

**CONTRACT**  
**CITY OF SOUTGATE/SOUTHGATE INDEPENDENT SCHOOL DISTRICT**

WHEREAS, the City of Southgate, Campbell County, Kentucky, a municipal corporation of the fourth class, hereinafter referred to as "City" and the Southgate Independent School District of Southgate, Campbell County, Kentucky, hereinafter referred to as "District" are desirous of entering into an agreement in regard to the collection of ad valorem taxes for the District by the City; and,

WHEREAS, said collection of taxes involves substantial sums of money and the transfer of same; and,

WHEREAS, the parties desire to memorialize their understanding between each other in regard to said sums of money;

NOW, THEREFORE, it is hereby agreed between the City and the District as follows:

1. It shall be the responsibility of the City to mail ad valorem tax bills for the District to all property owners located within the boundaries of the District that lie within the boundaries of the City.
2. The City shall receive the assessment amounts from the Campbell County Property Valuation Administrator and apply the applicable rate of ad valorem tax to the assessed value. The final assessment amount received from the Property Valuation Administrator should be no later than October 1st of each calendar year. Properly upon receipt of said assessed amount as soon as reasonably possible, the City shall prepare and mail the tax bills via First Class Mail with the United States Postal Service.
3. The tax bills shall be paid at the time and place as noted in the bills and as reasonably set by the Southgate City Council.
4. It is the responsibility of the District to verify assessments with the Property Valuation Administrator prior to October 1st of each calendar year. The District shall then notify the City by a letter of the acceptance of said assessments and shall include in the letter the tax rate as established by the District. This letter shall be final and conclusive evidence as to the assessments and tax rate of all property within the boundaries of the District.
5. As tax receipts are received by the City, they shall be forwarded at least weekly by the City to the District. The City shall notify the District either in writing or by e-mail of the amount of taxes received. It shall be the District's responsibility to receive said tax amounts at the Southgate City Building, 122 Electric Avenue, Southgate, Campbell County, Kentucky. However, prior to receipt of the gross amount of said taxes, the District shall remit to the City the sum of two percent (2%) of said gross amount as payment for City services

rendered under this Agreement. Said two percent (2%) payment shall be made at the same time the District receives any installment of taxes.

6. As a general principal, partial payments of taxes are not to be accepted by the City. However, in certain limited circumstances, partial payments may be necessary and, if so, said determination shall be made by the City. Any partial payment of taxes received by the City shall be shared pro rata with the District. Any individuals, person(s), firm(s) or corporation(s) or other entity) who are delinquent in payment of their taxes shall have that individual(s) name and amount of delinquency forwarded to the District. The City shall continue prudent efforts to collect ad valorem school tax delinquencies and City tax delinquencies for a period of two years, after which the City will assume no further responsibility for collection of same. However, during the two year period, if any collection efforts are made by the City in regard to delinquent ad valorem taxes, said efforts shall include the delinquent taxes of the District.
7. Delinquencies are to be assessed a penalty of ten percent (10%) per annum and interest at the rate of one percent (1%) per month monthly. Said amounts are to be compounded annually.
8. In the event any refunds are to be made by either party, such party shall bear payment of said refund amount to the extent that they have received the ad valorem taxes. Each party agrees to hold the other absolutely harmless in regard to any refunds required and each party shall be responsible in total for any refunds due to that party's mistakes or interpretations of assessments or rates but in no event shall either party be required to make payment(s) of money which the party has not received pursuant to this Agreement. In no event shall the City be responsible to refund the ad valorem school taxes to anyone.
9. This Agreement shall be effective on the date signed and shall remain in full force and effect for a period of one (1) year and will automatically renew every year on July 1 unless prior to that date either party serves written notice upon the other party terminating this Agreement. Any intent to withdraw from this Agreement shall require a thirty (30) day notice, but in no event shall said intent to withdraw be effective between October 1st and January 31st of the following year.
10. If any clause, phrase, provision or portion of this Agreement or the application of same to any person or circumstance shall be invalid or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this Agreement, nor any other clause, phrase, provision or portion of this Agreement, nor shall it affect the application of any clause, phrase, provision or portion of this Agreement to other persons or circumstances.
11. This Agreement sets forth all the covenants, promises, assurances, agreements,

representations, conditions, warranties, statements and understandings (the "Understanding" collectively) between the Parties and there is no Understanding either oral or written, between them other than provided in this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names to this Contract on this 19<sup>th</sup> day of December, 2006.

CITY OF SOUTHGATE, KENTUCKY

By: 

CHARLES MELVILLE, Mayor

SOUTHGATE INDEPENDENT SCHOOL DISTRICT

By: 

Its: \_\_\_\_\_