

**RESO 2022 – 036
EXH A**

**CONTRACT FOR THE COLLECTION OF DELINQUENT PROPERTY TAXES
FOR**

The City of Powder Springs, Georgia

**State of Georgia
City of Powder Springs**

THIS AGREEMENT, stated by and between:

The City of Powder Springs

Hereinafter referred to as “Office of the Tax Collector”, and

GOVERNMENT TAX SERVICES, LLC.
124 Newnan Street
Carrollton, GA 30117

Hereinafter referred to as “GTS”. This agreement shall be known as the “TAX COLLECTIONS AGREEMENT”.

WHEREAS, the Office of Tax Collector is engaged in the billing and collection of City real property and personal property ad valorem taxes and is desirous of obtaining the services of GTS in an effort to quickly and efficiently collect its backlog of delinquents without any additional cost to those citizens of The City of Powder Springs who have timely submitted and paid their respective City tax liabilities, and;

WHEREAS, GTS has provided a proposal to assist the Office of the Tax Collector with the collection of its valid and outstanding tax delinquencies with a program of payment of its fees from the additional statutory charges which can be levied against the delinquent tax payer and his respective property without the City incurring costs for the services performed by GTS. This proposal was submitted in response to a Request For Proposal from The City of Powder Springs, and;

WHEREAS, the City reviewed the proposal submitted by GTS, LLC. and it has been determined that the use of the services provided by GTS will result in a concentrated effort to collect the delinquent taxes without the necessity of adding additional staff to the City payroll or additional equipment cost and should improve the City’s tax collection ratio.

NOW, THEREFORE, in consideration of mutual benefits flowing between the parties to this agreement, it is hereby agreed between the parties as follows:

1. Term

This Tax Collections Agreement shall begin on the ____ day of _____, 2022, and shall be in effect for 365 Days. This contract will automatically renew annually thereafter, unless otherwise terminated, as hereinafter provided.

2. Obligations of the Office of the Tax Collector

The Office of the Tax Collector agrees to assist GTS in its task of fairly, quickly and efficiently collecting and returning the outstanding tax obligations owed to the City. To accomplish this goal, the Office of the Tax Collector agrees to the stipulations set out in this section. The Office of the Tax Collector will supply GTS with a list of all those parcels that it wishes to be collected upon. It is understood that GTS will act in reliance on the accuracy of the information provided by the Office of the Tax Collector and the County Assessor's Office and GTS is instructed to accept said list as a true and correct representation of the status of the respective account as shown on the tax records of the City. GTS will accept the list as presented and immediately begin Stage 1 of the collection process as outlined in its proposal to the Office of the Tax Collector and agrees to provide:

- a. Correct name and address (when possible) of the property owner.
- b. The correct Map and Parcel number of the land tract.
- c. A copy of the respective tax execution (fifas) for each year intended for collection.
- d. At the time that a parcel is turned over to GTS for collection, the Office of the Tax Collector must flag that respective parcel in its computer system to insure that the applicable penalties, interest charges and applicable fees are collected.
- e. With the exception of any legally privileged information submitted by taxpayers of the City, the Office of the Tax Collector will provide GTS with complete access to its tax and real estate records, to include mapping and prior appeals records.
- f. In the event GTS receives a request from the taxpayer to send him copies of relevant tax records, such as executions or assessment records, the Office of the Tax Collector agrees to provide such documentation to the taxpayer without charge to GTS.
- g. The Office of the Tax Collector will promptly notify GTS when it receives any notice of filing of a debtor's petition in bankruptcy, which affects the collection of a particular account or accounts. Upon receipt of this information, GTS will immediately cease any further collection effort on this account until notified by the City's attorney or the City Tax Collector's office of the dismissal of the bankruptcy or a relief from the stay. As part of the proof of claim filed by the City in the bankruptcy case, the Office of the Tax Collector will include the applicable administrative or title examination fee as allowed by the court and upon recovery of the same, GTS will be entitled to receive its normal fee from the collection. GTS will fully cooperate with the Office of the Tax Collector in its attempt to prosecute its rights in Bankruptcy Court.

3. Legal Representation

The City Attorney will represent the Office of the Tax Collector in all legal challenges of actions involving the collection of the accounts. In the event, a lawsuit is filed seeking to prevent the collection of any account or to otherwise halt or restrain the collection of said account, GTS will immediately turn over to the City Attorney's office, a copy of its full file, detailing its collection efforts to date and GTS agrees to assist the City Attorney in the defense of the suit.

4. Release and Indemnity

The City agrees to hold harmless GTS from any claim, action, suit or complaint which results directly or indirectly from GTS's attempt to collect an account referred to GTS by the Office of the Tax Collector, which is claimed to be and shown to be not collectable due to mistakes or errors in the records of the City or County. GTS agrees to hold harmless the city from any claim, action, suit or complaint which results directly or indirectly from GTS's attempt to collect an account referred to GTS by the Office of the Tax Collector, which is shown to be not collectable due to mistakes or errors committed by GTS.

5. Obligations of GTS

GTS will accept the list given to it by the Office of the Tax Collector and will immediately commence to use its best effort in the Stage 1 collection process, in accordance with approved collection procedures of the Fair Debt Collection Practices Act and all other applicable state and federal laws.

In Stage 1, GTS shall perform the following tasks as required to give notice of the tax delinquency to the taxpayer and attempt to collect on the account without the necessity of levy and sale of property. GTS will begin the process of verification and skip tracing as needed. If required, a minimum of two (2) specific collection letters will be sent to the taxpayer.

In the event, the tax account is not paid to the Office of the Tax Collector during the Stage 1 process, GTS agrees, upon receipt of instruction from the Office of the Tax Collector to commence its Stage 2 collection process which may result in a levy on the property and possible sale of the same to satisfy the tax liability.

In Stage 2, GTS shall, when necessary:

- a. Run a computerized search of the bankruptcy records under the name of the taxpayer.
- b. Run an examination of the real estate records of the County to determine the present ownership of the property in question and all parties entitled to receive notice of tax sale on the property.
- c. Prepare a levy notice to the defendant in fifa and the current record holder and the current mortgage or interest holders.
- d. Conduct a diligent search of all general execution dockets and federal and state tax records.

- e. Prepare a description of the property to submit to the newspaper for legal advertisement.

In the event the Office of the Tax Collector elects to proceed with the levy and sale of a parcel, GTS will supply the necessary levy information to the Sheriff's Office or any other person authorized to conduct the tax sale to begin the levy and sale process.

GTS will provide regular reports to the City of Powder Springs Tax Collector and the City Attorney. In addition, GTS will provide to the Office of the Tax Collector copies of all research pertaining to each parcel of land turned over to GTS for collection.

6. Payment of Services Rendered.

It is the intent of GTS that its collection services not be an expense chargeable to the City's taxpayers who pay their taxes in a timely manner and that services as rendered by GTS be paid by its collection efforts. It is expected that GTS will be paid from those fees added to the tax bill, as permitted by State Law. Such fees cover, but are not limited to, the review of IRS and Bankruptcy liens, Skip Trace fees, Title Examination, certified mail to all defendants in Fi-Fa, Advertising Preparation for the legal organ of the county, and other services as needed.

The following is an outline of the payment schedule allowed to GTS:

1. For all accounts turned over to GTS and collected during the Stage 1 process, GTS will be paid \$26.00 for any and all parcels owing between \$10.00-\$49.99; GTS will be paid \$55.00 for parcels owing \$50.00 or more; For any accounts that are under \$10.00, there will be no charge (for Stage One Work only).
2. For all accounts turned over to GTS and collected during the Stage 2 process, GTS will be paid \$195.00.
3. Parcels sold at a tax sale will be charged an additional \$25.00 Post Sale Administration Fee to cover the expense of post-sale title updates and administrative duties related to the sale.
4. At the request of the City of Powder Springs, all parcels that are scheduled for tax sale, GTS will assist the city posting the properties with a levy notice for a fee of \$25.00 each parcel.

7. Payments Made By Taxpayers

It is intended that all payments made by the taxpayers or other interested parties on these accounts shall be made directly to the City of Powder Springs and not to GTS. **Under no circumstance will GTS accept or receipt for any tax payment.**

8. Cost Incurred by the Office of the Tax Collector:

The Office of the Tax Collector is responsible for recovering costs incurred for legal advertisement, Sheriff Services, Recording Fees and Deed Preparation. These fees are allowed to be recovered by the City under Georgia law during the collection process.

9. Entire Agreement.

This contract constitutes the sole and only agreement between the parties hereto; this contract correctly sets forth the obligations of all parties involved as of its date. Any supplementation or modification of this agreement must be in writing and signed by both parties.

10. Termination.

This agreement may be terminated by either party upon receipt of 14 days written notice. **During the phase one collection period**, and in the event of such a termination notice, it is understood that any files turned over to GTS, and having been mailed within this time period, GTS will be entitled to the actual fees collected during a 60 day period related to the mailing date of these files.

11. Miscellaneous.

Time is of the essence of this agreement.

The section headings of this agreement are for convenience sake only and shall not limit or otherwise affect any of the terms hereof.

The laws of the State of Georgia shall govern this agreement.

As used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine, or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a trust, an organization and a governing body.

Invalidation of any one or more of the provision hereof shall not affect the validity of the remainder of this agreement, which shall remain in full force and effect.

So agreed and Executed in Duplicate Original on the __ day of _____, 2022.

City of Powder Springs:

Government Tax Services, LLC

BY: _____
Al Thurman, Mayor
City of Powder Springs, GA

BY: _____
Casey Vance

Approved By: _____

Attest: _____

(Corporate Seal)