

RESOLUTION No. 87 - 2018

Moved by: 

A Resolution authorizing the City of Harrisburg to negotiate and enter into a Collection Agreement with the Harrisburg School District for the collection of the Business Privilege and Mercantile Tax and the Amusement Tax for the 2019 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**, on December 19, 2016, 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 expires effective December 31, 2018; and

**WHEREAS**, the City wishes to renew the Collection Agreement for the year 2019; 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 proposed 2019 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 City of Harrisburg is authorized to negotiate and enter into a Collection Agreement with the Harrisburg School District for the collection of the Business Privilege and Mercantile Tax and the Amusement Tax for the 2019 tax year.

**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 \_\_\_\_\_



YEAS		NAYS
	MR. ALLATT	
	MS. BOWERS	
	MS. DANIELS	
	MS. GREEN	
	MR. MADSEN	
	MR. MAJORS	
	MS. WILLIAMS	
Yeas	<u>7</u>	
Nays	<u>0</u>	

Passed the City Council November 27, 2018

Wanda R. Williams  
President of City Council

Attest Kia [Signature]  
City Clerk

- Approved
- Returned to City Council with objections

# **E x h i b i t “A”**

**2019**  
**COLLECTION AGREEMENT**

This Collection Agreement, made this \_\_\_\_\_ of \_\_\_\_\_, 2018, 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, 11 Pa.C.S.A. § §10101 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 had 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 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, November 16, 2015, and December 19, 2016, whereby, the City agreed to act as tax collector for said taxes on behalf of the School District; and

**WHEREAS**, the School District is desirous 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 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 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 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.
- 1.6 The term of this agreement shall be from January 1, 2019 through December 31,

2019. This agreement expires at the end of said term and is not self-renewed. 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 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 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" 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.
- 3.2 Beginning January 2019, 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 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 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 the School District will be billed 100% of the total cost.

- 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 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 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 instrument 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

**APPROVED AS TO FORM AND  
LEGALITY:**

\_\_\_\_\_  
Law Bureau

**SCHOOL DISTRICT OF THE  
CITY OF HARRISBURG:**

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

**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. -2018      RESOLUTION NO. <sup>87</sup> -2018

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

  
Deputy City Solicitor

Date

11/9/2018

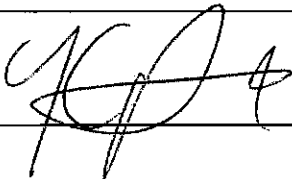
Requested by Department/Bureau: Tax Enforcement

Department/Bureau Contact Person: Michael Hughes

For Action on or before:

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

Received by:



Date:

11-9-18