

DEBT SETOFF PROGRAM Participation Agreement

Pursuant to Mississippi Code §27-7-801 *et seq.* (the “Act”), Debt Intercept Services, LLC (“DIS”), an entity established by the Mississippi Association of Supervisors, is authorized to submit to the Mississippi Department of Revenue (“MS DOR”) any eligible debt owed to a county for setoff against any Mississippi (“State”) income tax refund otherwise due to a debtor. Madison County (hereinafter, the “Participant”) is a local government authorized to submit debts owed to it for collection under the Act, and Participant’s Board of Supervisors has adopted a resolution, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, authorizing Participant to enter into this Agreement. DIS will submit debts to MS DOR on behalf of Participant, pursuant to this Agreement, the Act and procedures set out by MS DOR.

Based upon the foregoing, DIS and Participant do hereby enter into this agreement (the “Agreement”) for processing State income tax refund setoff requests for eligible debts due Participant under the following terms and conditions:

1. Participant hereby designates, appoints and authorizes DIS to process eligible delinquent debts to MS DOR pursuant to procedures established by DIS and agrees to comply with all applicable provisions of the Act and any procedures established by DIS for the submission of all eligible debts.

2. Both parties understand and agree that for purposes of this Agreement, an eligible debt is defined as any liquidated sum due and owing Participant which has accrued through contract, subrogation, tort, justice or municipal court conviction or any other debt regardless of whether there is an outstanding judgement for the sum, provided the amount due is at least \$50, individually or in the aggregate, is at least sixty (60) days delinquent on the date submitted to DIS, and has been properly noticed and adjudicated by Participant as due and owed.

3. Participant understands and agrees not to submit for setoff any debt that is for less than \$50 (in the aggregate) and that is not at least sixty (60) days delinquent as of the date submitted to DIS. In submitting a debt to DIS, Participant shall certify that such debt meets the eligibility criteria set forth in this Agreement and the Act and that the setoff of such debt is in compliance with all other applicable State and federal laws and regulations. Participant further understands and agrees that DIS will not research or review the validity of a debtor’s personal information or the amount or type of debt submitted by Participant prior to submitting such debt to MS DOR and that Participant is responsible for ensuring that it only submits debts for State income tax refund setoff which meet the requirements of the Act, this Agreement and MS DOR rules and regulations and which will not be in violation of any other State or federal laws or regulations.

4. Participant designates Greg Higginbotham to serve as debt setoff coordinator (“Coordinator”). Coordinator shall be responsible for submission of all debts to DIS and for the implementation of this Agreement at the local level pursuant to the requirements of the Act and the procedures established by DIS. The Coordinator is the designated representative of Participant authorized to receive notices and communication from DIS and to ensure that the requirements of this Agreement and the Act are met. The Coordinator shall supply DIS with any and all information that in the opinion of DIS is necessary for the proper implementation of this

Agreement. Participant shall notify DIS in writing within seven (7) days of any change in the Coordinator.

5. DIS agrees to provide Participant with certain information and tools necessary for proper debt submission including, at a minimum: (1) written procedures detailing the debt submission process; (2) a list of the type of debtor-related information that is required, such as name, Social Security number, and basis of the debt; and (3) template or file format data necessary for proper submission of eligible debts by Participant. DIS further agrees to update procedures and tools as necessary and, when changes are made, provide reasonable notice to Participant to implement required changes. DIS agrees to provide Participant with technical assistance in submitting debt information in the proper format.

6. Participant agrees that it may only utilize the information and tools provided by DIS pursuant to paragraph 5 of this Agreement for Program submissions and other Program requirements. Participant agrees to utilize the format specified by DIS to prepare all debt files and adjustments or updates to debt files that Participant certifies are owed to Participant and that Participant desires to have DIS submit to MS DOR for setoff.

7. Participant will not submit a debt to DIS for collection less than fourteen (14) days after the claim has been finally determined as provided in Mississippi Code § 27-7-811. Participant shall be solely responsible for sending the required written notice to a debtor that Participant intends to submit the debt owed by the debtor for collection by setoff. The notice shall explain the basis for Participant's claim to the debt, that Participant intends to apply the debtor's refund against the debt, and that a total collection assistance fee of twenty-five percent (25%) shall be added to the debt if it is submitted for setoff. The notice shall also inform the debtor that the debtor has the right to contest the matter by filing a request for a hearing with Participant, shall state the time limits and procedures for requesting a hearing and shall state that the failure to request a hearing within the required time will result in setoff of the debt. A debtor wishing to contest a proposed setoff shall file written request for a hearing with Participant within thirty (30) days after the date the notice of the proposed action is mailed to the debtor. A request for a hearing is considered to be filed when it is delivered for mailing with postage prepaid and properly addressed as required in the notice provided by Participant. If a debtor timely requests a hearing, the governing body of Participant or a person(s) designated by the governing body shall hold the hearing. In a hearing under Mississippi Code § 27-7-811, any civil or criminal issue that has been litigated in a court proceeding cannot be reconsidered. Appeals from the hearing shall be made to the circuit court in which the debtor resides and shall be reviewed on the administrative record made at the hearing before Participant. The standard review of such decisions shall be that established by State law pertaining to the review of all other administrative decisions made by political subdivisions.

8. DIS agrees to make an initial setoff submission to MS DOR by January 15, 2024. Both parties understand and agree that Participant shall submit all required information regarding any eligible debts to DIS no later than December 1, 2023 for inclusion in DIS's initial setoff submission to MS DOR.

9. For submissions received after December 1, 2023, DIS agrees to make subsequent debt submissions to MS DOR on a monthly basis, commencing February 15, 2024, and further agrees that the monthly submissions shall include all submissions received from any participants in the Program which have been received by the deadline set by DIS for inclusion in that monthly submission. Participant understands and agrees that DIS will only make debt submissions to MS DOR on a monthly basis, and in order to have debts included in the monthly submission to MS DOR, Participant shall submit all required information regarding any eligible debts to DIS no later than the prescribed deadline.

10. After a debt has been submitted to DIS for setoff, Participant shall provide written notice to DIS and MS DOR within five (5) business days of receiving payment, in part or in full, from a debtor on a previously submitted debt or from the date the Participant receives any notice of or becomes aware of a legal action staying the collection of the debt, including bankruptcy.

11. At the time of the transfer of funds to DIS, MS DOR shall notify the taxpayer or taxpayers whose State income refund is sought to be setoff that the transfer has been made. The notice shall clearly set forth the name of the debtor, the manner in which the debt arose, the amount of the debt, the transfer of funds to DIS pursuant to MS DOR regulation guidelines, the intention to setoff the refund against the debt, and the amount of the refund in excess of the claimed debt. Participant agrees that, in the event a debtor or joint filer is entitled to a return of all or any portion of monies setoff from his or her State income tax refund on behalf of Participant, Participant shall be responsible for returning said monies to the debtor or joint filer, including the amount of all administrative fees as provided in paragraph 13.

12. Both parties understand that MS DOR shall transfer to DIS any funds collected as setoff of a State income tax refund pursuant to debt submissions received from DIS on behalf of participants in the Program. Both parties further understand and agree that MS DOR shall regularly distribute reports to DIS detailing which refunds were setoff as a result of debt submissions received from DIS. Both parties agree that DIS shall distribute setoff funds received from MS DOR on a monthly basis. Both parties understand and agree that distribution will be made to participants in the program in the same order that funds are received from MS DOR based upon the reports received from MS DOR.

13. Participant understands and agrees that, pursuant to Mississippi Code § 27-7-811, DIS and MS DOR shall retain a collection assistance fee totaling twenty-five percent (25%) from each refund that is setoff on behalf of Participant. Both parties understand and agree that this fee shall not reduce the amount of the debt due to be paid to Participant but shall instead be an additional fee and first charge on any refund monies setoff from the debtor. Both parties also understand and agree that this fee shall be retained by DIS and MS DOR regardless of whether any monies setoff from a debtor's State income tax refund are returned to the debtor or a joint filer by Participant pursuant to paragraph 14.

14. Participant understands and warrants that by submission of any debt to DIS for setoff, Participant has complied with the terms of this Agreement and with all State and federal laws and regulations, including but not limited to the Act and the Patient Protection and Affordable Care Act, for the collection of debt. By signing this Agreement, Participant agrees to hold DIS free and harmless against any and all damages, claims, actions, injuries,

liability or proceedings arising from the failure of Participant to so perform, to the extent allowed by law, and DIS shall not be responsible for or assume any liability for any mistakes made by MS DOR. Participant shall be responsible for the repayment of any sums received by it and/or retained by MS DOR and DIS pursuant to paragraph 13, including interest, penalties and court costs, to a debtor or joint filer in the event a court of competent jurisdiction rules that said repayment is due to a debtor or joint filer.

15. Both parties understand and agree that all information exchanged with each other and/or MS DOR pursuant to this Agreement and any procedures established for the implementation, operation or administration of the Program, including but not limited to printed, written, oral or computer-formatted information, shall be held in the strictest confidence, and shall be used solely for the business purposes that are the subject of this Agreement. Both parties shall maintain confidentiality of such information, not only during the course of the performance of this Agreement, but also following its termination. Participant shall be solely responsible for determining and utilizing the appropriate level of care in transmitting confidential information to DIS.

16. Both parties agree that this Agreement shall remain and continue in full force and effect from year to year until or unless modified or terminated in writing by either party upon written notice to the other party. Upon termination of this Agreement all sums due and owing from either party to the other shall remain a lawful obligation of the party and be due and payable. Following termination of this Agreement, DIS shall erase all data files related to Participant from its debt setoff system.

17. This Agreement represents the full and final understanding of the parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both parties.

Executed on this the 19th day of August, 2024.

Debt Intercept Services, LLC

By: Gerald Steen

By: _____

Title: Board President

Title: _____

Exhibit A
Participant Resolution