

TAX COLLECTION AGREEMENT

This Tax Collection Agreement is entered into this ____ day of _____, 2011, (the “Effective Date”) by and between the Warren County Tax Collection Committee (hereinafter referred to as the “Committee” or the “TCC”) with its principal place of business at _____, Warren, PA 16365 and the Warren School District School District, with its principal place of business at 185 Hospital Drive, North Warren, PA 16365 (hereinafter referred to as the “School District” or the “Tax Collector”).

BACKGROUND

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 Warren Tax Collection District (the “Tax Collection District”) for the purpose of income tax collection; and

The Committee has determined that the School District, through the utilization of its Earned Income Tax Office, possesses the specialized professional skills necessary to serve as the tax collector for income tax collection; and

The School District has agreed to perform the services and the Committee now desires to enter into this Contract with the School District to engage it to perform the services as provided herein.

NOW, THEREFORE, in consideration of the foregoing, and subject to the conditions contained herein, the Parties hereto intending to be legally bound hereby, do covenant and agree for themselves, their respective successors and assigns as follows:

ARTICLE I CONTRACT & CONTRACT TERM

1. The Contract shall consist of the Tax Collection Agreement, which includes Exhibit A (the School District’s Proposal) and Exhibit B (the School District’s insurance requirements), with said items being collectively referred to hereinafter as the “Contract”).

2. Unless terminated in accordance with this Contract, this Contract shall commence on the Effective Date (as defined above) and shall remain in effect until terminated by either Party upon 180 days written notice, sent by certified mail, to the other Party’s Project Coordinator . The effective date of any such termination shall be 180 days after the required written notice of termination is received by the Project Coordinator.

ARTICLE II SCOPE OF WORK

1. The School District , through the School District ’s Earned Income Tax Office, hereby agrees to collect the Earned Income Tax and Local Services Tax on behalf of the

Committee in accordance with the School District's Proposal, a copy of which is incorporated herein by reference and attached hereto as Exhibit A. Tax collection by the School District shall commence on January 1, 2012.

2. The Committee hereby agrees that members of its staff will cooperate with the School District in the performance of its services under this Contract and will be available for consultation with the School District at such reasonable periods of time that do not conflict with their other responsibilities.

ARTICLE III PROJECT COORDINATORS

1. The Committee Project Coordinator is _____, with a mailing address of _____. The Committee Project Coordinator shall notify the School District in writing of any change in the name or the contact information of the Committee Project Coordinator within a reasonable time prior to the change.

2. The School District Project Coordinator is _____, with a mailing address of 185 Hospital Drive, North Warren, PA 16365. The School District Project Coordinator shall notify the Committee in writing of any change in the name or the contact information of the School District Project Coordinator within a reasonable time prior to the change.

ARTICLE IV INDEPENDENT CONTRACTOR

Notwithstanding anything contained herein to the contrary, the rights and duties hereby granted to and assumed by the School District are those of an independent contractor only. Nothing contained herein shall be so construed as to create an employment, agency or partnership relationship between the Committee and the School District or the School District's agents, employees or representatives.

ARTICLE V SCHOOL DISTRICT'S COMPENSATION AND PAYMENT PROCEDURES

1. The Committee agrees to compensate the School District for services rendered in accordance with the charges, commissions, and reimbursable expenses specified in the Proposal, a copy of which is incorporated herein by reference and attached hereto as Exhibit A.

2. All charges, commissions, and reimbursable expenses specified in the Proposal and charged by the School District to the Committee shall be supported by properly executed records/invoices indicating in proper detail the nature, amount, and propriety of the charge.

ARTICLE VI

INTEREST OF PARTIES AND OTHERS

1. No officer, member or employee of the Committee and no member of its governing body who exercises any functions or responsibilities in the review or approval of services being performed under this Contract shall participate in any decision relating to this Contract which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested. Nor shall any officer, member or employee of the Committee or any member of its governing body have any interest direct or indirect in this Contract or the proceeds thereof.

2. The School District covenants that the School District (including the directors, officers, members and employees of the School District) presently has no interest and shall not acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. The School District further covenants that no person having any such interest shall be employed in the performance of services for this Contract.

ARTICLE VII

ASSURANCES AND COMPLIANCE REQUIREMENTS

1. The School District and the School District 's agents and employees shall comply with all Act 32 requirements, and all other applicable federal, state, and local laws, regulations, or ordinances during the performance of this Contract.

2. The School District shall purchase from and maintain, so long as this Contract remains in effect, insurance of the types and amounts listed in Exhibit B. Said insurance shall be purchased and maintained through a company lawfully authorized to do business in Pennsylvania. School District shall file with the Committee prior to commencement of collection under this Contract certificates of insurance acceptable to the Committee. These certificates shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire until at least 30 days prior written notice has been given to the Committee.

3. The Parties understand that the Committee is subject to the Pennsylvania Right-to-Know Law with respect to information coming into the School District 's possession in the discharge of its duties under this Contract and all public requests for such information shall be referred to the TCC. The Committee shall notify the School District 's Project Coordinator in the event the Committee needs the School District 's assistance in any matter arising out of the Right to Know Law ("RTKL"). Upon notification from the Committee that the Committee requires the School District 's assistance in responding to a RTKL request for records in the School District 's possession, the School District shall immediately (within 5 business days) provide the Committee with access to, and copies of, any document or information in the School District 's possession which arises out of the Contract and is necessary in order to comply with the RTKL.

4. The School District shall have a duty to use best efforts to maximize tax collections by ensuring that all taxpayers are identified and all taxes owed are paid. Every 6 months, the School District shall provide the Committee with a report that outlines the measures taken by the School District to ensure that all taxpayers are identified and all taxes owed are paid. The School District shall also take all reasonable actions requested by the Committee in this regard.

5. School District will take all necessary and appropriate actions to collect taxes not paid when due and to ensure employer compliance, including without limitation and when appropriate, the following steps: Criminal Prosecutions, Wage Attachments, Liens, and Civil Proceedings. The School District shall provide the Committee with a monthly report on the legal proceedings instituted by the School District during the preceding month and the status of said legal proceedings, with said report being due on or before the 15th day of each month. The charges associated with said actions are contained in, and shall be governed by, the School District's Proposal, a copy of which is incorporated herein by reference and attached hereto as Exhibit A.

6. The School District will participate in, and as appropriate defend against, appeals filed with the Committee's Tax Appeal Board.

7. The School District will participate in DCED mediation when a dispute is properly submitted to DCED mediation.

8. At least every 6 months, and more frequently if requested by the Committee, the School District will meet with Committee representatives to report on and discuss tax collection activities, issues, and performance.

9. The School District will distribute tax and related amounts in compliance with the Local Tax Enabling Act, 53 P.S. § 6924.513.

10. The School District hereby agrees to perform and comply with all of the requirements, powers, and duties enumerated in Act 32 and the LTEA, which shall include but not be limited to, the timely submission of monthly reports and annual reports to the School District and Taxing Authorities.

11. The School District shall provide a bond or bonds complying with the requirements of LTEA, 53 P.S. §6924.509(d).

ARTICLE VIII AUDIT PROVISION

1. The Committee or their authorized representative shall have the right, at reasonable times and at a site designated by the Committee, to audit the books, documents and records of the School District to the extent that the books, documents and records relate to this Contract. The School District agrees to cooperate and coordinate with the Committee's Act 32, §505(h) appointed certified public accountant in accordance with the provisions of this paragraph. As a part of the requirements contained in this paragraph, the School District agrees

to maintain records which will support the charges, commissions, reimbursable expenses, and other costs incurred for this Contract.

2. The School District shall preserve all books, documents, and records that relate to this Contract. The School District shall give full and free access to all records to the Committee and/or their authorized representative.

ARTICLE IX ASSIGNABILITY

The Committee acknowledges and agrees that the School District will subcontract with and assign its duties and obligations under Article VII, Section 5 of this Contract to Berkheimer Associates. Otherwise, the School District may not assign or subcontract, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the consent of the Committee.

ARTICLE X DEFAULT

1. The Committee may, in addition to its other rights under this Contract, declare the School District in default by written notice thereof to the School District, and terminate (as provided in Article XIII, Termination) this Contract for any of the following reasons:

- (a) Failure to begin work within the time specified in this Contract;
- (b) Failure to perform the work with sufficient labor, equipment, or material to ensure the completion of the specified work in accordance with the terms of this Contract;
- (c) Unsatisfactory performance of the work required by this Contract;
- (d) Failure or refusal to replace any work required by this Contract that is rejected as defective or unsatisfactory;
- (e) Discontinuance of work required by this Contract without approval;
- (f) Failure to resume work required by this Contract, which has been discontinued, within a reasonable time after notice to do so;
- (g) Breach of any provision of this Contract.

2. If this Contract is terminated as provided in paragraph 1 of this Article, the Committee, in addition to any other rights provided in this Article, may require the School

District to transfer title and deliver immediately to the Committee or its authorized representative in the manner and to the extent directed by the Committee, such partially completed work, including, where applicable, reports, working papers and other documentation, as the School District has specifically produced or specifically acquired for the performance of such part of this Contract. Payment for completed shall be at the price specified in the Proposal.

3. The rights and remedies of the Committee provided in this Article shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

4. The Committee's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Committee of said rights and remedies.

ARTICLE XI TERMINATION

The Committee has the right to terminate this Contract upon written notice to the School District for cause as specified in Article XII of this Contract. The Committee shall also have the right, upon written notice to the School District, to terminate this Contract for other cause provided in law.

ARTICLE XII TRANSITION

School District agrees to take the following steps as part of the transition to tax collection under this Contract:

- a. If applicable, the School District will use best efforts to obtain from the current tax collector for each Taxing Authority copies of all tax records (other than bank account statements) required under the Tax Records Policy for Tax Collector.
- b. On or before December 1 prior to the date School District commences tax collection under this Contract, School District will notify in writing all employers within the Tax Collection District. The notice will include the Earned Income Tax Office's contact information, website address, and other information to help ensure employer communications and payments are directed to the School District's Earned Income Tax Office. The notice will also include tax returns and any other required forms.
- c. On or before December 1 prior to the date School District commences tax collection under this Contract, the School District will notify in writing all individuals residing in the Tax Collection District who pay or are believed to owe tax. The notice will include Earned Income Tax Office's contact information, website address, and other information to help ensure taxpayer communications and payments are directed to the

School District's Earned Income Tax Office . The notice will also include tax returns and any other required forms.

d. If applicable, the School District will arrange with the prior tax collector for transfer to the School District of any checks, electronic fund transfers, tax returns, or other communications received by the prior tax collector.

e. The School District will take all other reasonable measures deemed necessary or appropriate by the Committee to educate taxpayers about School District 's appointment, and about Act 32, the LTEA, and School District requirements, or to ensure smooth transition of tax collection services.

ARTICLE XIII ENTIRE AGREEMENT

This Contract, as this term is defined in Article I herein, constitutes the entire agreement between the Parties. No modifications, alterations, changes, or waiver to this Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both Parties.

ARTICLE XIV SEVERABILITY

Should any section or any part of any section of this Contract be rendered void, invalid or unenforceable by any court of law, for any reason, such a determination shall not render void, invalid, or unenforceable any other section or part of any section of this Contract.

ARTICLE XV NONWAIVER OF REMEDIES

No delay or failure on the part of the Committee or the School District in exercising any right, power or privilege hereunder shall affect such right, power or privilege; nor shall any single or partial exercise thereof or any abandonment, waiver, or discontinuance of steps to enforce such a right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies of the Committee and School District hereunder are cumulative and concurrent and not exclusive of any rights or remedies which it might otherwise have. The Committee and School District shall have the right at all times to enforce the provisions of this Contract in accordance with the terms hereof notwithstanding any conduct or custom on the part of Committee or School District in refraining from so doing at any time or times. The failure of the Committee or School District at any time or times to enforce its rights under such provisions, in accordance with the same, shall not be construed as having created a custom in any way or manner contrary to specific provisions of this Contract or as having in any way or manner modified or waived the same.

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands and seals in counterpart the date hereinabove first shown.

ATTEST:

Warren County Tax Collection Committee

Secretary

Chairperson

ATTEST:

Warren County School District

Secretary

Board President