

Memorandum



CITY OF DALLAS

DATE June 13, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Interlocal Cooperative Contract for Property Tax Collection
and Assessment with Dallas County

Your June 25th council agenda includes the following action item:

Authorize an Interlocal Cooperative Contract between the City of Dallas and Dallas County for assessing and collecting ad valorem property taxes – Estimated Annual Cost \$575,000 - Current Funds (subject to annual appropriations)

The City and County entered into an Interlocal Cooperative Contract in September 2000 for Dallas County to assess and collect ad valorem property taxes on behalf of the City beginning April 1, 2001. This joint effort has been very successful, and Dallas County has requested the contract be updated. Dallas County is seeking updated contracts with all of their partners for whom they assess and collect taxes.

Your consideration and approval of the new Interlocal Cooperative Contract is requested. The proposed contract is more concise but the content has not changed substantially with a few exceptions.

The new contract requires payment to the County by January 31st instead of by April 1st of each year. The cost to the City is \$1.30 per parcel within Dallas County and \$2.95 per parcel outside of Dallas County. This is the same cost currently in place in the existing contract. The annual per parcel cost might be amended over time. However, at all times, the annual per parcel cost shall not exceed the actual costs incurred by the Tax Assessor-Collector. Cost for the most recent tax year was \$534,324.

Another notable change being requested is a requirement that the City adopt the ad valorem tax rate by the 3rd Wednesday of September each year rather than by the last Friday of September as currently stated or by the 30th of September as required by State law. The City has requested that this requirement be changed to the 4th Wednesday of September of each year with the City making reasonable effort to adopt its tax rate and provide notice to the County on the 3rd Wednesday of September. This requirement is still being discussed, but will be resolved before the item is considered by the City Council.

Please let me know if you need additional information.



Jeanne Chipperfield
Chief Financial Officer

c: Honorable Mayor and Members of City Council Jill A. Jordan, P.E., Assistant City Manager
 A.C. Gonzalez, City Manager Forest E. Turner, Assistant City Manager
 Warren M.S. Ernst, City Attorney Joey Zapata, Assistant City Manager
 Craig D. Kinton, City Auditor Charles M. Cato, Interim Assistant City Manager
 Rosa A. Rios, City Secretary Theresa O'Donnell, Interim Assistant City Manager
 Daniel F. Solis, Administrative Judge Shawn Williams, Interim Public Information Officer
 Ryan S. Evans, Interim First Assistant City Manager Elsa Cantu, Assistant to the City Manager