



Office of Dawn Waye
Denton County Tax Assessor – Collector

May 2, 2025

Subject: Updated Contract and Parcel Fee Adjustments

Dear

I hope this message finds you well. Enclosed is the updated contract for services provided by the Denton County Tax Assessor-Collector's Office. We value our partnership and appreciate the opportunity to continue serving your entity.

Following our annual review, we revisited the cost basis and breakeven analysis and will be implementing a modest per-parcel fee of \$1.41, effective October 1, 2025. This breakeven adjustment helps offset increased expenses related to staffing, technology, postage, and materials broken down below.

The last adjustment to the parcel fee was implemented in 2018. In 2021, our printing-mailing partner notified us that uncontrollable costs had escalated by 51% since the original contract had been signed. Although the Commissioners Court authorized an 18% increase at that time, the parcel fee charged to taxing entities remained unchanged.

By statute, parcel fees must achieve a zero net result, meaning the Tax Office is not allowed to profit from these charges but allowed to break even. However, over the past seven to eight years, we have consistently operated at a deficit, unable to recover the actual cost of providing services.

Key cost increases since 2018 include:

- **Paper costs:** Increased by 51%
- **Postage rates:** Increased by 46%, with seven individual rate hikes during this period
- **Cost of living (based on the PCE Index):** Increased by 22.88% from 2018 to 2025
- **Cost of living (based on CPI)** Increased 27.29% over the same period

1505 E. McKinney Street
Denton, TX 75209
940-340-3506



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Given these significant cost escalations, the current parcel fee is no longer sufficient to meet statutory requirements for cost recovery.

For entities that do not meet the established parcel benchmark, a minimum annual fee of \$200 will apply to cover the baseline costs of service. Entities that exceed the benchmark and generate fees above this threshold will not be subject to the minimum.

Key updates include:

- A new per-parcel fee of \$1.41
- A \$200 minimum annual fee for entities below the parcel benchmark

Please review the attached contract and return the signed copy by July 1, 2025 to ensure timely continuation of services. We remain committed to sustainability, transparency, efficiency, and maintaining the high standard of service you expect.

If you have questions or need further clarification, feel free to contact me directly.

Thank you for your continued partnership.

Sincerely,

Dawn M. Waye
Denton County Tax Assessor-Collector
940-949-3506 Direct
214-223-6090 Cell

1505 E. McKinney Street
Denton, TX 75209
940-340-3506



THE STATE OF TEXAS §

COUNTY OF DENTON §

INTERLOCAL COOPERATION AGREEMENT FOR PROPERTY TAX

ASSESSMENT AND COLLECTION BETWEEN

**DENTON COUNTY, TEXAS AND CITY/TOWN OF
_____, TEXAS**

INTERLOCAL COOPERATION AGREEMENT –TAX COLLECTION

THIS AGREEMENT is made and entered into by and between **DENTON COUNTY**, a political subdivision of the State of Texas, hereinafter referred to as "**COUNTY**," and _____, Denton County, Texas, also a political subdivision of the State of Texas, hereinafter referred to as "**MUNICIPALITY**."

WHEREAS, COUNTY and **MUNICIPALITY** mutually desire to be subject to the provisions of Texas Government Code, Chapter 791 (the Interlocal Cooperation Act), and Section 6.24 of the Texas Tax Code; and;

WHEREAS, MUNICIPALITY has the authority to contract with the **COUNTY** for the **COUNTY** to act as tax assessor and collector for **MUNICIPALITY** and **COUNTY** has the authority to so act.

NOW THEREFORE, COUNTY and **MUNICIPALITY**, for and in consideration of the mutual promises, covenants, and agreements herein contained, do agree as follows:

Throughout this Agreement, the term "Property Tax Code" means Title 1 of the Texas Tax Code. Throughout this Agreement, the term "tax year" means the calendar year in which the applicable tax lien attaches to the taxable property. The term "collection year" refers to the period commencing on October 1st of the applicable tax year and continuing through the end of the applicable term (September 30th of the following year), in which collection and billing services are to be performed under this Agreement.

I.

The effective date of this Agreement shall be October 1, 2025. The initial term of this Agreement shall be for a period of one year beginning on the effective date and ending on, September 30, 2026. The initial term of the Agreement is for tax year 2025 property tax rate calculation, billing and collection services. Following the initial term, this Agreement shall automatically renew for subsequent one-year terms, unless written notice of termination is provided by **COUNTY** or **MUNICIPALITY** no later than one hundred-eighty (180) days prior to the expiration date of the then- current term of the Agreement. If said notice is provided, this Agreement shall terminate at the end of the then-current term. Each renewal term shall be for property tax rate calculation, billing and collection services for the applicable tax year (the first renewal term will be for tax year 2026, the second renewal terms for tax year 2027, etc.).

II.

For the purposes and consideration herein stated and contemplated, **COUNTY** shall provide the following necessary and appropriate services for **MUNICIPALITY** 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 serve as tax assessor/collector for **MUNICIPALITY** for ad valorem tax collection for the tax year. **COUNTY** agrees to perform all necessary ad valorem assessing and collecting duties for **MUNICIPALITY** and **MUNICIPALITY** does hereby expressly authorize **COUNTY** to do and perform all acts necessary and proper to assess and collect taxes for **MUNICIPALITY**. **COUNTY** agrees to collect base taxes, penalties, interest, and attorney's fees.

2. **COUNTY** agrees to prepare and mail all current and delinquent tax statements required by statute, supplemental changes for applicable property accounts, as well as prepare and mail any other mailing as deemed necessary and appropriate by **COUNTY**; provide daily, monthly and annual collection reports to **MUNICIPALITY**; prepare tax certificates; develop and maintain both current and delinquent tax rolls, disburse tax monies to **MUNICIPALITY** daily (business day) based on prior day tax postings, approve and refund overpayment or erroneous payment of taxes for **MUNICIPALITY** pursuant to Property Tax Code Chapter 31 from available current tax collections of **MUNICIPALITY**; and to meet the requirements of Section 26.04 and Chapter 42, Subchapter C and develop and maintain such other records and forms as are necessary or required by State law, rules, or regulations. If daily disbursal is to be delayed, **COUNTY** will notify **MUNICIPALITY** in the secured web entity folder the reason for the delay.

3. **COUNTY** further agrees that it will make for **MUNICIPALITY** the property tax rate calculations required by Property Code Section 26.04 (currently identified in the Section by the terms "no new revenue tax rate" and "voter-approval tax rate"), and will do so in accordance with all requirements therein. All such rate calculations will be performed using only the Texas State Comptroller's "Truth In Taxation" formulas, and at no additional cost to **MUNICIPALITY**. The information concerning the rate calculations described in this Article II.3 and publications will be provided to **MUNICIPALITY** in the form prescribed by the Comptroller of Public Accounts of the State of Texas, and as required by Property Tax Code Chapter 26. **MUNICIPALITY** shall be responsible for all publications as required by Chapter 26. In the event **MUNICIPALITY** requires early calculation based on certified estimate values, **COUNTY** will perform the tax rate calculations described in this Article II.3. and provide the required publications to **MUNICIPALITY** in the same manner as performing the tax rate calculations pursuant to the annual appraisal district reports required to be Certified on July 25 of each tax year.

4. **COUNTY** agrees, upon request, to offer guidance and the necessary forms for posting notices as required by Chapter 26 of the Property Tax Code if **MUNICIPALITY** requests such no less than 7 days in advance of the intended publication date. **MUNICIPALITY** must approve all calculations and notices, in the format required by **COUNTY** and Property Tax Code Chapter 26. The accuracy and timeliness of all required notices are the responsibility of **MUNICIPALITY**. **COUNTY** will update tax transparency databases, as required in Property Tax Code Sections 26.17(b),(5A,B),(7),(12),(13) and 26.17(e)(2) with applicable Truth In Taxation

worksheets and Notices. **MUNICIPALITY** is responsible for any other required information posted on a tax transparency database. This Agreement is subject to and the parties herein shall comply with all applicable provisions of the Property Tax Code and all other applicable Texas statutes. **COUNTY** will submit to **MUNICIPALITY** approval forms of the tax rate calculation and required notices. **MUNICIPALITY** must return executed approval forms to tax assessor/collector as required by law and this agreement.

5. Should **MUNICIPALITY** vote to increase its tax rate above the statutory voter approval limit (also known as the "rollback" or the "voter approval" rate), the required publication of notices shall be the responsibility of the **MUNICIPALITY**. Should **MUNICIPALITY** roll back the tax rate as a result of Tax Rate Election, the required publication of notices shall be the responsibility of **MUNICIPALITY**.

6. **COUNTY** agrees to develop and maintain written policies and procedures of its operation. **COUNTY** further agrees to make available full information about the operation of the County Tax Office to **MUNICIPALITY**, and to promptly furnish written reports to keep **MUNICIPALITY** informed of all financial information affecting it.

7. **MUNICIPALITY** agrees to promptly deliver to **COUNTY** all records that it has accumulated and developed in the assessment and collection of taxes, 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.

8. **COUNTY** agrees to allow an audit of the tax records of **MUNICIPALITY** in **COUNTY'S** possession during normal working hours with at least 72 hours advance, written notice to **COUNTY**. The expense of any and all such audits shall be paid by **MUNICIPALITY**. A copy of any and all such audits shall be furnished to **COUNTY**.

9. If required by **MUNICIPALITY**, **COUNTY** agrees to obtain a surety bond for the County Tax Assessor/Collector. Such bond will be conditioned upon the faithful performance of the tax assessor/collector's lawful duties, will be made payable to **MUNICIPALITY** and in an amount determined by the governing body of **MUNICIPALITY**. The premium for any such bond shall be borne solely by **MUNICIPALITY**.

10. **COUNTY** agrees that it will post a notice on its website, as a reminder that delinquent tax penalties will apply to all assessed taxes that are not paid by January 31st of the collection year.

11. **COUNTY** agrees that it will post to a secure website collection reports for **MUNICIPALITY** listing current taxes, delinquent taxes, penalties and interest on a daily basis through September 30th of the collection year. **COUNTY** will provide monthly Maintenance and Operation (hereinafter referred to as "MO"), and Interest and Sinking (hereinafter referred to as "IS") collection reports; provide monthly recap reports; and provide monthly attorney fee collection reports.

12. **MUNICIPALITY** retains its right to select its own delinquent tax collection attorney and **COUNTY** agrees to reasonably cooperate with the attorney selected by **MUNICIPALITY** in the collection of delinquent taxes and related activities.

13. **MUNICIPALITY** will provide **COUNTY** with notice of any change in collection attorney at least 7 days before the effective date of the new collection attorney contract.

III.

COUNTY hereby designates the Denton County Tax Assessor/ Collector to act on behalf of the County Tax Office and to serve as Liaison for **COUNTY** with **MUNICIPALITY**. The County Tax Assessor/Collector, and/or his/her designated substitute, 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 **MUNICIPALITY**.

IV.

COUNTY accepts responsibility for the acts, negligence, and/or omissions related to property tax service 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.

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

VI.

MUNICIPALITY understands and agrees that **MUNICIPALITY**, 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 **MUNICIPALITY**.

VII.

In this Article VII, the term “Prior TY Parcel Count” means the total number of parcels listed on **MUNICIPALITY**’s preceding tax year Tax Roll on September 30th of the tax year. For the services rendered during the tax year, **MUNICIPALITY** agrees to pay **COUNTY** for the receipting, bookkeeping, issuing, and mailing of tax statements as follows:

1. The County Budget Office establishes collection rates annually based on a survey of actual annual costs incurred by the County in performing tax collection services. The collection rate for each tax year, referred to in this Article VII as the “Per Parcel Rate,” is approved by County Commissioners’ Court, and all entities are assessed the same Per Parcel Rate, except that, if that Per Parcel Rate multiplied by the entity’s Prior TY Parcel Count equals less than \$200, the entity will be assessed a flat fee of \$200. Following approval of the Per Parcel Rate for each tax year, **COUNTY** will, at least sixty (60) days prior to the expiration date of the then-current term of this Agreement, provide **MUNICIPALITY** with written notice of that rate.

2. The current tax statements will be mailed by October 10th of the tax year or as soon thereafter as practical. The **MUNICIPALITY** must adopt its tax year tax rate on

or before September 30th of the applicable tax year, if that rate does not exceed the voter-approval tax rate. **MUNICIPALITY** must adopt a tax rate that exceeds the voter-approval tax rate not later than the deadline set forth in Property Tax Code Section 26.05(a) and Election Code 3.005 and 41.001. In order to expedite mailing of tax statements, **MUNICIPALITY** shall adopt and then deliver its adopted tax rate to **COUNTY** no later than the applicable adoption deadline described herein. Failure by **MUNICIPALITY** to adopt and then deliver the adopted tax rate to **COUNTY** by said applicable adoption deadline may result in delay of processing and mailing **MUNICIPALITY** tax statements. **MUNICIPALITY** agrees to assume the costs for additional delayed tax statements, processing and mailing as determined by **COUNTY**. An additional notice will be sent during the month of March following the initial mailing provided that **MUNICIPALITY** has requested such a notice on or before February 28th of the collection year.

3. At least 30 days, but no more than 60 days prior to April 1st of the collection year and following the initial mailing, a delinquent tax statement meeting the requirements of Section 33.11 of the Property Tax Code will be mailed to the owner of each parcel having delinquent taxes.

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

5. For accounts that become delinquent on or after June 1st of the collection year, **COUNTY** shall mail a delinquent tax statement meeting the requirements of Section 33.08 of the Property Tax Code to the owner of each parcel having delinquent taxes.

6. For accounts that become delinquent on February 1st of the tax year,

COUNTY, in its sole discretion, may mail a reminder notice to the owner of each parcel having delinquent taxes not including February 33.11 notices.

7. In event of a tax rate change resulting from a rollback or tax approval election that takes place after tax bills for **MUNICIPALITY** have been mailed, **MUNICIPALITY** agrees to pay **COUNTY** a programming charge of \$5,000.00. **COUNTY**, pursuant to Property Tax Code Section 26.07(f) or 26.075(j) will mail corrected statements to the owner of each property. The fee for this service will be the same Per Parcel Rate described in paragraphs 1, 9 and 10 of this Article VII. When a refund is required per Property Tax Code Section 26.07(g) or 26.075(k) **COUNTY** will charge a \$1.00 processing fee per check, in addition to the corrected statement mailing costs. Issuance of refunds, in the event of a successful rollback election, will be the responsibility of the **COUNTY**. **MUNICIPALITY** will be billed for the refunds, postage and processing fees.

8. **MUNICIPALITY** understands and agrees that **COUNTY** will, no later than January 31st of the tax year, deduct from current collections of **MUNICIPALITY** the "Total Cost" of providing all services described in paragraphs 2-6 of this Article VII. This "Total Cost" includes any such services that have not yet been performed at the time of deduction.

9. During the initial term of this Agreement, the "Total Cost" of providing all services described in paragraphs 2-6 of this Article VII shall be the total of: **\$1.41** (the "TY 2025 Per Parcel Rate") multiplied by **MUNICIPALITY's** Prior TY Parcel Count, provided that, if the TY 2025 Per Parcel Rate of \$1.41 multiplied by the Prior TY Parcel Count equals less than \$200.00 (if the total number of parcels listed on **MUNICIPALITY's** preceding tax year Tax Roll on September 30th of the tax year is 141 or less), then the "Total Cost" of

providing all services described in paragraphs 2-6 shall be a flat amount of \$200.00.

10. During the first and second renewal terms of this agreement, and provided that **COUNTY** has provided **MUNICIPALITY** with notice of the Per Parcel Rate as described in paragraph 1 of this Article VII, the “Total Cost” of providing all services described in paragraphs 2-6 of this Article VII shall be the total of: The Per Parcel Rate approved by Commissioners Court for the applicable tax year (the TY 2026 Per Parcel Rate and the TY 2027 Per Parcel Collection Rate, respectively) multiplied by the **MUNICIPALITY**’s then Prior TY Parcel Count, provided that, if the applicable Per Parcel Rate multiplied by the applicable Prior TY Parcel Count equals less than \$200.00, then the Total Cost of providing all services described in paragraphs 2-6 shall be a flat fee of \$200. In the event **COUNTY** does not provide **MUNICIPALITY** with notice of the per parcel rate as described in paragraph 1 of this Article VII, the per parcel rate charged during the preceding term will apply.

11. In the event that a rollback or tax rate approval election as described in paragraph 7 of this Article VII takes place, **COUNTY** shall bill **MUNICIPALITY** for the applicable programming charge, check processing fees, refunds paid, and refund postage costs. **MUNICIPALITY** shall pay **COUNTY** all billed amounts within 30 days of its receipt of said bill. In the event costs for additional delayed tax statements, processing and mailing are incurred as described in paragraph 2 of this Article VII, **COUNTY** shall bill **MUNICIPALITY** for such amounts. **MUNICIPALITY** shall pay **COUNTY** all such billed amounts within 30 days of its receipt of said bill.

VIII.

COUNTY agrees to remit all taxes, penalties, and interest collected on **MUNICIPALITY's** behalf and to deposit such funds into the **MUNICIPALITY's** depositories, as designated:

1. For deposits of tax, penalties, and interest, payment shall be by wire transfer or ACH to **MUNICIPALITY's** depository accounts only, and segregated into the appropriate MO and IS accounts, as applicable, specified on the Direct Deposit Authorization executed between the **MUNICIPALITY** and **COUNTY**. Only in the event of failure of electronic transfer protocol will a check for deposits of tax, penalty and interest be sent by mail to **MUNICIPALITY**.

2. In anticipation of renewal of this Agreement, **COUNTY** further agrees that deposits will be made daily through September 30th of the collection year. 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 tax debt of **MUNICIPALITY**, the **MUNICIPALITY** agrees a payment in the amount of shortage shall be made by check or ACH to **COUNTY** within 15 days after notification of such shortage. Failure to remit payment of shortage restricts release of collected taxes until such time as payment is remitted.

IX.

In the event of termination, the terminating party shall be obligated to make such payments as are required by this Agreement through the balance of the tax year in which notice is given. **COUNTY** shall be obligated to provide services pursuant to this

Agreement during such period.

X.

This Agreement represents the entire agreement between **MUNICIPALITY** 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 **MUNICIPALITY** and **COUNTY** or those authorized to sign on behalf of those governing bodies.

XI.

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

COUNTY:

County Judge of Denton County
1 Courthouse Dr Ste 3100
Denton, Texas 76209
Telephone: 940-349-2820

MUNICIPALITY:

XII.

MUNICIPALITY hereby designates _____ to act on behalf of **MUNICIPALITY**, and to serve as Liaison for **MUNICIPALITY** to ensure the performance of all duties and obligations of **MUNICIPALITY** as stated in this Agreement. **MUNICIPALITY**'s designee shall devote sufficient time and attention to the execution of said duties on behalf of **MUNICIPALITY** in full compliance with the terms and conditions of this Agreement; shall provide immediate and direct supervision of the **MUNICIPALITY** 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 **MUNICIPALITY** and **COUNTY**.

XIII.

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.

XIV.

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 triplicate originals this, _____ day of _____
20____.

COUNTY

Denton County Texas
1 Courthouse Dr Ste 3100
Denton, Texas 76208

MUNICIPALITY

City/Town:
Streetaddress:
City, state,zip:
Email:
Phone:

BY: _____
Honorable Andy Eads
County Judge

BY: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

BY: _____
Juli Luke
Denton County Clerk

BY: _____
Name _____
Title _____

APPROVED FORM AND CONTENT:

Dawn Waye
Denton County
Tax Assessor/Collector