

**INTERLOCAL AGREEMENT BY AND BETWEEN ORANGE COUNTY, DEPARTMENT OF
SOLID WASTE MANAGEMENT AND DURHAM COUNTY, REGARDING THE
ADMINISTRATION OF ORANGE COUNTY SOLID WASTE PROGRAMS FEE BILLING AND
COLLECTION**

THIS AGREEMENT made and entered into this 12th day of May, 2025, between Orange County, North Carolina, a North Carolina municipal corporation, and Durham County, a North Carolina municipal corporation of the State of North Carolina for the administration of Orange County Solid Waste Program Fee Billing and Collection (the "SWPF").

WHEREAS, Orange County and Durham County are public bodies, politic and corporate, under the laws of the State of North Carolina and are vested pursuant to Article 20 of North Carolina General Statutes Chapter 160A with the power and authority to enter into this Interlocal Agreement (hereinafter referred to as the "Agreement"); and

WHEREAS, Orange County is authorized and empowered by Article 16 of Chapter 160A-313/314 (a2) of the North Carolina General Statutes to establish and operate a "public enterprise", and to establish, fix and enforce rates, fees, charges and penalties for Solid Waste; and

WHEREAS, Orange County has established a Solid Waste Program Fee ("SWPF") applicable to all improved properties within the County and within the municipalities in the County, including properties located within the Town of Chapel Hill lying within Durham County limits; and

WHEREAS, Orange County Board of Commissioners, at their meeting dated April 13, 2004, set up the Orange County Solid Waste Programs Fees specifically under NCGS 153A-102. The County Attorney at that time provided an opinion with detailed information about the set up and collection of the fees. *Orange County has not adopted an ordinance allowing for the attachment of a lien with respect to Solid Waste Program fees;* and

WHEREAS, Orange County desires that Durham County administer the billing and collection of the SWPF from property located within the Town of Chapel Hill but lying within the limits of Durham County; and

WHEREAS, Durham County has broad tax collection and administration authority and staff in place to carry out that authority and is willing, subject to certain conditions, to provide administration and collection of SWPF, and acknowledges that the fees may not be collected as a lien on real property; and

NOW, THEREFORE, in consideration of the foregoing and on mutual promises and obligations set forth herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. TERM

- a. This Agreement shall commence June 30, 2025 and shall continue each fiscal year thereafter through June 30, 2035, unless sooner terminated or further extended as set forth herein.
- b. This Agreement may be renewed beyond June 30, 2035, upon written agreement of the Parties.

2. DEFINITIONS

- a. "Direct collection costs" means costs borne by Durham County in the collection of SWPF fees, such as the cost of changing any forms or documents, mailing costs, costs associated with processing and remitting fees, and costs associated with preparing and submitting the quarterly invoice.

3. COSTS

- a. Other than direct collection costs, any and all costs, fees, and expenses related to the administration of the Solid Waste Program Fee shall be borne by Orange County.
- b. On or before the 15th day of each month of each year during the term of this Agreement, the County of Durham shall transmit to Orange County all Solid Waste Program fees collected during the preceding month.
- c. Durham County will invoice Orange County quarterly on or before the 15th day of January, April, July, and October an amount equal to 3% of the fees collected during that three-month period for costs of administration and collection. Orange County shall pay Durham County within 30 days of billing.
- d. Upon a failure by Orange County to remit payment when due, Durham County shall provide Orange County with written notice of such default in payment. Orange County shall have ten days following receipt of the written notice to cure the default. Should Orange County fail to cure the default within ten days of receipt of notice, Durham County may withhold the provision of services as contemplated herein. Durham County shall incur no fault or liability for any failure to provide services pursuant to the terms of this paragraph.

4. COUNTY ADMINISTRATION

- a. Orange County agrees to, and hereby does, appoint, designate, and empower Durham County with the authority to bill and collect the Solid Waste Program Fee for properties located within the Town of Chapel Hill lying within the County of Durham.
- b. Durham County shall perform the above services through its Tax Administration Office and shall include these fees on the annual property tax bill for affected properties, or any successor division as may be designated by the Durham County Manager.
- c. It is understood and agreed that Orange County shall provide Durham County any and all information, records, or materials needed by Durham County for the effective and accurate collection of such fees and charges, as identified by Orange County in the County Code, including but not necessarily limited to the Fee Structure and data set compatible with the Durham County Tax Administration Office billing data set. Non-Matches will be resolved by the Orange County staff.
- d. Partial payments will be applied first to a property owner's outstanding Durham County property tax liability until the property tax has been fully paid. Once the property tax has been fully paid, partial payments will be applied to any outstanding SWPF fees.

5. ENFORCEMENT

- a. The Parties agree Durham County has limited responsibility to collect unpaid or delinquent fees and only by means that do not require that the fee is a lien on real property.
- b. Orange County has the sole responsibility at Orange County's cost to collect unpaid or delinquent fees and charges.
- c. Durham County shall provide Orange County annually any and all records related to unpaid and/or delinquent Solid Waste Program Fee accounts.

6. REVIEW OF AGREEMENT

During the initial term of this Agreement, the Agreement shall be reviewed by staff of Orange County and Durham County each year beginning no later than October 15, of each year in order to determine: the cost/benefit of the County's administration of the collection of SWPF for the portion of residents located within the Town of Chapel Hill lying within Durham County, any difficulties encountered implementing the terms of this Agreement and any other issues that need to be examined. Should the review demonstrate a need to adjust the fees to adequately compensate Durham County for administration of collection of the SWPF, the parties shall work together to determine the appropriate fee to be paid for year three and forward.

7. AMENDMENTS

This Agreement may be amended by mutual written consent of the Parties.

8. TERMINATION

This Agreement may be terminated by either Party upon 120-days advance written notice to the other Party at any time by mutual written agreement of the Parties.

9. NOTICE

Any notice required by this Agreement shall be in writing and delivered by certified or registered mail, return receipt requested to the following:

To the COUNTY OF DURHAM

County of Durham
201 East Main Street
3rd Floor
Durham, NC 27701

To the COUNTY OF ORANGE COUNTY

County of Orange County
Gateway Center Building
228 South Churton Street
Suite 200
Hillsborough, NC 27278

To the TOWN OF CHAPEL HILL

Town of Chapel Hill
Town Hall
405 Martin Luther King Jr. Boulevard
Chapel Hill, NC 27514

ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement of the parties hereto and is effective the date first above recorded.

Manager, Durham County

Manager, Orange County

ATTEST

Clerk of the Board

Clerk of the Board