

16. LEGAL SERVICES AGREEMENT DELINQUENT TAXES

At Mr. Britt's request, please find a proposed legal services agreement for delinquent tax collection attached for your consideration. As a Constitutional Officer, he has the authority to enter into the agreement without your approval, but wanted to keep you apprised of his plans and obtain your support.

He is considering contracting with Taxing Authority Consulting Services (TACS) for delinquent tax collection and sale services. The agreement provides that TACS is entitled to a fee of 20% of what it collects prior to filing suit, 25% of what it collects after filing suit, and 25% or the maximum statutory fee for all accounts collected after property is sold.

Please note that the Southampton County Code provides:

Sec. 15-78.1. - Payment of administrative costs and fees, etc.

(a) There is hereby imposed on delinquent taxpayers a fee to cover administrative costs which shall be in addition to all penalties and interest, and shall not exceed thirty dollars (\$30.00) for taxes or other charges collected subsequent to thirty (30) or more days after notice of delinquent taxes or charges but prior to the taking of any judgment with respect to such delinquent taxes or charges, and thirty-five dollars (\$35.00) for taxes or other charges collected subsequent to judgment.

(b) There is also imposed on delinquent tax payers reasonable attorney's or collection agency's fees actually contracted for, not to exceed twenty (20) percent of the taxes or other charges so collected.

CONSENSUS REQUESTED: While the Board is not party to the contract, Mr. Britt is seeking your support.

LEGAL SERVICES AGREEMENT

Delinquent Real Estate Tax Collection

THIS AGREEMENT is made and entered into by and between TAXING AUTHORITY CONSULTING SERVICES, PC (hereinafter "TACS"), and SOUTHAMPTON COUNTY, by and through its Treasurer (hereinafter "TREASURER"), together the parties.

TACS shall furnish Legal Services as set forth in the attached Statement of Work.

1. The terms of this Agreement and the attached Statement of Work shall constitute the complete and exclusive statement of understanding between the parties relating to the subject matter of this Agreement.
2. TACS shall provide legal services to TREASURER with regard to the collection and sale of delinquent real estate. The legal services fees for this work have been negotiated as follows:
 - a. A fee of 20% of the assigned account balances it collects prior to filing suit; or
 - b. A fee of 25% of the assigned account balances it collects subsequent to filing suit; or
 - c. If appointed as Special Commissioner of Sale, the fee shall be the greater of 25% of all amounts due or the statutory fee allowed the Commissioner of Sale pursuant to Code of Virginia §8.01-109.
 - d. TACS shall not be paid for collection through the state set off debt program.
 - e. It is agreed that TACS shall receive payment any unreimbursed costs incurred resulting from the sale as set forth below.
3. TREASURER understands that certain costs will be incurred in the process of conducting judicial sales of properties subject to delinquent real estate taxes. Anticipated costs include, but are not limited to, title research, appraisals, surveys, court costs or service fees, publication costs and guardian ad litem fees that are ultimately the responsibility of the TREASURER to pay. Such costs shall be accounted for and paid to TREASURER first prior to any proration of recovered funds. TREASURER acknowledges that TACS may elect to perform services required in the collection of delinquent real estate taxes, including, but not limited to title research, with its own employees and may be reasonably compensated for such services performed.
4. TREASURER acknowledges that TACS may occasionally engage the assistance of co-counsel in the representation of accounts assigned hereunder. In such case, TACS remains the supervisory attorney involved in the management of matters for TREASURER. Any fees that such co-counsel may charge TACS may be included as a cost to be reimbursed from the proceeds of sale for such particular matters as the co-counsel is involved. In the event that proceeds from the sale are insufficient to cover such costs, TACS will be the responsible party for paying the cost of any co-counsel engaged hereunder subject to reimbursement under subsection 2e above.
5. Both Parties shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

6. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

7. TREASURER acknowledges that TACS represents other governmental entities and hereby consents to such representation of other governmental entities that may also be seeking payment from the same debtor. In the event that TACS recovers payment from a debtor indebted to 2 or more client entities, such payment will be divided pro rata between or among the client entities unless otherwise dictated by the debtor.

8. The parties acknowledge that other collection services may be desired and agree that such services may be added to this agreement when such services are defined. Such new work, prior to being initiated, shall be specified in writing as mutually agreed to between the Parties.

9. This agreement shall remain in full force and effect until canceled or revoked by either party, upon 30 days written notice.

IN WITNESS WHEREOF, both Parties have caused this Agreement to be signed by their duly authorized representatives on the day and year first set forth herein above.

TACS, PC

SOUTHAMPTON COUNTY

Signature:

Date

Signature:

Date

STATEMENT OF WORK

1. This Statement of Work describes the respective roles and responsibilities of TREASURER and TACS in performing the requested work.

TREASURER hereby assigns to TACS for collection accounts aged one (1) year or more from the due date of said account. TACS shall have full authority to perform all acts necessary to effect the collection of the accounts (the "Legal Services"), and is authorized to receive payments made on the accounts and to endorse TREASURER'S name on any checks or other negotiable instruments that may be received in payment on the accounts; to arrange for payments under such terms as TACS deems appropriate for any account; to commence a lawsuit on behalf of TREASURER and to use all other necessary legal proceedings for the recovery of the accounts; and/or place information regarding the accounts with one or more credit bureaus.

TREASURER acknowledges that the Collection Services will be performed by TACS as its attorney and that such work constitutes an attorney-client relationship.

2. TREASURER RESPONSIBILITIES

- 2.1. Upon assignment of the accounts to TACS, TREASURER will provide TACS with information reasonably necessary for TACS to perform the Legal Services. TREASURER represents and warrants to TACS that (a) the account information provided TACS and the account balances are accurate and complete; (b) TREASURER has not received notification that any of the account debtors are in bankruptcy and will immediately notify TACS if it receives notification of a bankruptcy filing by any of the account debtors; (c) all add-on charges such as interest, late fees and collection fees are just and owing and authorized by applicable law, by contract or both; (d) any previous collection agency engaged for the collection of the accounts has been instructed to cease and desist contact with the account debtor; and (e) upon notification by TACS of a dispute or request for verification of information with respect to any account, TREASURER will promptly furnish TACS such information.
- 2.2. TREASURER shall promptly notify TACS of any adjustments or corrections made to the amount due.
- 2.3. TREASURER shall report payments made by debtors directly to TREASURER on a timely basis that the TREASURER deposits in its bank. These payments will show on a remittance statement as payments made directly to the TREASURER and the TACS fee will be charged, or will be reported as otherwise agreed. The TREASURER may also choose to forward any payments received from the debtor to TACS for deposit and posting.

3. TACS RESPONSIBILITIES

- 3.1. TACS shall use any and all legal means available to locate and engage debtors to pay the entire amount of their outstanding accounts owed to the TREASURER.
- 3.2. TACS may not settle any account for less than the full amount owed, unless otherwise directed in writing, by the TREASURER.
- 3.3. TACS shall accept electronic account referrals from the TREASURER and referrals that require manual input into the TACS collection system. Accounts sent electronically will be in a mutually acceptable format by tape, diskette or via e-mail. TACS shall insure that its collection system for processing accounts and its reports are compatible with the TREASURER'S method of account referral and necessary accounting.

4. REPORTING/OTHER REQUIREMENTS

- 4.1 TACS will prepare a regular Remittance Report listing the account name, account number, credits to the accounts (for accounts involving litigation, recovered costs), total amount collected, and TACS fees associated with the collections.
- 4.2 TACS will prepare other such reports as may be reasonably requested by the TREASURER.