

INTERLOCAL COLLECTION AGREEMENT

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS**
COUNTY OF GALVESTON §

Agreement is made and entered into by, between and among the County of Galveston (County), acting by and through its County Commissioners' Court, the City of La Marque (Taxing Entity), acting by and through its governing body and Galveston County Tax Assessor Collector, Cheryl E. Johnson (Assessor Collector) for collection of La Marque Public Improvement District (PID) #1 assessments on property located within the Taxing Entity's jurisdictional boundaries.

RECITALS

WHEREAS, County and Taxing Entity are political subdivisions of the State of Texas, organized and existing under the laws of the State of Texas; and,

WHEREAS; Assessor Collector is an elected public official charged with the responsibility of the assessment and collection of certain property taxes levied by certain taxing authorities within the boundaries of Galveston and Harris Counties; and

WHEREAS, as set forth in Local Government Code §372.0175, a municipality may contract with the governing body of another taxing unit to perform the duties of the municipality relating to collection of special assessments; and

WHEREAS, County and Taxing Entity each levy a tax or assessment against property located in the taxing jurisdictions of both; and,

WHEREAS, the parties find that coordination of the collection of a special assessment tax on property located in the geographic boundaries of both County and Taxing Entity would be expedient, cost effective and mutually beneficial and would promote governmental efficiency;

NOW, THEREFORE, as authorized by the Local Government Code §372.0175 and Government Code Chapter 791, the parties hereto enter into this Agreement in accordance with the terms and for the purposes and considerations herein expressed.

SERVICES TO BE PERFORMED

Assessor Collector will be responsible for collecting a special assessment on La Marque PID #1 properties located in the Taxing Entity. Assessments will be provided each September 30th by the Taxing Entity or its PID administrator and shall be included on the consolidated tax statement that will be sent to each property owner who owns property located within City and PID boundaries on or before October 10th of each calendar year, or as soon thereafter as practicable. Such consolidated tax statements shall also include taxes owed to any other participating taxing entity that, in Assessor Collector's opinion, should be included on such statement.

Assessor Collector shall use all available resources as provided by County to collect such assessment prior to the taxes and assessments becoming delinquent.

Assessor Collector may prepare and deliver separate tax bills for Taxing Entity Special Assessments if the assessment rate for each property is not provided by September 30th of each year. If Taxing Entity or its administrator has not provided the assessment by such date, and if separate bills are prepared and delivered, Taxing Entity shall pay the reasonable additional costs incurred by Assessor Collector in preparing and mailing these separate bills.

If a property owner is entitled to a refund, County and Assessor-Collector are authorized to make the refund on collected accounts on Taxing Entity's behalf and withhold the amount of the refund from current collections.

Taxing Entity shall require the Galveston Central Appraisal District to include PID coding on each appropriate parcel so that the Assessor Collector can bill, collect, disburse and provide, upon request, a report showing receipt of all assessments, penalties and interest paid by parcel number to the Taxing Entity.

Assessor Collector shall provide Taxing Entity a monthly report reflecting the total amount of current and delinquent assessments, penalties and interest collected within the PID by tax year on Taxing Entity's behalf.

PAYMENT & COST OF SERVICES

Pursuant to §372.018(b) of the Local Government Code, the parties agree that Assessor Collector is entitled to a reasonable fee for the services performed under this Agreement, not to exceed the actual costs incurred by County. Accordingly, Taxing Entity agrees to pay the fees as specified below.

A per parcel rate for the collection, posting, balancing, reporting, and distribution of current and delinquent assessments, an annual amount not to exceed \$0.27 per parcel. Appropriate sums will be due and payable to the Assessor Collector at the conclusion of the January payment cycle or no later than April 1. The annual payment shall be listed by total parcel count within the PID and will automatically be adjusted each year to reflect the actual parcel count as of the most current assessment billing roll for the tax year.

All expenses incurred by Assessor Collector in issuing Taxing Entity refunds on overpayment or erroneous payment caused by errors on the part of Taxing Entity shall be included as a charge against Taxing Entity. The Assessor Collector will issue an itemized billing of such expenses and shall receive a timely reimbursement from Taxing Entity. Expenses incurred by Assessor Collector shall be available for review by Taxing Entity upon request.

REMITTANCE OF COLLECTIONS

All assessment rolls, billing, accounting and collection activities performed by Assessor Collector for Taxing Entity shall be the same as and included with County activities performed by Assessor Collector. Payment options, penalties and interest shall be the same for PID assessments as property tax payments (e.g. quarter payments, delinquency dates). Collections of Taxing Entity shall

be remitted daily to Taxing Entity, upon validation of receipt and availability of funds for distribution from the County depository.

All delinquent assessments, penalties and interest for Taxing Entity collected by Taxing Entity's delinquent tax attorneys after July 1 of the first year such taxes are delinquent and all delinquent taxes, penalties and interest for prior years shall be credited in full to Taxing Entity upon request of the property owner or if payable to the Taxing Entity. In the event that the property owner makes no such request, delinquent assessments, penalties, and interest remitted shall be credited proportionately, as billed, to all taxing jurisdictions in the County.

TERMS OF AGREEMENT

This Agreement shall be for an initial period commencing August 1, 2026, and ending July 31, 2027. Notwithstanding the foregoing, collection services to be provided by Assessor Collector shall begin with the 2026 tax year. This Agreement will be automatically renewed on an annual basis unless either party to this Agreement chooses to cancel this Agreement for an upcoming renewal term by giving the other party notice of such cancellation by June 1st of each year.

Tax Assessor Collector shall provide Taxing Entity with notice by April 1 of each year of any change in the per parcel price for services provided.

In the event this Agreement is not renewed, the parties shall work together expeditiously to enable Taxing Entity to obtain such information it requires to do so to re-establish its own collection efforts or to enable another entity to collect the assessments on its behalf. Taxing Entity agrees to reimburse County its actual cost for transferring this information upon receipt of an invoice from Assessor Collector.

MISCELLANEOUS PROVISIONS

Upon request, Assessor Collector shall provide a computer printout of the annual special assessment roll of Taxing Entity showing all current and delinquent assessments owing by parcel number.

Upon request, Assessor Collector shall furnish a monthly report showing the total amount of assessment, penalty and interest due on delinquent parcels by parcel number.

Upon request, Assessor Collector shall provide Taxing Entity with its best estimate of current, delinquent, and total collection rates for the current or an upcoming year.

Assessor Collector shall provide or make available for inspection any other information it has which affects the collection of Taxing Entity's assessment upon the request of Taxing Entity for the purpose of administration, auditing, reporting or any such legitimate business purpose.

Taxing Entity shall not make any claim for damages against Galveston County, its elected and appointed officials and employees as a result of any mistake or error in tax collection efforts for Taxing entity save and except for any acts of fraud, theft or malfeasance.

DELINQUENT TAX ATTORNEY

Taxing Entity retains the exclusive authority to hire its own legal counsel to represent it to enforce collection of delinquent assessments. The County and/or Assessor-Collector shall cooperate with the delinquent collection attorney so designated, and shall deduct from the monies to be tendered to the Taxing Entity such fees as are earned by said attorney pursuant to said contract.

This Interlocal Tax Collector Agreement is signed and made effective this 11th day of May, 2026.

County of Galveston

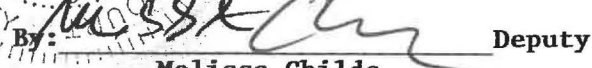

Mark Henry, County Judge

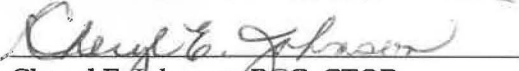
City of La Marque


Keith Bell, Mayor



Dwight Sullivan, County Clerk

By:  Deputy
Melissa Childs


Cheryl E. Johnson, PCC, CTOP

Attest:


Kandice Garrett, Interim City Secretary