

NORTH CAROLINA

ORANGE COUNTY

This AGREEMENT, made and entered this the 18 day of April, 1980, by and among Orange County (hereinafter referred to as County), Town of Carrboro, Town of Chapel Hill, and Town of Hillsborough (hereinafter individually and collectively referred to as Town or Towns), to provide for centralized and systemized collection of property taxes in Orange County which will benefit the units of government contracting both in cost and information services, the parties to this agreement, pursuant to the authority contained in Article 20, of Chapter 160A of the North Carolina General Statutes contract and agree as follows:

I. The County shall perform for itself and each of the Towns all of the tax collection functions prescribed in Subchapter II of Chapter 105 of the North Carolina General Statutes (hereinafter referred to as the Machinery Act). This activity shall hereinafter be referred to as the joint tax collection system.

II. Effective September 1, 1978, the County tax collector shall be the tax collector for the County and each Town that is a party to this agreement. Reference in this agreement to "tax collector" shall hereinafter refer to the County tax collector. The tax collector and any deputy tax collectors shall be appointed by the County Board of Commissioners except that each Town may appoint a deputy tax collector. Any such town-appointed deputy tax collector shall be empowered to collect all town taxes not part of the joint tax collection system herein detailed. By way of illustration, such taxes currently include town privilege license taxes, animal taxes and assessments. In performing this function a town-appointed deputy tax collector shall be responsible to the governing body of the appointing municipality. Any such town-appointed deputy tax collector shall also have the authority to collect any and all taxes that are part of the joint tax collection system. In performing these duties, such deputy tax

collector shall be responsible to the tax collector. Any town-appointed deputy tax collector shall furnish a bond as required by the Machinery Act in an amount established by the appointing governing body.

III. Effective with the tax levy for the fiscal year beginning July 1, 1978 and each fiscal year thereafter so long as this contract is in effect the governing bodies of the County and the Towns shall adopt an order pursuant to North Carolina General Statute §105-321(b) directing the tax collector to collect the taxes charged in the tax records and receipts. A copy of this order shall be delivered to the tax collector. Thereafter, the tax collector shall cause the preparation of the tax "Scroll" and shall deliver a copy thereof to each of the TOWNS

The Annual Settlement of the tax collector as detailed in Sections 105-352 and 105-373 of the North Carolina General Statutes shall be made to the governing body of the County.

IV. Except as expressly provided herein The Orange County Board of Commissioners shall have the sole and absolute authority to make any and all elections, determinations and decisions for the County and the Towns that the governing bodies of the County and each Town are authorized to make pursuant to Articles 21, 26, 27, and 28 of Chapter 105 of the North Carolina General Statutes.

V. When taxes are paid in full, tax receipts will be stamped paid and forwarded to the taxpayer from the tax collector after verification of the transaction. Partial payments may be made and partial payment receipts shall be issued and forwarded to the taxpayer by the tax collector. Any such partial payment shall be identified where appropriate as to a particular parcel or tract of land and credited as prescribed by law as to collection expenses, interest, penalty and principal and to each governing body proportionately. Each town shall be credited by the tax collector with that portion of the payment received that bears the same relationship to the total amount received as the amount of taxes owed to the Town for the property bears to

the total amount of taxes owed for the property.

All tax payments mailed to the Towns shall be forwarded along with the post marked envelope to the County for processing after being date-stamped by an authorized member of the Town staff.

VI. All tax collections that are made pursuant to the joint tax collection system shall be deposited daily in accounts specified by the County Finance Officer in either Central Carolina Bank and Trust or North Carolina National Bank. At or before 1:00 P.M. of the work day following the collection deposit date the County Finance Office will cause each governmental unit's share of that day's deposits to be transferred to an account in either Central Carolina Bank and Trust or North Carolina National Bank as designated by the Finance Officer of the unit. The share of each unit shall be determined by a computer distribution of all payments.

Daily transfer information will be provided to Carrboro, Chapel Hill and Hillsborough by telephone call from the County Finance Office at or before 10:00 A.M. on the date of transfer followed by written confirmation.

The County Finance Officer will provide monthly reports with detailed payment and distribution information to the Finance Officer of each governmental unit. Additionally, monthly reports will be provided which include a listing of any changes to the levy such as discoveries and taxes released, refunded, compromised or in any other way affected by actions of the County Board of Commissioners, Tax Collector or Tax Supervisor.

VII. The County shall receive as compensation from each Town for operation of the joint tax collection system an amount equal to each Town's proportionate share of the County

cost of operating the system. The cost of operations will include the cost to the County for its annual independent audit of the joint tax collection system. This audit will be the only audit of the joint tax collection system and shall be the sole responsibility of the County. A copy of the auditor's report covering the joint tax collection system shall be provided to each governmental unit as a matter of course. Any special audit requests shall be directed to the County Finance Officer and shall be paid for by the requesting unit through a supplemental billing directed to the requesting unit from the County. The total County cost of the joint tax collection system shall be determined at the conclusion of each fiscal year. This amount will be divided by the total tax bills collected during that same period. The quotient will then be multiplied by a factor for each governmental unit determined by dividing the taxes collected for each Town by the total taxes collected, multiplied by the number of tax bills collected with charges for that Town's taxes.

$$\text{Charge for collection} = \frac{C}{N_T} \times \frac{T_1}{T_T} \times N_1$$

C = Total system operation cost
 N_T = Total tax bills collected
 T_1 = Taxes collected for a given Town
 T_T = Total taxes collected
 N_1 = Tax bills collected with a charge for a given Town's taxes.

The County will bill each Town quarterly for its services in the operation of the joint tax collection system. This quarterly billing will be computed as above based on quarterly financial information available and quarterly collection information available. Each subsequent quarterly statement will be adjusted for financial information and collection information related to any prior quarter's operations not included in that quarter's statement. Following the report and presentation to the Board of Commissioners of the County's

annual audit and financial statements, a statement will be prepared by the County Finance Officer adjusting the prior fiscal year's billings to reflect actual cost information. A charge or credit for any such adjustment will be made with the next quarterly statement after the audit report is approved by the County Board.

There shall be a one time adjustment to the charge for operation of the joint tax collection system. This adjustment shall be made in the last quarterly billing for the fiscal year ending June 30, 1979, and shall be as follows:

Hillsborough - \$550.00 credit

Carrboro and Chapel Hill - Surcharge equal to 15% of total County charges to each Town respectively for the fiscal year ending June 30, 1978.

This adjustment is intended to reflect start-up costs unique to each governmental unit's participation in the joint tax collection system.

VIII. Collection of all delinquent taxes on the effective date of this agreement and all taxes becoming delinquent thereafter shall be the sole responsibility of the County. The County will use the same diligence and effort to collect taxes owed to the Towns as it does to collect taxes owed to the County. The County may elect to buy property at foreclosure on the basis of sound business considerations. Nothing in this section or agreement requires the County to purchase property at foreclosure or otherwise in situations where the market value of the property does not exceed the cost of extinguishing all liens on the property at the time of sale.

IX. This agreement may be terminated at the conclusion of any fiscal year. The governmental unit wishing to terminate the agreement may do so only after giving each other unit of government six months written notice of its decision to do so.

X. This agreement shall become effective when properly executed by all parties pursuant to resolutions adopted by the

governing boards of each.

The parties hereto have caused this agreement to be executed in accordance with resolutions of their respective governing bodies, this the 8th day of April, 1980.

COUNTY OF ORANGE

BY:

Richard E. Whitted
Chairman

ATTEST:

Mary Lou Bouley
Mary Lou Bouley,
Clerk

TOWN OF CARRBORO

BY:

Robert Drakeford
Mayor

ATTEST:

Sarah C. Williamson
Clerk

TOWN OF CHAPEL HILL

BY:

Joseph L. Nassif
Mayor

ATTEST:

Maria E. Harkins
Clerk

TOWN OF HILLSBOROUGH

BY:

Fred S. Cates
Mayor

ATTEST:

Agatha Johnson
Clerk

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

Neal Evans

Neal Evans
Orange County Finance Officer

James M. Baker

James M. Baker
Town of Carrboro Finance Officer

Mary Parker

Mary Parker
Town of Chapel Hill Finance Officer

Lala Compton

Lala Compton
Town of Hillsborough Finance Officer

