

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF SOUTHGATE, KENTUCKY AND THE
SOUTHGATE INDEPENDENT PUBLIC SCHOOL DISTRICT FOR THE COORDINATION
AND COLLECTION OF SCHOOL TAXES BY THE CITY**

(Revised Edition, June 15, 2015)

This agreement is by and between the City of Southgate, in Campbell County, Kentucky, (hereinafter referred to as "City"), and the Southgate Independent Public School District, in Campbell County, Kentucky (hereinafter referred to as "School District"):

WITNESSETH

WHEREAS, the School District has established, required, levied, assessed and imposed by resolution or other official act various license fees and taxes on real estate pursuant to the authority of KRS 160.470, KRS 160.593, and KRS 160.613, hereinafter identified and referred to collectively as "school taxes," AND

WHEREAS, the City and School District recognize that it would be more efficient and economical for the collection of those fees and taxes to be conducted by the City on behalf of the School District; AND

WHEREAS, the Participating City and School District are in agreement for the City to continue with the administration, and collection of those fees and taxes on behalf of the School District through this Interlocal Agreement, without any separate legal or administrative agency;

NOW, THEREFORE, pursuant to the authority of KRS 65.210 through KRS 65.300 and the mutual and reciprocal covenants herein, the City and each of the School District hereby agree as follows:

SECTION 1.0 – PURPOSE

The purpose of this Interlocal Agreement is to continue with the consolidation of the administration, collection and enforcement of the School District's taxes, including, but not limited to, the ad valorem tax, and any other valid tax, or license fee levied by the School District. School District taxes shall be listed as a separate line item on the tax bills issued by the City each year.

SECTION 2.0 – EFFECTIVE DATE

This Interlocal Agreement shall become effective simultaneously with the full and complete compliance with all of the requirements of KRS 65.260.

SECTION 3.0 DURATION

This Interlocal Agreement shall continue in effect until the termination of it according to the terms and provisions in it, or by the operation of law.

SECTION 4.0 – TERMINATION OF PREVIOUS COLLECTION AGREEMENTS

When this Interlocal Agreement becomes effective pursuant to the provision of Section 2.0, any and all previous agreements of the City and School District, individually or otherwise, shall then cease and terminate and become ineffective for any purpose other than the payment by the City of those sums to the School District collected by the City under a previous agreement and have not yet paid.

SECTION 5.0 – SCHOOL DISTRICT RESPONSIBILITIES

The School District's responsibilities shall be as follows:

SECTION 5.1 – Designation of the City as Agent

The School District hereby appoints and designates the City as the School District's agent for the limited purpose of the administration, enforcement, and collection of all of the respective School District taxes and license fees.

SECTION 5.2 – Assessment Verification

It is the responsibility of the School District to verify the accuracy of the assessments with the County Property Valuation Administrator prior to October 1st of each calendar year. The School District shall then notify the City by a letter of the acceptance of the assessments and shall include in that letter the tax rate(s) as established by the District for that year. This letter shall be final and conclusive evidence as to the School District's assessments and tax rates of all properties within the boundaries of the Southgate Independent Public School District.

SECTION 5.3 – Compensation

As compensation for the services of the City, pursuant to the provisions of this agreement, the School District shall pay a collection fee consisting of two (2) percent of the taxes and license fees collected by the City for the School District. The fee collected shall be paid monthly, through a deduction of the fee by the City from the monthly payments of the City to the School District as required by the provisions of this Agreement.

SECTION 5.4 – Indemnification

The School District shall indemnify and hold the City harmless from any and all liabilities and the cost of defending any and all actions at law or in equity including, without limitation, reasonable court costs and attorneys' fees which are in any way related to the administration, collection, and enforcement of School District taxes and/or license fees that

is related in any way to the School District's assessments and/or levying of taxes, and/or decision or actions of any School District employee or agent.

SECTION 6.0 – CITY RESPONSIBILITIES

The City shall and hereby agrees to provide and engage in all of the following services, for and on behalf of the School District, along with all of the space, equipment, supplies, personnel, time and labor necessary for those services.

SECTION 6.1 – Administration

It shall be the responsibility of the City to mail the tax bills for the School District to all property owners located within the boundaries of the Southgate Independent Public School District and which lie within the boundaries of the City of Southgate.

The City shall receive the assessment amounts from the School District and apply the applicable rates, as communicated by the School District to the City, to the tax bills issued by the City. The final assessment amount(s) must be received from the School District no later than October 1st of each calendar year. Upon receipt of the assessed amounts, the City shall prepare and mail the City tax bills, with line items dedicated to the School tax assessments, to each property owner and/or resident via First Class Mail with the United States Post Office.

All taxes shall be paid at the time and place as noted in the tax bills and as reasonably set by the Southgate City Council.

SECTION 6.2 – Collection

As tax receipts are received by the City, they shall be forwarded at least monthly by the City to the School District. The City shall notify the School District in writing of the

gross amount of School taxes received, and the amount deducted by the City for payment of the collection costs.

SECTION 6.3 – Partial Payment Provisions

As a general principal, the City will not accept partial payments of taxes from residents. However, in certain limited circumstances, partial payments or payment plans 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 School District. Any individuals, persons, firms or corporations or other entity who are delinquent in payment of their taxes shall have that individual's name and amount of delinquency forwarded to the School District. The City shall continue prudent efforts to collect ad valorem school tax delinquencies and City tax delinquencies, but shall not warrant or guarantee the success of any such collections. If any collection efforts are made on the part of the City for delinquent City taxes for any given year, then said efforts shall include delinquencies of School District taxes for the identified property.

SECTION 6.4 - Delinquencies

School District taxes which become delinquent shall be assessed a penalty of ten percent (10%) per annum and interest at the rate of one percent (1%) per month. Said amounts are to be compounded annually.

SECTION 6.5 – Enforcement

The City reserves the right to pursue collection of delinquent taxes through any and all civil and criminal statutes, ordinances, and other rules and regulations.

SECTION 6.6 – Indemnification

The City shall and hereby agrees to indemnify and hold the School District harmless from any and all liabilities and the costs of defending any and all actions at law or in equity including, without limitation, reasonable court costs and attorneys' fees which are in any way related to any act, omission, or decision of the City, or any agent or employee thereof that is in any way related to this agreement.

SECTION 7.0 – TERMINATION OF PARTICIPATION

SECTION 7.1- Termination by Either Party

The School District or the City may terminate its participation in this Interlocal Agreement by causing a certified copy of an enacted ordinance or resolution for that termination to be mailed by certified mail, return receipt requested, to the other party at least one hundred eighty (180) calendar days before the effective date thereof.

SECTION 7.2 – Availability of Records

Section 7.2.1 – Upon the termination of this Interlocal Agreement the City shall, within ten (10) days from the date of termination, return to the School District in an electronic format, any and all of the records and accounts of the School District.

Section 7.2.2 – Upon the termination of their participation in this Interlocal Agreement the City shall, within thirty (30) days after the effective date thereof, pay to the School District all sums due and unpaid for taxes previously assessed, but not yet collected, and shall deduct from that amount the collection fee of 2% owed to the City.

SECTION 8.0 – STANDARD CONTRACT PROVISIONS

SECTION 8.1 – Governing Law

This Interlocal Agreement shall be interpreted, construed, and enforced according to the laws of the Commonwealth of Kentucky.

SECTION 8.2 – Assignment

This Interlocal Agreement may not be assigned by either the City or the School District without the written consent of the other party.

SECTION 8.3 – Amendment

This Interlocal Agreement may not be amended by any means other than a written agreement signed by the City and the School District.

SECTION 8.4 – Entire Agreement

This Interlocal Agreement constitutes the entire agreement and understanding between the City and the School District in regard to the subject matter thereof; and it supersedes all prior negotiations, representations, understandings and agreements between any of them, written or oral, all of which are no longer effective.

SECTION 8.5 – Captions and Headings

The captions and headings of the sections and subsections of this Interlocal Agreement have been inserted for convenience of reference only and shall in no way affect the interpretation of any of the terms and provisions of this Interlocal Agreement.

SECTION 8.6 – Execution and Counterparts

This Interlocal Agreement may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

SECTION 8.7 – Third Party Beneficiaries Excluded

This Interlocal Agreement is only for the benefit of the City and School District and the enforcement of it is limited to them. No provision of this Agreement shall be interpreted or construed to provide any benefit or right to any other person or entity directly, indirectly, or otherwise.

SECTION 8.8 – Force Majeure

Neither the City nor the School District shall have any responsibility or liability pursuant to the provisions of this Interlocal Agreement for delay or default caused by war, riot, fire, acts of God or other causes beyond their reasonable control; but upon the cessation of such cause, each of them shall diligently pursue the performance of those provisions delayed or precluded by such cause.

SECTION 8.9 – Ambiguities

The City and the School District each acknowledge that they have been represented by separate counsel in the negotiation of this Interlocal Agreement, to such an extent that there is precluded thereby any and all rules of interpretation and construction of the provisions of this Interlocal Agreement to the effect that any ambiguities therein shall be interpreted against the one who prepared or drafted that provision.

SECTION 8.10 – Waiver

No consent to or waiver by either the City or School District of any breach or default of any provision of this Interlocal Agreement by any of the others, whether express or implied, shall constitute or be interpreted as a consent to, waiver of or excuse for any other subsequent breach or default of the same or any other provision of this Interlocal Agreement.

SECTION 8.11 – Severability

In the event that any one or more of the provisions of this Interlocal Agreement, or any part of a provision, shall be judicially determined to be contrary to law or otherwise invalid or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Interlocal Agreement; and such provision or part of a provision shall be reformed so that it would be legal, valid, and enforceable or this Interlocal Agreement shall be reformed, interpreted and construed as if such provision or part of a provision had never been included in this Interlocal Agreement.

IN WITNESS THEREOF, this agreement has been signed by the executive authorities of the City of Southgate and the Southgate Independent Public School District pursuant to the authority of the respective resolutions of the legislative bodies thereof.

CITY OF SOUTHGATE

By: _____

Title: _____

Date: _____

**SOUTHGATE INDEPENDENT PUBLIC
SCHOOL DISTRICT**

By: _____

Title: _____

Date: _____