

MEMORANDUM

TO: Donna Barron, City Manager

FROM: David Erb, Director of Finance

DATE: August 5, 2019

SUBJECT: **Approval of Agreements for Ad Valorem Tax Billing and Collection Between the City of Lewisville and Denton County for Fiscal Year 2019-20; and Authorization for the City Manager to Execute the Agreements.**

BACKGROUND

The City has received new agreements from the Denton County Tax Assessor's office to bill and collect City ad valorem taxes and Josey Lane Public Improvement District (PID) assessments. The agreements for this year have a provision for an automatic renewal unless terminated by either party. The City started using Denton County Tax Assessor for the billing and collection of the City's ad valorem taxes in the 1997-98 fiscal year due to their ability to provide this service at a lower overall cost than the City could do in-house. The City began using Denton County Tax Assessor for the Josey Lane PID assessments in 2016 when assessments in this PID began.

ANALYSIS

The billing rates for the new agreements are unchanged from the prior year. For FY2018-19, the County billed the City at a rate of \$1.00 times the number of parcels on the City's tax roll, which amounted to \$34,324. This coming year, the rate will again be \$1.00 per parcel for their services.

Funding to cover these expenditures is proposed in the Finance Department General Fund and the Josey Lane PID Administration Fund 2019-20 budgets. Additionally, collection percentages remain in excess of 99% of the current tax which is at or above collection percentages when the City performed this service.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the agreements as set forth in the caption above, and authorize the City Manager to execute the agreements.