

Interlocal Agreement for Assessment Services

INTERLOCAL AGREEMENT FOR THE PROVISION OF REAL AND PERSONAL PROPERTY ASSESSMENT ADMINISTRATION SERVICES

This Agreement is made and entered into this ____ day of _____, 20__, by and between the **CITY OF ROCHESTER HILLS**, a Michigan municipal corporation, whose address is 1000 Rochester Hills Drive, Rochester Hills, MI 48309, and the **CITY OF ROCHESTER**, a Michigan municipal corporation, whose address is 400 Sixth Street, Rochester, MI 48307.

RECITALS

A. **Legal Authority:** The city of Rochester is required by the Michigan General Property Tax Act, MCL 211.1 et seq., to annually discover, list, and value for assessment purposes all real and personal property subject to taxation within its jurisdictional boundaries.

B. **Rochester Hills Capability:** The city of Rochester Hills maintains a fully staffed and certified Assessing Department with the requisite expertise, personnel, and technological infrastructure to perform professional assessment administration services in full compliance with State law.

C. **Rochester's Need:** The city of Rochester desires to contract for professional assessment administration services to fulfill its statutory duties, representing a strategic decision to partner with a neighboring municipality following a period of service provision by Oakland County.

D. **Mutual Agreement:** The city of Rochester Hills has determined it has the capacity to provide such services and has agreed to do so for the city of Rochester in accordance with the terms and conditions set forth herein.

E. **Statutory Basis for Agreement:** This Agreement is entered into pursuant to the authority granted by the Urban Cooperation Act of 1967, MCL 124.501 et seq., which authorizes public agencies to enter into interlocal agreements for the joint exercise of powers they commonly possess.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements contained herein, the Parties agree as follows:

Section 1: Definitions

For the purposes of this Agreement, the following terms shall have the meanings ascribed to them below:

1.1 "Agreement": Shall mean this Interlocal Agreement for the Provision of Real and Personal Property Assessment Administration Services, including all sections and attachments hereto.

1.2 "Assessor": Shall mean the Michigan Master Assessing Officer (MMAO) certified individual, employed by the city of Rochester Hills, who is designated to be responsible for preparing and certifying the city of Rochester's assessment roll in accordance with this Agreement and MCL 211.10d.

1.3 "The city of Rochester Hills Agent(s)": Shall mean all of the city of Rochester Hills elected and appointed officials, directors, officers, employees (including the Assessor and all assessing staff), departments, volunteers, and representatives acting within the scope of their duties.

1.4 "The city of Rochester's Agent(s)": Shall mean all of the city of Rochester's elected and appointed officials, directors, officers, employees, departments, volunteers, and representatives acting within the scope of their duties.

1.5 "The city of Rochester's Taxpayer": Shall mean any individual, person, or legal entity owning property within the city of Rochester and liable for property taxes assessed by the city of Rochester.

1.6 "Assessment Services": Shall mean the comprehensive Real and Personal Property Assessment Administration Services as more fully described in Section 3 of this Agreement.

1.7 "State": Shall mean the State of Michigan and its various departments and agencies, including but not limited to the State Tax Commission ("STC"), the Michigan Department of Treasury, and the Michigan Tax Tribunal ("MTT").

Section 2: Purpose of Agreement

The purpose of this Agreement is for the city of Rochester Hills to furnish the professional Assessment Services necessary for the city of Rochester to fulfill its official statutory functions and legal responsibilities pertaining to property tax appraisal and assessment under the General Property Tax Act and other applicable laws of the State.

Section 3: Scope of Assessment Services

The city of Rochester Hills, through its Assessor and designated assessing staff, shall perform the following Assessment Services for and on behalf of the city of Rochester:

3.1 Annual Assessment: Perform the annual assessment of all taxable real and personal property located within the city of Rochester's boundaries as of the statutory

Tax Day (December 31) in accordance with the General Property Tax Act and the standards promulgated by the STC.

3.2 Property Inspection and Valuation: Inspect, measure, list, and value all new construction, additions, alterations, demolitions, and fire damage. Conduct a regular and systematic canvass for taxable personal property and process all personal property statements as required or permitted by law.

3.3 Data Management: Enter and maintain all property characteristic and valuation data in the city of Rochester's Computer Assisted Mass Appraisal (CAMA) software system. Uncap taxable values upon the transfer of ownership as required by Proposal A and implementing statutes. The city of Rochester shall provide the city of Rochester Hills with remote access to city of Rochester's CAMA software system.

3.4 Sales and Market Analysis: Collect, verify, and analyze sales data to generate accurate land value studies and Economic Condition Factors (ECFs) for the city of Rochester's various market neighborhoods and property classes.

3.5 Exemption Processing: Receive, process, review, and audit all applications for statutory exemptions, including but not limited to Principal Residence Exemptions (PRE), poverty exemptions, disabled veteran exemptions, and exemptions for charitable or religious organizations.

3.6 Assessment Roll Preparation: Prepare and maintain the ad valorem assessment roll, any special act-related assessment rolls (e.g., Industrial Facilities Tax), and ensure the ongoing accuracy of property classifications and legal descriptions.

3.7 Assessment Notices and Personal Property Statements and Forms: Prepare and cause to be mailed the annual Notice of Assessment, Taxable Valuation, and Property Classification to all the city of Rochester's Taxpayers as required by MCL 211.24c.

Prepare and cause to be mailed the annual Personal Property Statements and Forms to all appropriate Rochester Taxpayers.

The city of Rochester shall be responsible for all printing and delivery costs (e.g. first-class mail postage, certified mail, or third party delivery) for any and all real and personal property letters, assessment change notices, statements and/or forms, etc.

3.8 Certification of Roll: The Assessor shall certify the assessment roll for the city of Rochester in accordance with all requirements of MCL 211.1 et seq. and STC guidelines.

3.9 Board of Review Secretary: The Assessor shall serve as the non-voting Secretary to the city of Rochester's Board of Review. In this capacity, the Assessor shall attend all required meetings of the March, July, and December Boards of Review; present the certified assessment roll to the Board; and defend assessments under appeal before the Board.

3.10 Public Inquiries: Respond in a timely and professional manner to public inquiries from Rochester Taxpayers regarding assessment records, valuation methodologies, and appeal rights.

3.11 Parcel Maintenance: The city of Rochester Hills will review the city of Rochester-approved property splits and combinations prior to creating new parcel identification numbers (PINs) and legal descriptions accordingly.

3.12 Calculation of Estimations: The city of Rochester Hills will assist the city of Rochester in its own internal estimations of cost for commercial and/or industrial real property for special act project cost benefit analysis; provided that the necessary construction cost detail, and any other application related information, is made available. Rochester Hills will not prepare estimates for speculative commercial, industrial or residential developments that are requested by private individuals, developers, or other private parties.

Section 4: Michigan Tax Tribunal (MTT) Proceedings

The Parties agree to the following protocol for handling all property tax assessment appeals filed with the MTT:

4.1 Full Tribunal Proceedings: For any appeal filed in the MTT's Full Tribunal (Entire Tribunal), the city of Rochester shall be solely responsible for retaining and compensating its own legal counsel and any necessary expert witnesses or fee appraisers. The city of Rochester's attorney will file its answer to each petition filed with the Entire Tribunal and will be responsible for all legal filings, including discovery, with the Tribunal. The city of Rochester Hills Assessor and staff shall cooperate fully with the city of Rochester's designated legal counsel, provide all necessary data, analysis, and documentation, and provide testimony as an expert or fact witness as required. The city of Rochester Hills shall not be responsible for providing legal representation or paying litigation costs for Full Tribunal matters. The city of Rochester's attorney will collaborate with the city of Rochester Hills' Assessor to reach a mutual agreement regarding settlement.

4.2 Small Claims Division:

4.2.1 Standard Cases: For non-complex residential and commercial property appeals filed in the MTT's Small Claims Division, the city of Rochester Hills Assessor or designated staff shall prepare the valuation disclosure, represent the city of Rochester at the hearing, and provide all necessary evidence and testimony. This service is included within the scope of this Agreement.

4.2.2 Complex Cases: If a Small Claims case is determined by mutual agreement of the Parties to involve significant or novel legal issues, complex valuation problems, or potential precedent-setting outcomes, the Parties may agree that the city of Rochester's

attorney shall handle the case directly, with all associated costs borne by the city of Rochester.

4.3 Higher Court Appeals: The city of Rochester shall be solely responsible for all costs, including attorney fees and expert witness fees, for any appeals of MTT decisions to the Michigan Court of Appeals or the Michigan Supreme Court.

4.4 Defense, Stipulation and Case Settlements: The city of Rochester Hills Assessor will respectfully defend and/or negotiate all cases brought against the city of Rochester. The city of Rochester Hills Assessor will be responsible for the final stipulation and settlement decisions.

Section 5: State Tax Commission (STC) Matters

The city of Rochester Hills Assessor shall assist the city of Rochester with all matters before the STC, including responding to STC inquiries, defending against STC-initiated assessment changes, and preparing and filing petitions related to the assessment of incorrectly reported or omitted property under MCL 211.154.

Section 6: Manner of Service Provision and Independent Contractor Status

6.1 Independent Contractor: In the performance of this Agreement, the city of Rochester Hills is, and shall be deemed to be, an independent contractor. Its Agents are not and shall not be deemed to be employees of the city of Rochester for any purpose, including but not limited to eligibility for pension benefits, health insurance, workers' compensation, or any other employment-related benefit.

6.2 Rochester Hills Control: The city of Rochester Hills shall have sole and exclusive authority and control over its Agents, including the right to hire, fire, discipline, supervise, train, assign duties, and set compensation. The city of Rochester shall not provide job instructions or attempt to control, supervise, or direct the manner or means by which the city of Rochester Hills Agents perform the Assessment Services.

6.3 Office Location: All Assessment Services shall be primarily conducted from the city of Rochester Hills offices located at 1000 Rochester Hills Drive, Rochester Hills, MI. The city of Rochester Hills Agents will not maintain regular or scheduled office hours at the city of Rochester's municipal offices.

6.4 Board of Review Meetings: The city of Rochester Hills will provide adequate, accessible, and appropriate meeting space for the conduct of all public hearings of the Board of Review. Reasonable accommodations will also be made for the public to come to make any assessing-related inquiries.

6.4 No Dual Employment: No Rochester Hills Agent performing services under this Agreement shall be simultaneously employed by, or contracted with, the city of Rochester in any other capacity during the term of this Agreement.

Section 7: Responsibilities of the city of Rochester

The city of Rochester acknowledges that its active cooperation is essential to the successful performance of this Agreement and hereby agrees to be responsible for the following:

7.1 Provision of Documents: Provide the city of Rochester Hills Assessor with timely and complete copies of all issued building permits, demolition permits, fire inspection reports, and any other municipal documents that affect property status, characteristics, or value.

7.2 Forwarding of Filings: Establish a reliable process to promptly forward all Property Transfer Affidavits, Principal Residence Exemption forms, personal property statements, and other assessment or tax-related documents received by any department of the city of Rochester to the city of Rochester Hills Assessor.

7.3 Owner Information: Maintain and provide the city of Rochester Hills Assessor with current property owner names and mailing addresses as maintained by the city of Rochester clerk, treasurer, or other relevant department.

7.4 Board of Review Members: Be solely responsible for the recruitment, appointment, and compensation of its citizens to serve on the city of Rochester's Board of Review in accordance with all applicable provisions of the General Property Tax Act.

7.5 Economic Development Information: Provide the city of Rochester Hills Assessor with copies of all ordinances, development plans, applications, and resolutions related to any Tax Increment Finance (TIF) districts, P.A. 198 Commercial Redevelopment districts, P.A. 210 Commercial Rehabilitation districts, Neighborhood Enterprise Zones (NEZ), or any other economic development or tax abatement programs operating within the city of Rochester.

7.6 Meeting Space:

The city of Rochester will provide adequate work space and access to printers, copiers, the internet, etc. for the city of Rochester Hills while working at the city of Rochester's offices.

7.7 FOIA: Be the designated authority responsible for receiving and responding to all Freedom of Information Act (FOIA), MCL 15.231 et seq., requests for public records pertaining to the city of Rochester's assessment data that are created and maintained by the city of Rochester Hills.

Section 8: Term and Compensation

8.1 Term: This Agreement shall be for an initial term of three (3) years and three (3) months, commencing on April 1, 2026, and ending on June 30, 2029.

8.2 Compensation: The city of Rochester shall compensate the city of Rochester Hills for the Assessment Services based on the per-parcel rates set forth in the table below. The parcel counts shall be verified and mutually agreed upon by the Parties prior to the execution of this Agreement.

Schedule of Fees and Payments

Fee Component	Per-Parcel Rate	Parcel Count (To Be Confirmed)	Three Month Fee
April 1, 2026 to June 30, 2026	\$26.00	5,968	\$38,792
Fee Component	Per-Parcel Rate	Parcel Count (To Be Confirmed)	Annual Fee
July 1, 2026 to June 30, 2027	\$26.00	5,968	\$155,168
July 1, 2027 to June 30, 2028	\$27.30	5,968	\$162,926
July 1, 2028 to June 30, 2029	\$28.67	5,968	\$171,103
Total Compensation			\$527,989

8.2.1 Should the city of Rochester fail or neglect to undertake their tasks outlined in any of the sections of this Agreement, and the city of Rochester Hills has to take on additional work tasks, then the city of Rochester Hills will be paid on a time and material basis.

8.3 Payment Schedule

- **Initial Payment:** For the initial period of April 1, 2026, to June 30, 2026, the invoice will be submitted during the first week of July 2026. The regular quarterly schedule will commence thereafter.
- **Payment Schedule:** The Total Annual Compensation will be paid to the City of Rochester Hills in four (4) equal quarterly payments.

- **Invoicing:** The City will issue an invoice for the preceding quarter's activities within the first week of each new quarter.
- **Payment Terms:** Payment is due within thirty (30) days of the invoice date.

8.4 Late Payment: Any amounts unpaid by the specified due date may be subject to interest at the maximum rate permitted by Michigan law. The city of Rochester Hills reserves the right to suspend the provision of Assessment Services upon thirty (30) calendar days' written notice to the city of Rochester for any payment more than sixty (60) days in arrears.

Notwithstanding any other term and condition in this Agreement, should the city of Rochester Hills pursue any legal action in any court to secure payment, the city of Rochester agrees to pay all costs and expenses, including attorney's fees and court cost, incurred by the city of Rochester Hills in the collection of any amount owed by the city of Rochester.

Section 9: Cancellation or Termination

Either Party may terminate this Agreement, with or without cause, by providing the other Party with a minimum of ninety (90) calendar days' advance written notice. The city of Rochester's obligation to pay for all services rendered and costs incurred prior to the effective date of termination shall survive any such termination.

Section 10: Indemnification, Liability, and Governmental Immunity

10.1 No Waiver of Governmental Immunity: Nothing in this Agreement is intended to, nor shall it be construed as, a waiver or limitation of the governmental immunity granted to either Party, or their respective Agents, under the Michigan Governmental Tort Liability Act, MCL 691.1401 et seq., or any other provision of Michigan law.

10.2 Each Party Responsible for Own Acts: Each Party to this Agreement shall be responsible for any and all claims, demands, and liabilities asserted against it arising from the acts or omissions of its own Agents.

10.3 No Indemnification from city of Rochester Hills: The city of Rochester shall have no right to indemnification, contribution, or subrogation from the city of Rochester Hills or its Agents for any claim, liability, judgment, or loss of any kind asserted against the city of Rochester by any third party (including, but not limited to, a Rochester Taxpayer), even if such claim arises from or is related to the Assessment Services provided under this Agreement. The city of Rochester agrees that it is solely responsible for the costs of its own legal defense.

10.4 No Warranty: The city of Rochester Hills makes no warranty or guarantee, express or implied, that the assessments provided will withstand any and all legal or administrative challenges or that they will result in a specific level of tax revenue for the city of Rochester. The city of Rochester Hills warrants only that the Assessment Services will be performed in a professional manner consistent with the standards of the assessing profession in Michigan.

The Parties agree that the city of Rochester Hills shall not be in breach of this Agreement or responsible for any consequential or compensatory damages arising from any late performance or non-performance of this Agreement caused by circumstances which are beyond the city of Rochester Hills control (e.g. extreme illnesses, natural disasters, or other “acts of God”).

Section 11: General Provisions

11.1 Notices: All notices required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when sent by certified mail, return receipt requested, to the respective City Clerks at the addresses first listed above:

- **To Rochester Hills:** City Clerk, City of Rochester Hills, 1000 Rochester Hills Drive, Rochester Hills, MI 48309.
- **To Rochester:** City Clerk, City of Rochester, 400 Sixth Street, Rochester, MI 48307.

11.2 Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan. Venue for any legal action arising from this Agreement shall be in the appropriate court in Oakland County, Michigan.

11.3 Entire Agreement and Amendments: This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may only be amended by a written instrument, duly executed by both Parties and approved by resolution of their respective governing bodies.

11.4 No Third-Party Beneficiaries: This Agreement is for the sole and exclusive benefit of the Parties hereto and is not intended to create, and shall not be construed as creating, any rights, contractual or otherwise, in any third party.

11.5 Filing and Effectiveness: This Agreement shall become effective upon its execution by the authorized representatives of both Parties and its filing with the Oakland County Clerk and the Michigan Secretary of State, as required by the Urban Cooperation Act.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officials as of the date first written above.

CITY OF ROCHESTER HILLS

By: _____
Bryan Barnett, Mayor

CITY OF ROCHESTER

By: _____
Nik Banda, City Manager