

RESOLUTION NO. 2 - 2017

Moved by: Wanda R. D. Williams

A Resolution approving the Collection Agreement between the City of Harrisburg and the Harrisburg School District for the collection of the Business Privilege and Mercantile Tax and the Amusement Tax for the 2017 tax year.

WHEREAS, the City of Harrisburg ("City"), a third class city located within Dauphin County, Pennsylvania, has levied, assessed, and provided for the collection of a Business Privilege and Mercantile Tax and an Amusement Tax pursuant to applicable City Ordinances and Act 511 of 1965, commonly known as the Local Tax Enabling Act ("LTEA") 53 P.S. § 6913, as amended, now at 53 P.S. § 6924.101, et seq.; and

WHEREAS, the Harrisburg School District ("School District") has adopted a Business Privilege and Mercantile Tax and an Amusement Tax (collectively, the "Taxes"); and

WHEREAS, on April 23, 2001, the City and the School District entered into a Collection Agreement with the City, whereby the City would collect, on behalf of the School District, the Taxes authorized by the appropriate resolutions of the School District and the Third Class City Code; and

WHEREAS, on November 20, 2003, the City and the School District renewed the Collection Agreement upon its expiration; and

WHEREAS, on December 18, 2006, the City and the School District renewed the Collection Agreement upon its expiration; and

WHEREAS, on December 6, 2010, the City and the School District renewed the Collection Agreement upon its expiration; and

WHEREAS, in December of 2011, the City and the School District renewed the Collection Agreement upon its expiration; and

WHEREAS, in January of 2013, the City and the School District renewed the Collection Agreement upon its expiration; and

WHEREAS, in December of 2013, the City and the School District renewed the Collection Agreement upon its expiration; and

WHEREAS, in December of 2014, the City and the School District renewed the Collection Agreement upon its expiration; and

WHEREAS, on November 16, 2015, the City and the School District renewed the Collection Agreement upon its expiration, and

WHEREAS, the current Collection Agreement between the City and the School District was set to expire December 31, 2016; and

WHEREAS, the City wishes to renew the Collection Agreement for the year 2017; and

WHEREAS, the School District shall adopt a resolution authorizing the City to continue its collection of the Taxes; and

WHEREAS, the School District shall pay to the City, upon invoice for Taxes collected for the term of this Agreement, a collection fee of 5.0% of the gross amount of Taxes collected by the City; and

WHEREAS, a copy of the 2017 Collection Agreement is attached hereto as "Exhibit A" and incorporated as if fully set forth herein.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF HARRISBURG, that the Collection Agreement between the City of Harrisburg and the Harrisburg School District for the collection of the Business Privilege and Mercantile Tax and the Amusement Tax for 2017 is approved.

BE IT FURTHER RESOLVED that the Mayor, City Controller and other appropriate City officials are authorized and directed to take all steps necessary to cause the Collection Agreement to be fully executed and to further effectuate the purpose of this Resolution.

I second this resolution: Benj Allatt

Passed by City Council January 24, 2017
Wanda R. D. Williams

Attest [Signature]
City Clerk

Approved
 Returned to City Council with objections

YEAS		NAYS
<input checked="" type="checkbox"/>	MR. ALLATT	<i>Exam</i>
<input checked="" type="checkbox"/>	MR. BALTIMORE	
<input checked="" type="checkbox"/>	MS. DANIELS	
<input checked="" type="checkbox"/>	MS. HODGES	
<input checked="" type="checkbox"/>	MR. JOHNSON	
<input checked="" type="checkbox"/>	MR. MAJORS	
<input checked="" type="checkbox"/>	MS. WILLIAMS	
Yeas	<u>6</u>	
Nays	<u>0</u>	

Exhibit A

**2017
COLLECTION AGREEMENT**

This Collection Agreement ("Agreement"), made this _____ of _____, 2016, by and between the **City of Harrisburg**, a Pennsylvania Municipal Corporation organized pursuant to the Third Class City Code, Act of June 23, P.L. 932 as amended, 53 P. S. § §35101 et seq., and operating pursuant to the Optional Third Class City Charter Law, Act of July 15, 1957. P.L. 901, as amended, 53 P. S. § §41101 et seq., with its principal offices located at the Rev. Dr. Martin Luther King, Jr., City Government Center, 10 North Second Street, Harrisburg, Dauphin County, Pennsylvania 17101 (hereinafter, "City")

A N D

the **School District of the City of Harrisburg**, a body politic and corporate, organized and existing under the laws of the Commonwealth (hereinafter, "School District").

WHEREAS, the City has for many years imposed a Business Privilege and Mercantile Tax and an Amusement Tax; and

WHEREAS, the City of Harrisburg, Department of Administration, has established a mechanism for the collection of the above-referenced taxes; and

WHEREAS, the School District has adopted a Business Privilege and Mercantile Tax and has adopted an amended Amusement Tax (hereinafter, the "Taxes"); and

WHEREAS, the City and the School District entered into previous Collection Agreements on April 23, 2001, November 20, 2003, December 18, 2006, December 6, 2010, December of 2011, January of 2013, December of 2014 and November 2015, whereby, the City agreed to act as tax collector for said Taxes on behalf of the School

District; and

WHEREAS, the School District desires to secure the continued services of the City as tax collector for said Taxes; and

WHEREAS, the City is agreeable to continue collecting the Taxes on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants and premises contained herein, the parties hereto, intending to be legally bound, do hereby agree as follows:

I. CITY OBLIGATIONS

- 1.1 The City agrees to continue collecting, on behalf of the School District, the Taxes authorized by appropriate resolution of the School District.
- 1.2 The City shall act as agent for the School District to administer and enforce the collection of said Taxes on behalf of the School District. To that end, the City shall prepare and mail returns to individual(s) or business(es) and perform any and all acts necessary to collect said Taxes including, but not limited to, any and all applicable judicial or other enforcement and collection proceedings.
- 1.3 The City shall include the Taxes on proofs of claim submitted by the City when a bankruptcy is filed by an individual(s) or business(es) and act on behalf of the School District in all legal proceedings necessary to secure and collect the Taxes owed.
- 1.4 The City may at its discretion utilize third parties for audit and discovery services in order to maximize revenue for the City and the School District.
- 1.5 The City may at its discretion offer a one-time tax amnesty program during the term

of this Agreement.

- 1.6 The term of this Agreement shall be from January 1, 2017 through December 31, 2017. This Agreement expires at the end of said term and is not self-renewing. Should either party desire to renew said Agreement, such party shall advise the other in order to begin negotiations on a new agreement in a timely manner.

II. DUTIES OF CITY TREASURER

- 2.1 The City Treasurer or his/her designee shall serve as the actual receiver of said Taxes and shall report all receipts to the City Business Administrator and the School District. The City Treasurer or his/her designee shall account daily for the Taxes received or shall otherwise use the same method utilized in collecting on behalf of, and paying to, the School District Real Estate Tax revenues.
- 2.2 The City Treasurer shall be responsible for the prosecution of individuals tendering "bad checks" or other invalid or fraudulent methods of payment in payment of said Taxes, in accordance with the rules and regulations established by the City Treasurer.

III. SCHOOL DISTRICT OBLIGATIONS

- 3.1 The School District shall adopt a resolution authorizing the City to continue collecting the Taxes pursuant to this Agreement.
- 3.2 Beginning January 2017, the School District shall pay to the City, upon invoice for Taxes collected for the term of this Agreement, a collection fee on Taxes collected in the amount 5.0% of the gross amount of Taxes collected by the City on behalf of the School District.

- 3.3 In addition to the aforementioned fees, the School District shall pay to the City external audit fees relating to the Taxes upon invoice, one-half of the total cost of any filing and service fees and warrants incurred in the collection of the City and School District Business Privilege and Mercantile taxes. If solely School District Taxes are involved the School District will be billed 100% of the total cost with respect to filing and service fees and warrants as referenced in the immediately preceding sentence.
- 3.4 The School District may conduct an annual, independent audit, at its own expense, and at a mutually convenient time, on the accounts and records of the City Department of Business Administration and/or the City Treasurer with regard to the collection of the Taxes. In addition, the School District shall receive, upon request to the City Business Administrator, a copy of the City's independent annual audit.

IV. MISCELLANEOUS

- 4.1 The City shall not assign this contract without prior written consent of both parties.
- 4.2 If either party shall be delayed or hindered in or prevented from performing any act required hereunder by reason of strikes, lockouts, labor problems, inability to procure materials, failure of power, restrictive governmental laws or regulations riots, war, floods, storms or acts of nature or other occurrences of like nature, not the fault of the party delayed, the performance of such acts shall be excused for the period of delay, and the permitted period of performance of any such acts

shall be extended for a period equivalent to the period of such delay.

4.3 This Agreement may not be modified, discharged or changed in any manner other than in writing to which both parties have agreed.

4.4 Notices hereunder shall be given by certified mail or personal service. All notices shall be addressed as follows:

To the City:

City of Harrisburg Tax Enforcement Office
Suite 305A
Rev. Dr. Martin L. King, Jr.
City Government Center
10 North Second Street
Harrisburg, PA 17101

and

City Solicitor
Law Bureau - Suite 402
Rev. Dr. Martin L. King, Jr.
City Government Center
Harrisburg, PA 17101

To the School District:

Superintendent of Schools
School District of the City of Harrisburg
1601 State Street
Harrisburg, PA 17103

and

School District Solicitor
School District of the City of Harrisburg
1601 State Street
Harrisburg, PA 17103

Copy:

Business Manager
School District of the City of Harrisburg
1601 State Street
Harrisburg, PA 17103

4.5 This Agreement shall be construed according to and be subject to and governed


by the laws of the Commonwealth of Pennsylvania.

- 4.6 This Agreement contains all conditions to which the Agreement is subject and supersedes any oral or prior written or contemporary agreements respecting the within subject matter.


[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

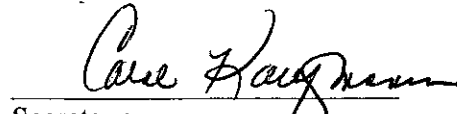
IN WITNESS WHEREOF, the parties hereto on the above day and date, do hereby
affix their hands and seals.

APPROVED AS TO FORM AND
LEGALITY:


Solicitor
School District

SCHOOL DISTRICT OF THE
CITY OF HARRISBURG:


President


Secretary

APPROVED AS TO FORM AND
LEGALITY:

Law Bureau

CITY OF HARRISBURG

Mayor Eric Papenfuse

City Controller
Charles DeBrunner

City Treasurer
Dan Miller

INTER

OFFICE

MEMO

To: HARRISBURG CITY COUNCIL
From: Kirk Petroski, City Clerk
LEGISLATIVE APPROVAL FORM

Date: _____

LEGISLATIVE APPROVAL FORM/CERTIFICATE OF ACCEPTANCE

BILL NO. -2016 **RESOLUTION NO.** *2*-2016

THE ABOVE LISTED ITEM WAS WRITTEN AND PREPARED FOR FINAL INTRODUCTION AT THE HARRISBURG CITY SOLICITOR'S OFFICE ON:

Rebecca K. Kunkel

Assistant City Solicitor

1-9-17

Date

Requested by Department/Bureau: *Tax Enforcement*

Department/Bureau Contact Person: *Mike Hughes*

For Action on or before:

The attached was received in the Office of the City Clerk for introduction on

Kirk Petroski
Received by: _____

1-6-17
Date: _____