

Mayor and Council Communication

DATE: 08/06/19

M&C FILE NUMBER: M&C 19-0008

LOG NAME: 13TARRANTCO20-22

SUBJECT

Authorize Execution of Agreement with Tarrant County and the Tarrant County Tax Assessor-Collector for Ad Valorem Tax Assessment and Collection Services for a Three Year Term Consist of Tax Years 2019-2021 (Fiscal Years 2020-2022) (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council authorize the execution of an Agreement with Tarrant County and the Tarrant County Tax Assessor-Collector for assessment and collection services of ad valorem taxes levied by the City of Fort Worth for Tax Years 2019-2021 (Fiscal Years 2020-2022), covering the period October 1 to September 30 of each subsequent year, with a unit-based cost of \$0.98 per account for property located within Tarrant County and \$2.00 per account for property located outside the County.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize engaging Tarrant County and the Tarrant County Tax Assessor-Collector (together, County) to provide assessment and collection services for the City's property taxes. The City Council has designated the County to act as the agent of the Finance Department by providing these services for well over a decade. The Agreement for the current fiscal year was approved on June 5, 2018 (M&C C-28700).

The County uses a standard Agreement with all of the taxing entities for which it collects taxes. Prior to 2013, the County used a cost structure involving a single standard per-account cost. However, as the City expanded, the County increased the scope of its services to include assessment and collection for tax accounts for property located outside of Tarrant County but still within the City. Processing different data formats and verifying data with multiple appraisal jurisdictions has resulted in additional expenses to the County. State law requires that the Tax Assessor-Collector charge taxing entities the actual costs for tax collection. Therefore, for Tax Years 2019-2021 (Fiscal Year 2020-2022), the County will again utilize a dual cost structure, one for accounts where the property is located within Tarrant County and another for accounts where the property is located outside the County.

Terms of the Agreement for Tax Years 2019-2021 (Fiscal Years 2020-2022) will be held at a constant per account rate, fluctuating by the number of in-county and out-of-county accounts each Tax Year. The per-account charge for in-county accounts remains the same at \$0.98. The per-account charge for out-of-county accounts has been reduced to \$2.00 per account from \$2.60, due to new efficiencies in technology.

The estimated number of accounts (in-county and out-of-county) has experienced an average increase of approximately 4% in each of the last three years. It is anticipated that the annual growth in the number of accounts will remain at approximately 4% for Tax Years 2019-2021 (Fiscal Years 2020-2022).

This contract will be with a governmental entity, state agency or public institution of higher education: (Tarrant County and Tarrant County Tax Assessor-Collector).

A Form 1295 is not required for this contract because: This contract will be with a governmental entity, state agency or public institution of higher education: Tarrant County

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and the adoption of the Fiscal Year 2020 Budget by the City Council, funds will be available in the Fiscal Year 2020 Operating Budget, as appropriated, of the General Fund and that, prior to an expenditure being made, the Financial Management Services Department has the responsibility to validate the availability of funds.

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