

STATE OF NORTH CAROLINA

COUNTY OF CHATHAM

INTERLOCAL AD VALOREM TAX BILLING AND COLLECTION AGREEMENT

THIS AGREEMENT is made as of the _____ day of _____, 2026, by and between the **Town of Apex**, a municipal corporation organized under the laws of the State of North Carolina (“Town”), and **Chatham County**, a political subdivision of the State of North Carolina (“County”). Either the County or the Contractor may be referred to herein as a “Party” or collectively as the “Parties.”

WITNESSETH:

WHEREAS, the Town and the County have the power pursuant to General Statute §153A-445(a)(1) and Article 20 of Chapter 160A of the North Carolina General Statutes to jointly exercise any function that they have been granted the power to exercise alone, or to contract with the other for the exercise of any governmental function that they have been granted the power to exercise alone, and to enter into contracts or agreements to specify the details of these joint undertakings; and

WHEREAS, the Town desires for the County, by and through its duly appointed Tax Administrator, to list and assess municipal properties located within the County’s jurisdiction, both personal and real, for the purpose of levying ad valorem taxes; and

WHEREAS, the Town desires for the County, by and through its duly appointed Tax Administrator, to bill and collect current and subsequent delinquent municipal ad valorem taxes by methods set forth in Article 26 of Chapter 105 of the North Carolina General Statutes located within the County’s jurisdiction; and

WHEREAS, the Town by action of the Town Council dated the ____ day of _____, requested the County to list, assess, bill, and collect current and subsequent delinquent municipal ad valorem taxes; and

WHEREAS, the County, by action of the Board of County Commissioners, dated the ____ day of _____, has agreed to list, assess, bill, and collect current and subsequent delinquent municipal ad valorem taxes;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants of the parties as set forth herein, the Town and the County agree that the Agreement is stated in its entirety as follows:

- 1. LISTING, ASSESSING, BILLING, AND COLLECTION OF TOWN AD VALOREM TAXES AND CURRENTLY ASSESSED FEES:** The County shall serve as the tax collector for the Town in the listing, assessing, billing, and collection of ad valorem taxes and currently assessed fees, beginning with the fiscal year that commences on July 1, 2026, located within the County’s jurisdiction. Currently assessed fees are those that appeared on the Town’s latest tax bills delivered prior to the date of this Agreement, except as otherwise agreed by the parties pursuant to Paragraph 3. Unless otherwise agreed upon, the County will not be responsible for the collection of any delinquent ad valorem taxes, penalties, interest, or previously assessed fees for any years prior to the commencement date of this Agreement. The Town agrees to fully cooperate with the County in the listing, assessing, billing, and collection process, including any assistance

needed in determining situs issues and in discovering property that should have been listed for taxation pursuant to N.C.G.S § 105-312.

2. **MOTOR VEHICLE TAXES AND FEES:** The responsibility of the County is to appraise, situs, and establish ownership of registered motor vehicles, as defined in N.C.G.S. §105-330.2. The collection of any associated taxes and fees resulting from this process now lies with the State of North Carolina through the vehicle registration process as defined in N.C.G.S §105-330.4 and §105-330.5. The fees paid by the Town for such services, as well as the fee for collection of any annual license tax imposed pursuant to N.C.G.S. §160A-213, shall remain the same as set forth in N.C.G.S. §105-330.5(b). All reporting of this revenue and allocated cost will be handled by the County. The County will also be responsible for the listing, assessing, billing, and collection of unregistered vehicles as defined in N.C.G.S. §105-330.3(a1)(2), and the fee for such services shall be calculated in the same manner as set forth in Paragraph 8.
3. **BILLING AND COLLECTION OF NEW MISCELANEOUS FEES AND SPECIAL ASSESSMENTS:** This Agreement acknowledges that the Town has the authority to levy miscellaneous fees and other special assessments upon the residents and businesses within its jurisdiction that can potentially be added to the ad valorem tax bill. However, the Town, in accordance with this Agreement, shall not levy any new miscellaneous fees or special assessments with the expectation that said fees or special assessments will be added to the ad valorem tax bill without prior consultation with the County Tax Administrator for the purpose of ensuring proper billing protocol is followed and software capabilities for handling such fees and special assessments are reviewed and deemed adequate. Any such fees or special assessments levied in accordance with State law shall be subject to a separate addendum to this Agreement with a separately negotiated billing and collection fee schedule. The Town will provide a list of parcels with the fee amount to the County no later than June 30th of each year.
4. **COUNTY AUTHORITY:** The County shall have all of the authority as set forth in the Machinery Act (N.C.G.S. §105-271 through 395.1) and other statutory provisions in the process of listing, assessing, billing, and collecting Town ad valorem taxes, penalties, interest, and fees.
5. **ALLOCATION OF RECEIPTS:** At the end of each calendar month, the County will analyze the month's deposit of funds collected to determine the dollar amount of ad valorem taxes, penalties, interest, and fees that are allocable to the Town. On or before the tenth (10th) day of the next month, the County will remit to the Town, via electronic funds transfer (EFT), the Town's share of the ad valorem taxes, penalties, interest and fees collected for the previous month. Any discrepancies that are found after the remittance date will be adjusted in the next remittance date for the Town.

In addition, for the months of November, December, and January, on the sixteenth (16th) day of each month, the County will remit to the Town, via EFT, all ad valorem taxes, penalties, interest, and fees collected and allocable to the Town during the first fifteen (15) days of each month. The remittance of all ad valorem taxes, penalties, interest, and fees collected and allocable to the Town from the sixteenth (16th) day to the end of each month during these same months shall be remitted in the manner described in the previous paragraph.

6. **MONTHLY COLLECTION REPORTS AND ANNUAL SETTLEMENT:** A collection report detailing all ad valorem taxes and miscellaneous fees collected, discovered, and released will be provided to the Town on or before the fifteenth (15th) day of each month for the period ending with the last calendar day of the previous month (see attached Exhibit A as to the form of the monthly collection report). The annual settlement required under N.C.G.S. §105-373 will be provided to the Town on or before the last day of July for the previous fiscal year during which collections were made (see attached Exhibit B as to the form of the annual settlement).
7. **PRIORITY OF ALLOCATION FOR PARTIAL PAYMENTS:** If a partial payment of a tax bill is made, the County will apply that payment in accordance with its standard priority schedule. Any tax due to the Town after applying the priority schedule shall be deposited to the benefit of the Town in accordance with paragraph 5.
8. **FEES TO BE PAID BY THE TOWN TO THE COUNTY:** The Town will compensate the County for the services provided in this Agreement on a percentage rate equal to an incremental phase in of one-half percent (.5%) for the 2026 taxes/Fiscal Year 2027, one percent (1%) for 2027 taxes/Fiscal Year 2028, and a one and one half percent cap of (1.5%) for 2028 taxes/Fiscal Year 2029 and forward.

In addition to the above fee, the Town will compensate the County for collection of any new, miscellaneous fees and special assessments as required by any associated addendums in accordance with Paragraph 3 of this Agreement. The County will calculate the fees to be paid pursuant to this paragraph and deduct the same from the County remittance to the Town made on the tenth (10th) day of each month pursuant to Paragraph 5.

9. **TOWN ANNEXATIONS:** In the event the Town annexes property at any time other than July 1 of a given year, the County shall not be responsible for collecting prorated ad valorem taxes resulting from the annexation. The Town shall be responsible for notifying the County at a reasonable time prior to any annexation in order to allow the County sufficient time to assess and bill the ad valorem taxes resulting from the annexation.
10. **TERMINATION:** The Town or the County shall have the right to terminate this Agreement effective July 1 of each year, beginning with July 1, 2026. The decision to terminate shall be made by the respective governing bodies of the Town and the County. Notice to terminate must be given in writing no later than March 1 of any year.
11. **MISCELLANEOUS:**
 - (a) All decisions involving discoveries, garnishments, attachments, and other collection proceedings are delegated to the County. The County agrees to use its best efforts in accurately listing, assessing, billing, and collecting Town ad valorem taxes and any associated miscellaneous fees. The County will not be held to a higher standard for collection than it has for collecting County ad valorem taxes.
 - (b) The Tax Administrator of the County is, by this Agreement, designated as the Tax Collector for the Town. All duties of the Town Tax Collector for the collection of the ad valorem taxes and miscellaneous fees to be collected by the County, pursuant to N.C.G.S. §105-349 through 378, are transferred to the County Tax Administrator.

- (c) The Town shall adopt the same schedule of discounts, if any, as adopted by the County pursuant to the provision of N.C.G.S. §105-360(c) and shall adopt a resolution directing the Town not to collect minimal ad valorem taxes pursuant to N.C.G.S. §105-321(f).
- (d) This Agreement may be amended in writing at any time by mutual agreement of the parties.

This Agreement is executed in duplicate originals as of the day and year first above stated by authority duly granted by the Town of Apex Town Council and the Chatham County Board of Commissioners.

Attest: Town of Apex

 Town Clerk By: _____
Town Manager

[SEAL]

Attest: Chatham County

 Clerk to the Board of Commissioners By: _____
County Manager

[SEAL]

This instrument has been pre-audited in the manner required by the local government Budget and Fiscal Control Act

 Director of Finance, Town of Apex

 Director of Finance, Chatham County

Approved as to form:

 County Attorney