

**SAMPLE AGREEMENT  
FOR DISCUSSION PURPOSES ONLY**

**TAX COLLECTION  
AGREEMENT FOR SERVICES**

THIS AGREEMENT, is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between the **WESTMORELAND COUNTY TAX COLLECTION COMMITTEE**, situate in the County of Westmoreland, Commonwealth of Pennsylvania (the "Committee"), and \_\_\_\_\_, a Pennsylvania \_\_\_\_\_ maintaining its principal office at \_\_\_\_\_ (the "Collector").

**RECITALS**

WHEREAS, The Committee was established pursuant to § 505 of the Act of July 2, 2008 (P.L. 197, No. 32) (the "Act 32"), amending the Act of December 31, 1965 (P.L. 1257, No. 511), known as The Local Tax Enabling Act, to govern the Westmoreland County Tax Collection District (the "District") for the purpose of earned income tax collection; and

WHEREAS, The Committee issued a request for proposal ("RFP") seeking the services of a consultant to serve as the appointed Tax Officer (the "Collector") of the District to administer the collection of earned income taxes and other taxes as designated by the Committee; and

WHEREAS, The Collector submitted a proposal in response to the RFP (the "Proposal"); and

WHEREAS, The Collector has agreed to perform the requested services and the Committee now desires to enter into this Contract with the Collector to engage it to perform the service of the collection of Taxes both current and delinquent, which, for the purposes of this Agreement, shall include Earned Income and Net Profits Tax as authorized by the Local Tax Enabling Act ("Act 511") as amended by P.L. 197, No. 32 ("Act 32"), as well as those additional Act 511 and Act 679 taxes designated by the Committee, including but not limited to the Local Services, Emergency and Municipal Services, Occupational Privilege, Occupation, Per Capita tax and other like taxes (Collectively referred to as "Taxes").

NOW THEREFORE, in consideration of the mutual covenants and promises as herein set forth, and the compensation to be paid to Collector by the Committee in accordance with the terms hereof, the Committee and Collector agree as follows:

**Article I. General Duties of Collector**

1. Act as the exclusive collector and administrator of the Taxes as specified by this Agreement. Taxes to be collected by the Collector shall be further specified on Schedule 1 attached hereto. Member political subdivisions shall have the right on an annual basis at the conclusion of the calendar year to notify the Collector and Committee of its intent to eliminate for the following tax year any Tax other than the Earned Income and Net Profits tax from Schedule 1. Written notice shall be provided to the Committee and the Collector prior to conclusion of the calendar year. Collector shall perform all of the duties and shall have all of the powers of the Tax Officer as provided by Act 32, Act 511 and if applicable Act 679 for the collection of the Taxes.

2. To the extent consistent with the provisions of this Agreement and Act 32, at its sole expense, do and perform all of the work and labor required for the collection of the Taxes. Prepare and furnish all of the necessary supervision, equipment, facilities, supplies, materials, forms, papers, notices, levies, demands, postage and the records necessary to assess, administer, receive and collect the Taxes and as applicable carry out the duties of the Tax Officer as provided by Act 32.
  
3. Provide and maintain for the term of this Agreement insert #\_\_\_\_\_ offices within the District at the following locations \_\_\_\_\_ to be **(following is sample language only. Location and hours of operation to be based on Committee requirements in response to the selected proposal.)** staffed by Collector employees for a minimum of \_\_\_ hours per week, including at least \_\_\_ hours one evening per week and at least \_\_\_ hours on Saturday. Collector shall be responsible for all expenses incurred in the operation of said office. The Committee shall be notified of the location of the office prior to its opening. The parties by mutual agreement can modify the hours and days that the office shall be open and/or in operation based upon filing deadlines. All offices shall be open and operational as of the Effective Date.
  
4. Assess interest, fines and penalties upon unpaid Taxes in accordance with Section 509(i)(j) of Act 32 and as otherwise statutorily authorized as well as those costs of collection, reasonable administrative fees and attorney's fees as approved by the Committee in accordance with Section 707 of Act 32. Interest and penalties accrued on unpaid Taxes may not be abated without the Committee's written authorization.
  
5. Collector shall monitor the recommendations and requirements issued by the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the

“Department”) with respect to standardized forms, reports, notices, returns and schedules and shall confirm their documentation complies with Department requirements.

6. Maintain and preserve all records and timely provide all reports required by this Agreement and/or Act 32 and make all records, forms, papers and notices available upon request and reasonable prior notice by the Committee.
7. Maintain and preserve all records pertaining to the collection of the Taxes which are the subject of this Agreement in a format determined by the Department and the Committee, which records shall be available for inspection by the duly appointed auditors of the Committee in accordance with Section 505 (h) of Act 32, and any successor laws thereto. As limited by the Local Taxpayers Bill of Rights, all such records pertaining to the Taxes and taxpayers will be made available for inspection and copying to the Committee’s duly authorized agents at a designated Collector facility during normal business hours, upon reasonable prior notice to Collector. Any costs and expenses incurred by Collector as the result of such copying shall be promptly reimbursed by the Committee to Collector, upon submission of the appropriate invoice.
8. Collector shall, within thirty (30) days of Agreement execution, contact each member political subdivision for purposes of obtaining a contact name, ACH account information and mailing address. The Collector shall within forty-five (45) days provide the Committee a copy of that list and provide each political subdivision member of the District written notice of the designated Collector representative to be contacted for questions and information.
9. Collector shall, on or before the 120<sup>th</sup> day subsequent to the expiration of the Collector’s fiscal year, provide the Committee with copies of their financial statements.

**Article II. General Compensation and Payment Procedures**

1. The Committee shall pay the Collector as compensation for services rendered for the Agreement term as further defined on Schedule 1 : **Compensation Terms to be inserted after**

**review of RFP's and agreement terms and further specified by way of Tax and corresponding fee amount on Schedule 1.** All costs incurred with respect to the collection, recordation or transfer of Taxes, including but not limited to postage, copying or printing costs, cost of certified mail, filing fees, service fees, legal, accounting or other consultant fees as well as other out-of-pocket expenditures shall be at the Collector's cost and not subject for reimbursement by the Committee.

2. **(If Contingency Payment option selected rather than fixed fee).** Collector shall deliver to the Committee, along with each written report and/or remittance required, a statement of compensation to which it is entitled under the provisions hereof, for sums collected by it during the period of collection involved and the amount withheld from Taxes collected for distribution to the designated political subdivision comprising the Tax Collection District represented by the Committee. **(If fixed fee option chosen language to be included requiring payment within forty-five (45) days of invoice).**

### **Article III – Term and Renewal Termination**

1. **(Sample dates inserted for Term)** This Agreement is for the exclusive collection of the Taxes for the initial Term of appointment of three years, commencing on January 1, 2011 (the "Effective Date") and terminating on December 31, 2014 (the "Term") and as may be renewed. Notwithstanding the aforementioned should no political subdivision elect prior to November 1, 2010 that it desires the Collector to collect their 2011 Taxes the Effective Date of this Agreement shall be January 1, 2012. This Agreement shall terminate unless the Collector receives written notice to the contrary from the Committee not less than ninety (90) days prior to the end of the Term. Notwithstanding the fact the Agreement is not renewed, the Collector will continue to have responsibility to collect and remit Taxes levied for the last calendar year of this

appointment in accordance with the terms of this Agreement, through April 15th of the year following the last year of the Collector's contract Term. As of December 31<sup>st</sup> of the year this Agreement expires or on the date designated by the Committee should this Agreement be terminated prior to expiration due to a dispute, the Collector's right, if such right exists, to collect delinquent Taxes shall be terminated. It is understood that in the event a notice of renewal is given by the Committee unto Collector as required, this Agreement shall and will continue on the same terms for the collection of all of the Taxes but only for an additional one (1) year period and in the event renewals continue thereafter they shall also only be for one (1) year periods.

2. Notwithstanding Article III, paragraph 1. above, in the event a disagreement arises regarding the quality of services being provided by Collector pursuant to this Agreement that cannot be resolved by the parties, the Committee may provide notice of intent to terminate this Agreement provided that written notice of the default and the Committee's intention to terminate this Agreement is sent to the Collector by certified mail at the address shown in Article XII hereof, at least 60 days prior to the intended date of termination. Notwithstanding the aforementioned, where a disagreement arises due to the Collector's failure to timely distribute Taxes collected, or provide reports and records specified or required by this Agreement on more than three (3) occasions during a consecutive twelve (12) month period, then the Committee shall have the option to terminate this Agreement upon expiration of that sixty (60) day period without providing the Collector opportunity to cure.
3. Collector, upon receipt of written notice of the Committee's intention to terminate this Agreement because of a disagreement as to the quality of service, as set forth in paragraph 2 above, shall have a period of sixty (60) days, unless otherwise provided herein, to cure or correct said

disagreement to the satisfaction of the Committee in its sole discretion. In the event the issues are not cured within the 60-day period to the satisfaction of the Committee in its sole discretion, the Committee shall have the option to terminate this Agreement and in its discretion to provide written notice of the effective termination date without any further action by Committee or right to cure by the Collector.

4. Upon receipt of a termination or non-renewal notice the Collector shall promptly initiate arrangements for the electronic transfer, or transfer by other means directed by the Committee, of the Tax Records. Transfers shall begin sixty (60) days prior to the Committee's designated Agreement termination date and be completed on or before the termination date in accordance with the Transition Policy as provided in Article IV herein with supplemental transfers occurring thereafter as so directed in writing by the Committee.
5. Collector acknowledges failure to transfer the Tax Records within the time frame set forth above and in accordance with the Transition Policy shall result in hardship and costs to the Committee necessitating the expenditure of multiple Committee members' time. Accordingly, the Collector agrees that it shall be subject to a fee of \$2,000.00 per day for each day the Collector fails to turnover the Tax Records in the format required by the Transition Policy beyond the turnover date specified in Article III, paragraph 4 herein. The liquidated damage fee is intended to compensate the Committee for time expended due to the Collector's delay. The aforementioned liquidated damages are intended to supplement additional legal remedies the Committee may have as a result of monetary costs, expenses or losses incurred due to the untimely transfer of the Tax Records to a successor collector and shall not be deemed the Committee's sole remedy. **(Option – Escrow Language)** Collector agrees that upon each of the following dates: the 180<sup>th</sup>, 150<sup>th</sup> and 120<sup>th</sup> days prior to expiration of this Agreement the Collector shall remit the sum of \$15,000.00 for

a total of \$45,000.00 ("Escrow Funds") to be held in escrow by the Committee for use to offset Liquidated Damages provided for in Article IV, Section 2 of this Agreement. Should Collector timely comply with this Agreement's Transition Policy the Escrow Funds shall be promptly returned to Collector, otherwise only those Escrow Funds remaining after imposition of the liquidated damages shall be returned to Collector.

6. In the event of early termination of this Agreement the Collector shall identify those legal proceedings for which they have incurred filing costs and provide that list and proof of expenditures ("Filing Costs") to the Committee upon termination of their services. The Committee shall make arrangements with the successor collector to remit those Filing Costs collected to the Collector.

#### **Article IV - Records**

1. The Collector shall, in accordance with Section 509 (e) of Act 32 and Committee's directives, keep records showing the names of all taxpayers, their current addresses and social security numbers as segregated by political subdivision, the amount of Taxes received from each taxpayer or other tax offices, the date of receipt, the allocation of Taxes, interest, penalties and costs received, the amount and date of all other monies received or distributed, the names of delinquent taxpayers and the Taxes, interest and penalties owed and any other information required by the Department or the Committee (the "Tax Records").
2. The Tax Records shall be the property of the Committee and the political subdivision to which the Taxes are to be distributed. The Collector shall retain all Tax Records by way of a system agreeable to the Committee and in accordance with Act 32 Best Practices attached hereto and marked as Schedule "\_2\_", which system of retention and storage, at a minimum, shall include an electronic data storage system providing a daily backup of records, electronic storage of Tax



Records by way of an off site data warehousing or storage system which segregates the Tax Records from tax records of other entities and which permits the transfer of all Tax Records electronically to the Committee in a format agreeable to the Committee and to a successor collector upon termination or expiration of this Agreement. Collector shall provide to the Committee weekly backups by Wednesday of the following week and annual back-ups by May 15 of each Agreement year of the prior tax year information. The records provided shall be in a format which is compatible with the Committee's backup and restore plan. Prior to execution of this Agreement the Collector shall provide a written summary of its data storage and segregation policies and procedures, proposed methods to receive data from member political subdivisions of the Committee as well as its proposed method to transition Tax Records and other requested data to a successor collector if so needed ("Transition Policy"). A copy of the Transition Policy shall be attached hereto and marked as Schedule "3 ". Such policies shall be made part of and incorporated into this Agreement and shall be subject to the Committee's agreement. Providing the Transition Policy within the timeline set forth herein shall be deemed a condition precedent to payment for services should execution of this Agreement occur prior to finalizing the Transition Policy.

3. When applicable all Tax Records shall be retained in accordance with the retention and disposition schedule established by the Local Government Records Committee of the Pennsylvania Historical and Museum Commission under 53 Pa.C.S.C.h. 14 subchapter F (relating to records). At a minimum the Tax Records shall be maintained and preserved by Collector until at least Two (2) years following the end of the Term or for such longer period as required by law.
4. All Tax Records shall be maintained in the format mutually agreed upon by Committee and Collector containing information determined by Committee. The Tax Records provided to the

Committee by Collector will be in such form as the Committee may require reasonably for its ease of use. Collector may implement appropriate safeguards to protect the confidentiality and other legitimate interests of such Tax Records, provided that all information about the Tax Records will be provided to the Committee in such useful form as it reasonably requires. Custody of such records shall remain with Collector subject to the following: Collector agrees upon Committee request to electronically transfer or deliver to the Committee or its designated representative the Tax Records in accordance with the Transition Policy at the termination or expiration of Collector's engagement under this Agreement. Collector's failure to timely adhere to the Transition Policy shall subject the Collector to, among other things, the liquidated damages provided for in Article III paragraph 5.

5. At all times the Tax Records are maintained by Collector hereunder, all records pertaining to the Taxes and taxpayers will be made available to the Committee's duly authorized agents for inspection as well as each member political subdivision representative identified in accordance with Article I, paragraph 8 herein, for copying or electronic transfer during normal business hours, upon forty-eight (48) hours prior notice to Collector, provided that reasonable costs (costs shall be charged in accordance with the Right to Know Law) and expenses incurred by Collector incurred, if necessary, to copy the records, shall be promptly reimbursed by the Committee to Collector, upon submission of an appropriate invoice therefore.

#### **Article V – Depository and Remittance**

1. Collector shall deposit within seventy-two (72) hours of receipt all Tax monies collected into a federally insured national depository bank trust account designated as the Westmoreland Tax Collection Committee Trust Account of its choice, provided it has received prior written approval of the depository bank from the Committee. Collector shall have the authority to invest all Tax monies collected in its custody in Authorized Investments as defined in Section 509 (a)(6) of Act

32 unless otherwise directed by the Committee. Income generated from Tax monies invested in Authorized Investments shall be accounted for separate and apart from the Taxes, however distributed to and allocated among the political subdivisions comprising the Tax Collection District upon the same allocation as the distribution of the Taxes collected within twenty (20) days of the end of prior month.

2. All Taxes received from employers and other taxpayers shall be distributed to the political subdivisions within the tax collection district or to other tax collection districts as applicable on a weekly basis with payment due by 4:00 p.m. on the Wednesday of the following week. Collector shall remit a payment via ACH electronic funds transfer network. Failure to timely remit taxes on three (3) occasions during any consecutive twelve (12) month period shall be deemed an event of default without opportunity to cure and cause for termination in accordance with Article II of the Agreement.
3. The Collector shall maintain a record of all Taxes collected, which shall include all of the information required in the reports referenced under Section 512 (4) and (5) of Act 32, the date of distribution, the political subdivision of tax officer to which the Taxes are distributed and any other information required by the Department. These reports shall be provided to the Committee at the time of distribution.

#### **Article VI – Reports**

1. Unless otherwise directed by the Committee or a respective political subdivision with respect to reports to which it is entitled, for each of the reports referenced in Article VI a cumulative report, in electronic format unless otherwise requested, providing subtotals for each political subdivision within the Taxing District as well as a total for the entire District shall be provided to the

Committee with a separate report being provided to each political subdivision within the Taxing District limited to that political subdivision's information. A separate report with respect to those reports required in this Article VI shall be provided for each type of tax being collected by the Collector. Collector shall provide, upon request by the Committee, additional reports and information formatted as directed by the Committee.

2. The Collector, within twenty (20) days after the end of each month, shall provide a report in a format designated by the recipient whether electronically or a printed report, on forms prescribed by the Department and as directed by the Committee, to the secretary of the Committee and to the secretary of each political subdivision in the Tax Collection District for which taxes were collected during the previous month (the "Distribution Report"). The Report shall include a breakdown of all current and delinquent Taxes, income generated from Authorized Investments permitted under Section 509 (a)(6) of Act 32, penalties, costs received, collected, expended and distributed for each political subdivision served by the Collector as well as all monies distributed to and received from tax officers for other tax collection districts.
3. Provide, within twenty (20) days after the end of each month to each political subdivision, a report reflecting Tax monies collected, detailed on a daily basis, for that political subdivision.
4. Provide, sixty (60) days after each Earned Income and Net Profits quarterly and final annual return filing deadline, a Report ("Employer Report") identifying those employers, segregated by political subdivision who failed to file quarterly and/or annual returns as required by Act 32 as well as those employers who have failed to remit payment although their return has been filed. Along with the aforementioned Employer Report a Report shall be provided listing, by political subdivision, those employers who have newly registered with the Collector during the most recent quarter in accordance with Section 512 (1) of Act 32.

5. Provide, sixty (60) days after each Earned Income and Net Profits, quarterly and final return filing deadline a report identifying tax monies received which the Collector is unable to identify the political subdivision or tax collection district to which those tax monies are to be distributed.
6. Within ninety (90) days of the close of each calendar year an itemized accounting of all costs, administrative fees, attorney's fees and any other fees or costs collected by the Collector from taxpayers along with an itemization of those fees of any nature retained by the Collector as well as those third parties receiving those fees and costs collected from taxpayers by the Collector and corresponding amounts.
7. Within ninety (90) days of the close of each calendar year a Report segregated by tax year and political subdivision identifying delinquent Earned Income and Net Profits taxes, interest and penalties owed by individual taxpayers and, as applicable, employers as well as a cumulative total delinquent for that particular tax year. Payments received for each tax year as well as the outstanding balance for that particular tax year shall be reflected on the Report. For example, at the conclusion of the 2014 tax year a report would be provided detailing cumulative delinquent taxes owed for the tax year 2012, taxpayers paying 2012 taxes and the remaining delinquent 2012 tax year balance. A similar report would be provided for the 2013 Taxes etc. Failure to segregate the delinquent taxes by tax year as well as the cumulative delinquent tax payments received for that tax year shall be considered a default under this Agreement.
8. Failure to timely provide a required report within five (5) days of the specified submission date shall cause the Committee undue hardship and difficulties in carrying out its statutory obligations. Accordingly for each day Collector fails to timely remit a report it shall be subject to a charge of \$1,500.00 per day per report. The liquidated damage fee is intended to compensate the Committee for time expended due to the Collector's delay. The aforementioned liquidated

damages are intended to supplement additional legal remedies the Committee may have as a result of monetary costs, expenses or losses incurred due to the untimely transfer of the Tax Records to a successor collector and shall not be deemed the Committee's sole remedy.

## **Article VII. Bonds**

1. Prior to initiating official duties, the Collector shall give and acknowledge a Bond to the Committee. The Committee shall fix the amount of the Bond in an amount equal to the maximum amount of Taxes that may be in possession of the Collector at any given time or in an amount as authorized by § 509 (d) of Act 32. The Collector's Bond shall meet the requirements of § 509 (d) of Act 32 which requirement shall include but not be limited to requiring a Bond be joint and several, with one or more corporate sureties, which shall be surety companies authorized to do business in the Commonwealth of Pennsylvania and licensed by the Insurance Department.
2. The Bond shall be titled in the name of the District and shall be for the use of the District, and for the use of any political subdivision or Tax Collection District for which income tax shall be collected or distributed in case of breach of any conditions of a Bond by the act or neglect of the Collector named on the Bond.

## **Article VIII. Audit**

During each calendar year, upon sixty (60) days prior notice the Collector shall make available its books, accounts, financial statements, compliance reports and records for Audit by a Certified Public Account of the Committee's designation. The examination by the Committee's representative shall include an Audit of all records relating to the cash basis receipt and disbursement of all public money by the Collector, a reconciliation of the monthly reports

required by § 509 (b) and analysis of the bond amount under § 509 (d), an analysis of the collection fees charged to the Tax Collection Committee and any other information deemed pertinent by the Committee. The examination shall not include payroll and other proprietary information and shall be conducted in accordance with accepted governmental auditing standards.

The Collector shall engage a Certified Public Accountant, acceptable to the Committee, to perform an annual SAS 70 Audit of its operations. The Collector shall, upon receipt thereof, provide the Committee with a copy of its annual audit.

#### **Article IX. Confidentiality**

Any information obtained by the Collector or any employee or agent of the Collector as a result of declarations, returns, investigations, hearings or verifications shall be confidential tax information. The Collector shall comply with § 514 of Act 32 with respect to the maintenance and/or distribution of confidential information.

#### **Article X. Delinquent Taxes**

1. All delinquent Taxes shall be expediently pursued in a prompt and timely manner and enforced to the fullest extent statutorily permitted by the Collector. All out-of-pocket expenditures by the Collector, if any, not included in the Schedule of Costs may be assessed to the taxpayer and upon collection retained by the Collector in accordance with applicable law. The Schedule of Costs shall be preapproved by the Committee and itemized on Schedule 3 "Litigation Guidelines" attached hereto. In all circumstances the Collector shall recover any and all costs from collection proceeds pursuant to the provisions of the Local Taxpayer Bill of Rights.

2. **Earned Income Taxes collection timeline.** The Collector covenants that upon determining an employer has failed to file a required return and/or remit timely payment it shall within thirty (30) days of the filing deadline initiate, via correspondence, a demand for payment. In the event employer fails to respond or comply to such request a second ten (10 day demand letter shall be issued. Should employer continue to fail to respond appropriate legal action shall be initiated on a date not in excess of sixty (60) days from the applicable tax filing/payment date. Collector shall, with respect to individual filers, within the one hundred eighty (180) day delivery of the Commonwealth of Pennsylvania personal income tax register ("State Tape") (1) review the Tape and reconcile the Tape with amounts paid by each taxpayer; (2) contact taxpayer via letter advising of additional amounts due; and (3) enter into payment agreements with taxpayers when appropriate in accordance with guidelines provided by the Committee. Where no response has been received pursue legal action in accordance with the Litigation Guidelines attached hereto and marked as Schedule 4 .
3. **With respect to all Taxes other than earned income taxes the Collector shall contact taxpayers via letter advising of the delinquency within \_\_\_\_\_ days of the delinquency.**
4. **The Committee shall have the option upon thirty (30) days prior written notice, to direct the Collector to turn over and relinquish control of all or certain designated uncollected earned income taxes and other specified Taxes ("Transferred Accounts") to a designated Committee third-party representative in electronic form, with such information being formatted to provide the data set forth below. The Committee's election to pursue an alternative means to collect the aforementioned designated delinquent Taxes shall not relieve the Collector of responsibility to carry-out its remaining obligations for Tax collection on accounts, other than those relinquished, as provided for by this Agreement.**



- (1) name
- (2) address
- (3) social security number
- (4) original amount due
- (5) payments received
- (6) penalty, interest and costs; and
- (7) total due for each tax year.
- (8) record of contacts

The above referenced Transferred Account report shall provide a figure identifying the total amount of Transferred Accounts turned over.

5. Arrangements shall be made for costs expended by the Collector, however collected by a successor delinquent Collector to be itemized and transferred to the Collector. In the event Collector receives any payment on any Transferred Account, it shall forward the payment to designated collector for processing. If the payment includes amounts that are not to be applied to Transferred Accounts, Collector shall accept the payment and forward the portion of the payment applicable to Transferred Accounts to the Committee Representative.

#### **Article XI. Legal Proceedings**

Unless otherwise directed by the Committee, the Committee hereby designates and authorizes Collector to appear before a District Judge , on behalf of the Committee for the purpose of collecting Taxes hereunder. Appearance on behalf of the Committee at proceeding other than before a District Judge or for a matter at any level where the Committee or a political subdivision within the District has been named a defendant shall require the Committee's prior written consent

it being understood the Committee may direct the Collector to utilize counsel designated by the Committee. It is understood that the Collector shall be solely responsible for all costs of such prosecution and/or collection, including, without limitation, reasonable attorneys' fees and court costs provided, however the Collector shall be permitted to recover and retain from the taxpayer those filing costs and those administrative costs and attorneys, at rates pre-approved by the Committee, imposed upon and collected from the taxpayer as provided by Section 707 of Act 32.

## **Article XII. Indemnity**

1. The Committee shall and will defend, indemnify and hold and save harmless Collector, and fully reimburse Collector with respect to any demands, actions, losses, damages, liabilities, claims, costs and expenses, including, without limitation, reasonable attorney's fees resulting from any lawsuit or other legal proceeding or challenge, brought by any party, involving the constitutionality or otherwise bringing into question the validity of the Committee or its directives. Provided, however, Collector shall give written notice to the Committee of any such lawsuit or other legal proceeding or investigation within ten (10) working days after Collector first learns of or receives process concerning such action and the Committee shall enter a defense to any such proceeding with counsel of its selection and at the Committee's expense. The Committee shall fully indemnify Collector for any such action, investigation or legal proceeding as herein above provided.
  
2. Collector shall and will defend, indemnify and hold and save harmless the Committee from any and all acts or omissions of Collector, its employees, consultants, agents, representatives, or independent contractors in violation of the Agreement relative to the collection of the Taxes, and from any lawsuit, claim, demand, damages, judgment, execution, reasonable attorney's fees, or other legal proceedings brought by any person or entity resulting from the Collector, its employees, consultants, agents, representatives, or independent contractors administration and collection of

the said Taxes, or arising from Collector's own negligence in the collection and administration by Collector of said Taxes. Provided, however, the Committee shall give written notice to Collector of any such lawsuit or other legal proceeding or investigation within ten (10) working days after the Committee first learns of or receives process concerning such action, and Collector shall enter a defense to any such proceeding with counsel of its selection at the cost of Collector. Collector shall fully indemnify Committee for any action, investigation, or legal proceeding as hereinabove provided.

**Article XIII. Act 32 Best Practices.**

Collector acknowledges it has reviewed and understands those Act 32 Best Practices published by the Department and that it has or will as of the Agreement Effective Date have the hardware, software and processes in place and operational required by the Act 32 Best Practices, and that, during the course of this contract, Collector shall comply with and operate in accordance with Act 32 Best Practices applicable to Tax Officers. Collector further acknowledges that where there is a conflict between the terms of this Agreement and the Act 32 Best Practices it shall notify the Committee in writing and request written direction; provided, however, where such notification of conflict is not provided the conflict shall be interpreted in the manner most beneficial to the Committee and to the political subdivisions comprising the Tax District.

**Article XIV. Miscellaneous**

1. In the event any phrase, clause, sentence, or paragraph of this Agreement is declared invalid by any court of competent jurisdiction, this Agreement shall survive such declaration of invalidity as regards all portions of the Agreement not specifically declared invalid. This Agreement shall be governed by and construed in accordance with the Laws of the Commonwealth of Pennsylvania.

All prior or contemporaneous agreements, contracts, promises, representations and statements, whether oral or written, if any among the parties hereto, or their representatives, are merged into this Agreement, and this Agreement shall constitute the entire Agreement among them, and no waiver or modification of the terms hereof shall be valid unless in writing signed by the party to be charged and only to the extent therein set forth. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

2. The Collector, in accordance with § 509 (g)(1) of Act 32 shall ensure that the Tax Collection District enters into an agreement with the Department of Revenue for the exchange of information as necessary for the collection of income taxes.
3. The Collector shall as provided by 508 (e) of Act 32 complete mandatory education requirements as required by the Department as a prerequisite to act as Collector. The Collector shall provide proof of compliance with Department education requirements to the Committee on an annual basis.
4. With respect to services performed by the Collector, **Time Shall Be Of The Essence** as to any and all duties and deadlines for such performance, and in general the Collector shall perform all services promptly and consistent with the standard of care contemplated by Act 32.
5. Collector acknowledges that it is an Independent Contractor engaged to collect Taxes as set forth above, and it not an employee of Committee and therefore expressly waives any right to unemployment compensation benefits, life, health or accident insurance, pension rights or other benefits customarily paid to employees. Collector shall be responsible for payment of all taxes arising out of compensation received in connection with this agreement.

Any notice given hereunder by either party to the other shall be in writing and shall be deemed given when delivered personally, or five (5) days after being sent by Certified Mail, Return Receipt Requested, postage prepaid, as follows:

If to Committee:

If to Collector:

Committee

Attn: Secretary

Attn: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto, intending to legally bind themselves, have caused these presents to be executed by the proper officers thereof, all as of the date and year first above written.

ATTEST:

**WESTMORELAND COUNTY TAX COLLECTION  
COMMITTEE**

\_\_\_\_\_

By: \_\_\_\_\_

Secretary

President

Seal

ATTEST:

**COLLECTOR INC.**

\_\_\_\_\_

By: \_\_\_\_\_

Secretary

Seal

**SCHEDULE "1"**

**TAXES AND FEES**

**SCHEDULE "2"**

**ACT 32 BEST PRACTICES**

**SCHEDULE "3"**  
**TRANSITION POLICY**



SCHEDULE " 4"

LITIGATION GUIDELINES

TO BE INSERTED

SCHEDULE OF COSTS OF COLLECTION (*DOLLAR FIGURES FOR EXAMPLE ONLY AND  
SUBJECT TO COMMITTEE DISCUSSION*)

A. TAXPAYER NOTIFICATION

- |    |  |  |
|----|--|--|
| 1. | Taxpayer late filing or underpayment notice for: annual earned income, nuisance tax (head tax), emergency and municipal services tax.  | Cost will equal amount of tax.<br>But will never exceed \$12.00<br>for any one tax year. |
| 2. | Employer late filing notice or underpayment penalty notice for quarterly or annual earned income tax, amusement tax or emergency and municipal services (occupational privilege) tax return. | \$25.00  |
| 3. | State list income difference letter.   | \$25.00  |
|    | a) Second and Third Notices  | \$20.00 each + Certified Fee   |
| 4. | Partial payment fee – where payment received does  |  |

not pay account in full. \$6.50

5. Fee for check Returned from bank (NSF, Acct. Closed, etc.). \$30.00

6. Notice of intent to file civil suit/criminal complaint. \$25.00 + Certified Fee

**B. WAGE ATTACHMENT**

1. Taxpayer notice prior to wage attachment. \$25.00

2. Employer wage attachment notice. \$25.00

3. Notary fee. \$ 5.00

**C. FILING COMPLAINT BY OFFICE**

1. Prepare District Judge complaint. \$28.00

**D. LITIGATION BY COUNSEL**

1. Prepare for District Judge hearing (where appearance is required). \$35.00

2. Attend District Judge . . . \$50.00

3.	Attend Constable Execution sale . . .	\$100.00
4.	Prepare Arbitration complaint/appeal . . .	\$75.00
5.	Attend Arbitration trial.	\$150.00
6.	Enter default judgment.	\$50.00
7.	Issue Sheriff Writ of Execution.	\$75.00
8.	Attend Sheriff Sale.	\$100.00

**E. AUDIT**

	<u>TAX ASSESSED</u>	<u>COST</u>
1.	\$40.00 - \$100.00	\$31.25
2.	\$101.00 - \$500.00	\$62.50
3.	\$501.00 - \$1,000.00	\$125.00
4.	\$1,001.00 - \$5,000.00	\$312.50

5.

Over \$5,000.00

\$1,000.00