



Gaston County

Gaston County
Board of Commissioners
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Tax Board Action

File #: 25-319

Commissioner Brown - Tax - To Approve the Interlocal Agreement for Collection of Taxes for Municipalities in Gaston County

STAFF CONTACT

Chelsea Tarbush - Tax Department - 704-810-5811

BUDGET IMPACT

N/A

BACKGROUND

Gaston County is agreeing to render tax collection services for 13 municipalities within Gaston County. Services include the distribution of tax bills and delinquent tax notices, collection of taxes, including prepayment plans, enforcing collections on delinquent taxes, providing regular reports to each jurisdiction, budgeting estimations for assessed values, advertising delinquent taxes, and providing education on any tax-related topics. Municipalities will be charged 0.95% of the total collected levy annually from July 1, 2025 - June 30, 2027.

The municipalities participating in this agreement include the following:

City of Belmont	City of Kings Mountain
City of Bessemer City	City of Lowell
City of Cherryville	Town of McAdenville
Town of Cramerton	City of Mount Holly
Town of Dallas	Town of Ranlo
City of Gastonia	Town of Stanley
City of High Shoals	

POLICY IMPACT

N/A

ATTACHMENTS

Interlocal Agreement

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	JBailey	CBrown	CCloninger	AFraley	BHovis	TKeigher	SShehan	Vote
2025-230	06/24/2025	BH	JB	A	A	A	A	A	A	A	U

DISTRIBUTION:

Laserfiche Users

A=AYE, N=NAY, AB=ABSENT, ABS=ABSTAIN, U=UNANIMOUS

GASTON COUNTY
NORTH CAROLINA

INTERLOCAL AGREEMENT FOR
COLLECTION OF TAXES

THIS INTERLOCAL AGREEMENT, made effective the last date set out below, by and between the **CITY OR TOWN**, a municipal corporation having a charter granted by the State of North Carolina, hereinafter referred to as the "City," and **GASTON COUNTY**, a corporate and political body and a subdivision of the State of North Carolina, hereinafter referred to as the "County";

WITNESSETH:

WHEREAS, Chapter 160A, Article 20, Part I of the North Carolina General Statutes provides that units of local government may enter into a contract in order to execute an undertaking providing for the contractual exercise by one unit of any power, function and right, including the collection of taxes, of another unit; and

WHEREAS, the City Council has found and determined that it is in the public interest and for the public benefit to provide for the collection by the County of taxes of ad valorem property taxes levied by the City; and

WHEREAS, the Board of Commissioners of the County has authorized the collection of taxes for cities and towns within the County; and

WHEREAS, the governing bodies of the City and County desire to enter into an agreement to provide for the collection by the County of ad valorem property taxes levied by the City;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

A. Authority & Responsibilities

- (1) Billing: Beginning with the 2025 tax bill for FY 2025-26, the County shall prepare ad valorem property tax bills for the City based on the ad valorem tax rate established by the City Council. The County shall collect the ad valorem property tax for the City, including any interest and/or penalties for late listing or late payment.
- (2) Appointment of Tax Collector: The City hereby appoints the County tax collector as the tax collector for the City for purposes of collecting those taxes described hereunder, with the powers, authority, duties, and responsibilities set forth herein. The tax collector shall be under the sole jurisdiction of the County Board of Commissioners and the County Manager. Nothing herein shall prevent the City from appointing a tax collector for purposes of taxes not billed or collected pursuant to this agreement.
- (3) General Duties: The County shall perform all actions pertaining to tax collection which are required by N.C.G.S. Chapter 105, Subchapter II, to include:
 - (a) Preparation of a tax scroll, tax book, or combined record as provided in N.C.G.S. 105-319;
 - (b) Preparation of a tax receipt form as required by N.C.G.S. 105-320;

- (c) Adoption of the order to collect taxes required by N.C.G.S. 105-321;
 - (d) Review of listings and evaluations as required by N.C.G.S. Chapter 105, Subchapter II, Article 21;
 - (e) Listing, appraising, and assessing of property as provided in N.C.G.S., Chapter 105, Subchapter II, Article 22;
 - (f) Delivery of tax receipts to the tax collector pursuant to N.C.G.S. 105-352; and
 - (g) Execution of settlements as required in N.C.G.S. 105-373.
- (4) Collections and Deposits:
- (a) City taxes collected by the County, including any statutory interest or penalties, shall be wire transferred from the County's bank to the City's bank account daily by 11:00 a.m. On recognized holidays for the bank, the City, or the County, bank transfers shall be made on the last business day preceding the holiday.
 - (b) The City shall refer its taxpayers to one of three (3) collection points or methods:
 - 1) the Gaston County Tax Office;
 - 2) mail to the Gaston County Tax Office; or
 - 3) mail to the County's designated bank for lockbox processing.
- (5) Partial Payments: Partial payments on tax bills containing the County and City tax amounts shall be prorated and applied proportionally to each taxing unit's share of the principal amount due.
- (6) Discounts: The County shall have no authority to apply discounts to City taxes collected unless a schedule of discounts has been adopted by the City pursuant to N.C.G.S. 105-360.
- (7) Acceptance of Checks (Endorsements): The City shall authorize the acceptance of checks by the County which are drawn to the order of the City and are collected through the County tax office or lockbox, which are clearly identified as being for payment of property taxes.

B. Term of Agreement

- (1) Initial Term and Renewal: The term of this fiscal agreement begins July 1, 2025, and will terminate on June 30, 2027; thereafter, this contract may renew automatically on an annual basis, subject to amendment or termination as set forth herein.
- (2) Tax Rate Notification: The City will forward written notification of its tax rate to the County Tax Collector by June 20th of each year.
- (3) Termination: The City may terminate this agreement provided 180 days' written notice is provided to the County.

C. Compensation

- (1) Fees for Collection: The City will be charged a fee as calculated by the County of .95%, and this fee will be reassessed following the county-wide revaluation(s).
- (2) Definition of "tax bill": For purposes of the fee to be paid pursuant to Section C(1) of this Agreement, "tax bill" shall mean those bills, for ad valorem property subject to taxation pursuant to N.C.G.S. 105-274 and required to be listed and appraised by N.C.G.S. 105-285, as shown on the County's Tax Roll by Revenue Unit Report for each fiscal year. Each fiscal year's Tax Roll by Revenue Unit Report shall have a count of bills for the categories of: (a) Real Property Only; (b) Personal Property Only; and (c) Real and Personal Property Combined.
- (3) Adjusted Tax Bills: No additional fee or fees shall be owed by City to County in any fiscal year where the tax for a previously billed ad valorem property is subsequently adjusted. If an ad valorem property has not been previously billed in any fiscal year and is later discovered and assessed pursuant to N.C.G.S. 105-312, the County may invoice City a collection fee for the newly generated tax bill.
- (4) County shall invoice City in November of each year based on the beginning total levy amount of real property, personal property, and public service company properties for the 2025 tax year and each subsequent year.

CI. Reports and Records

- (1) The County shall provide to the City weekly reports of revenues collected and transferred to the City's bank account within three business days of such transfer.
- (2) Other Reports: The County shall provide the City with monthly reports and reasonable special reports of assessed valuations, discoveries, releases, levies, and collections in a form mutually agreed upon by the City and the County.
- (3) Budget Estimation: By March 1 of each year, the County will provide an estimate of valuation for the upcoming fiscal year, along with an estimate of the proposed fee, as described herein.
- (4) Annual Settlement: The County tax collector will submit to the City Council an annual settlement of any revenues collected as required by in N.C.G.S. 105-373(a)(3).
- (5) Computer Access: The City shall have the right to on-line computer access in a form mutually agreed upon by the City and the County.
- (6) Records and Maps: The City shall have full access to maps, abstracts, bills, receipts, and other records or documents generated by the tax office which are related to City taxes. The City shall have the right to copies, at no cost, of maps, aerial photographs, and other public records generated in connection with tax office operations.

- (7) Separate Collection Records: Records showing separately the amount of County taxes assessed and collected and the amount of City taxes assessed and collected shall be maintained by the County tax collector.

E. Adjustments to Tax Accounts (Releases, Refunds, & Discoveries)

- (1) Releases: The City authorizes the Gaston County Board of Commissioners, the Board of Equalization and Review, the tax supervisor, and the tax collector to make any adjustments to City tax accounts in accordance with N.C.G.S. 105-312, 380, and 381.
- (2) Refunds: Any refunds due on accounts for which the City has already received funds will be initiated through the County tax office with all necessary documentation being forwarded to the City for processing.
- (3) Releases or Adjustments of Penalties/Interest: The City reserves the right to accept or reject the County's decision on appeals from taxpayers regarding the release of interest or penalties. If the City rejects the decision of the County, a hearing for the taxpayer before the City Council will be scheduled within thirty (30) days to make a final determination on the status of interest and penalties on the City tax account.

F. Collection of Delinquent City Taxes

- (1) Collection Assistance: In an effort to maintain a high collection percentage on City property taxes, the City will, to the extent possible, assist in the collection of delinquent accounts by fully utilizing any available information and maintaining clear communications with the County.
- (2) Advertising: Advertising pursuant to N.C.G.S. 105-369 will be the sole responsibility of the County tax office. Any fees collected to offset advertising costs will be retained by the County.

G. Foreclosures

- (1) Foreclosure Action: If a delinquent bill is due both the County and the City, the County legal department may, at the direction of its governing body, bring actions for foreclosure of both tax liens on delinquent taxes. It shall be the City's duty to pursue foreclosure of taxes owed only to the City.

- (2) Proceeds from Foreclosures: Penalties and interest collected, proceeds recovered from tax foreclosure sales, and discounts, settlements, or compromises allowed shall be apportioned between the County and the City pro rata in proportion to each taxing unit's share of the principal amount which was the basis of said collections, recoveries, or allowances.

H. Bonds and Audits

- (1) Bonds. The Gaston County Tax Collector shall be bonded to collect taxes, as established under the terms herein.
- (2) Annual Audits: The tax records shall be audited annually by an independent certified public accountant selected by the County. Adequate procedures and internal controls will be employed to insure that an audit trail is present and that necessary auditing procedures and tests can be performed. A copy of the County's financial statements will be provided to the City once the annual audit is complete to satisfy City audit requirements of tax revenue. The City may, at its own expense, arrange for auditing of records relating to City taxes.

I. Gross Receipts Tax Pursuant to N.C.G.S. 160A-215.1

In the event that the City has adopted an ordinance to levy a gross receipts tax on vehicle rentals or leases which is substantially similar to the ordinance adopted by Gaston County, the County will collect and distribute the proceeds of the tax on behalf of the City.

J. Indemnification

To the extent permitted by North Carolina law, the City, during the term of this Agreement, shall indemnify and save harmless the County from and against all claims, demands, and/or causes of action arising out of the Agreement, including but not limited to, errors in collection due to incorrect information provided to the County by the City. Likewise, to the extent permitted by North Carolina law, the County during the term of this Agreement, shall indemnify and save harmless the City from and against all claims, demands, and/or causes of action arising out of the Agreement, including but not limited to, errors in collection due to incorrect information provided to the City by the County.

K. Amendments

This Agreement may be amended only by an instrument in writing executed by both parties hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their duly authorized representatives and their seals to be hereto affixed.

CITY OR TOWN

By: _____
City Manager

Date: _____

ATTEST:

APPROVED AS TO FORM:

(Deputy) City Clerk

City Attorney

GASTON COUNTY

By: _____
County Manager/Asst. County Manager

Date: _____

ATTEST:

APPROVED AS TO FORM:

Clerk/Deputy Clerk to the Board

County Attorney/Deputy County Attorney

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that he/she is the Clerk/Deputy Clerk of the **City of Belmont** and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed its name by its City Manager, sealed with its corporate seal and attested by him/her as its City Clerk/Deputy Clerk.

WITNESS my hand and Notarial Seal, this the ____ day of _____, 2025.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that she is the Clerk/Deputy Clerk of the **Gaston County Board of Commissioners**, and that by authority duly given and as the act of the Gaston County Board of Commissioners, the foregoing instrument was signed in its name by _____, County Manager/Assistant County Manager, sealed with its corporate seal and attested by _____ as its Clerk/Deputy Clerk.

WITNESS my hand and Notarial Seal this the ____ day of _____, 2025.

Notary Public

My Commission Expires: