exemptions, abatements, net taxable values, tax rate, and tax levy for each parcel of property within DEFINED AREA #1;
 - B. Remittance report with each remittance showing the taxes paid by year, amount paid, principal and interest paid, service charge paid, etc.;
 - C. Monthly report of tax activity showing the amount of initial levy, collections during month for both current and delinquent taxes, adjustments during the month, and the year-to-date collections percentage of current levy; and
 - D. Any additional reports which may be requested by WCID #2.
- 3.07 The taxes collected by County for DEFINED AREA #1 shall be remitted to EFBCDA as follows:

- A. A credit/debit memo within same depository bank; or
 - B. by ACH; or
 - C. by wire to EFBCDAs designated depository or agent; or
 - D. by check mailed to EFBCDA.
- 3.08 WCID #2 shall provide written notification to County of the manner in which Defined Area Taxes shall be remitted, as described in Section 3.07 above.
- 3.09 The Defined Area Taxes collected by County shall be remitted to EFBCDA at least once per week.
- 3.10 Wire transfers shall incur a charge of five dollars (\$5.00) for each transfer.
- 3.11 Refunds to taxpayers and taxpayer checks returned from banks shall be deducted from the County's remittance to EFBCDA.

ARTICLE IV
OBLIGATIONS OF DEFINED AREA #1

- 4.01 WCID #2 agrees to promptly deliver, or cause to be delivered, to County all records necessary to perform its duties under the terms of this Agreement.
- 4.02 For services rendered pursuant to this Agreement, WCID #2 agrees the County shall be paid the following amounts, which the Parties agree is reasonable compensation as allowed by Tax Code Section 6.27:
- A. Thirty-five cents (\$0.35) per parcel per year;
 - B. Other costs for which WCID #2 will reimburse the County for actual costs incurred for any additional services provided.
- 4.03 WCID #2 shall cause to be paid to County the cost of assessment and collection as provided in Section 4.02. The payment shall be remitted to County after the mailing of consolidated tax statements and no more than 30 days after receipt of County itemized invoice. The County shall submit such invoice to EFBCDA's bookkeeper at the following address:

Ms. Fran Matuska
F. Matuska, Inc.
4600 Highway 6 North, Suite 315
Houston, Texas 77084

ARTICLE V
ADMINISTRATIVE PROVISIONS

- 5.01 All records necessary to be maintained by County for the assessment and collections of Defined Area Taxes shall be kept clearly on the books and records of County, and a designated representative of WCID #2, including district auditors, is authorized to examine the records maintained by County at such reasonable time and interval as WCID #2 deems necessary. Such books and records will be kept in the offices of County.
- 5.02 WCID #2 may maintain, at their own cost, a Public Fidelity Bond covering all offices, officials and employees in the amount of one hundred thousand dollars (\$100,000.00).

- 5.03 WCID #2 shall transfer to the possession and control of County, without charge, copies of all records necessary for the performance of the duties and responsibilities of County pursuant to this Agreement, which shall include all tax records, including the delinquent tax rolls.
- 5.04 Neither the County nor the County Tax Assessor/Collector shall be legally responsible to WCID #2 or to EFBCDA for any failure to collect taxes unless the failure results from the failure to perform the duties imposed by the law or by this Agreement.
- 5.05 WCID #2 reserves the right to institute such suits for the collection of delinquent taxes as WCID #2 deems necessary and to contract with an attorney for collection of delinquent taxes.
- 5.06. County shall comply with all provisions of the Texas Property Tax Code, as amended, and any mutually agreed upon written policies regarding collection of ad valorem property taxes which WCID #2 may adopt for DEFINED AREA # 1.
- 5.07 In the event County waives any penalty and/or interest on any parcel, pursuant to Section 33.011 of the Property Tax Code for the taxes owed to the County, WCID #2 consents to the waiver of the penalty and/or interest on the same parcel(s), and hereby authorizes County to waive such penalty and/or interest on behalf of WCID #2.

ARTICLE VI
LIABILITY

Each party to this Agreement agrees that it shall have no liability whatsoever for the actions or omissions of an individual employed by another party, regardless of where the individual's actions occurred. Each party is solely responsible for the actions and/or omissions of its employees and officers.

ARTICLE VII
MISCELLANEOUS

- 7.01 This Agreement may be amended by the mutual agreement of the parties hereto in writing to be attached to and incorporated into this Agreement.
- 7.02 Venue for any litigation involving this Agreement shall be in Fort Bend County, Texas.
- 7.03 If any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 7.04 This Agreement supersedes any and all other agreements, either oral or in writing between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding.
- 7.05 This Agreement may not be assigned by either party.

FORT BEND COUNTY

Robert E. Hebert
Robert E. Hebert, County Judge

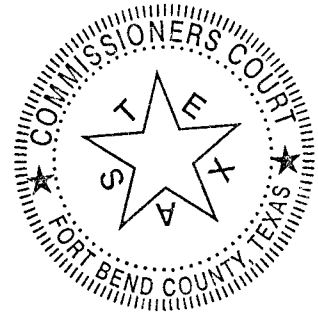
Date

8-22-2017

Laura Richard
Laura Richard, County Clerk

Date

8-22-2017



APPROVED:

Patsy Schultz
Patsy Schultz, Tax Assessor/Collector

Date

8-9-17

**FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT
NO. 2**

John Lewis

[Signature]

July 26, 2017
Date

Date

7-28-17