**SAMPLE**

**LOCAL SERVICE TAX COLLECTION**

**AGREEMENT**

THIS AGREEMENT, entered this 1st day of January, 2011, by and between **(Township/Borough),** a political subdivision created and existing under the laws of the Commonwealth of Pennsylvania, located in \_\_\_\_\_\_\_\_\_\_\_\_\_\_County, Pennsylvania, (hereinafter "\_\_\_\_\_\_\_\_\_") and KRATZENBERG & ASSOCIATES, INC. d/b/a/ KEYSTONE COLLECTIONS GROUP of Westmoreland County, Pennsylvania (hereinafter "Collector").  
 WHEREAS, the **(Township/Borough)**, by motion or resolution, has officially appointed Collector as the exclusive current and delinquent collector of its local services taxes, and

WHEREAS, the Commonwealth of Pennsylvania authorizes the collection of the Local Services Tax, and

WHEREAS, the **(Township/Borough)**further authorizes Collector's special counsel to serve in the capacity of collection enforcement in matters in connection with such tax collection, and authorizes Collector and special counsel to appear before any court of law on behalf of the taxing authority for the purpose of tax collection.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, mutually promise, covenant and agree as follows:

***1.******Term***

From the effective date of this Agreement and continuing thereafter for a period of three (3) years from the Effective Date, Collector shall render tax collection services, for and on behalf of the **(Township/Borough)** for the exclusive collection of all current and delinquent Local Services Taxes levied by the **(Township/Borough)** pursuant to applicable Pennsylvania law, statute, ordinance or resolution and all regulations promulgated thereunder. This Agreement shall automatically renew for additional one (1) year term unless and until either of the parties hereto shall terminate this Agreement as of any anniversary date by sending to the other party written notice of termination at least ninety (90) days prior to any such anniversary date.

***2.******Collector's Services and Compensation***

Collector shall provide the following tax collection services to the **(Township/Borough)** and, in turn, the **(Township/Borough)** agrees to compensate Collector for such services, as follows:

1. Collector shall, upon execution of this Agreement, render its current and delinquent

collection services to, for and on behalf of the **(Township/Borough).** Collector's services shall include, but not necessarily be limited to, letters, notices, wage attachments, and the selection and/or recommendation for initiation of criminal or civil proceedings against delinquent taxpayers before the appropriate Magisterial District Judge of the Commonwealth of Pennsylvania or any other

court of law in County, Pennsylvania, or the Federal court serving said  
jurisdiction, and providing for legal representation of the Special Counsel in any action involving such delinquencies.

1. The Collector’s compensation herein shall be that below-noted percentage of all current taxes collected by Collector, as follows:

**Current Local Services Tax** 1.75% of amount collected, plus automated pre-sort postage.

**Delinquent Local Services Tax** **No Cost** to **(Township/Borough)** under Act 192 resolution.

Note: The above rates are based upon the Act 192 Resolution and Schedule of Costs adopted by the Bucks County TCC, the terms of which are incorporated and made a part  
of this Agreement.

(C) Collector agrees to perform the necessary labor and to supply the necessary forms and  
notices:

1. To administer, enforce and collect the Local Services Tax;
2. To collect, administer and receive the applicable taxes, and enforce the

applicable provisions of the Local Services Tax enactments, the Pennsylvania Local Tax Enabling Act (the "LTEA"), and the Act 192 Resolution adopted by the Bucks County TCC; and

1. To collect and receive the taxes, penalties, interest and costs and to report on a monthly basis the collection detail, specifically including account reference, payment date, receipt number and applicable tax collected.

***3. Reasonable Cooperation***

(A) **(Township/Borough)** shall provide such tax data, assistance and cooperation as are  
reasonably required by Collector to obtain all tax records and related data and shall provide such other information and data as may be reasonably required by Collector to fulfill its obligations hereunder.

(B) Collector agrees to make available to any accountant, firm of accountants or auditor  
appointed by the **(Township/Borough)**, the relevant books and records relating to the collection of **(Township/Borough)** `s current local services taxes by Collector and procedures relating to such collection, and agrees to be present and to participate in such audit at Collector’s headquarters, provided that such audit shall be performed at a mutually convenient time.

***4.******Reimbursable Costs and Payment Remittance***

1. Collector shall advance, for and on behalf of the **(Township/Borough)**, any necessary postage costs, filing fees, service costs and other such costs (reimbursable out-of-pocket costs) if any, necessary and incident to current collections and notification and recovery from delinquent taxpayers.
2. Collector shall be reimbursed for its out-of-pocket costs from subsequent current or

delinquent collections made on behalf of the **(Township/Borough)**.

1. On or before the 1st of each month, Collector shall provide to **(Township/Borough)** a detail report of current and delinquent taxes collected by Collector for the prior month. Agency shall remit funds at least monthly via ACH electronic transfer. Remittance shall include funds collected, less any fees and reimbursed costs as identified here. Monthly reports shall accordingly identify all tax, penalty, and interest collected along with a statement of reimbursable costs and commission due.

***5. Cross Indemnification***

Collector does hereby indemnify **(Township/Borough)** and hold it harmless from any damages, costs, or expenses that directly result from acts or omissions of Collector, its employees, its servants or its agents. Likewise, **(Township/Borough)** does hereby indemnify Collector and hold it harmless from any damages, costs, or expenses that result from any challenge to the validity of any ordinance or resolution of **(Township/Borough)** or which result from any erroneous information provided to Agency, or from acts of omissions of **(Township/Borough)** or other municipal employees, officials or agents, past and present.

***6. Generally Accepted Collection Guidelines***

The parties understand and agree that:

1. Collector and special counsel shall have the obligation to pursue only those tax delinquencies that Collector or special counsel determines are reasonably collectible.
2. With respect to those tax delinquencies more fully described in paragraph 6 (A), Collector and special counsel shall have the obligation to pursue such delinquencies only to such extent as Collector or special counsel determine such pursuit to be economically feasible.
3. At no additional cost to the **(Township/Borough)** , Collector shall be permitted to collect and retain directly from each delinquent taxpayer, a processing fee of Five ($5.00) Dollars for each delinquent tax year, a handling fee of Three ($3.00) Dollars for each payment received by Collector from such delinquent taxpayer which represents less than the full amount of taxes due (i.e., partial payments only), and a service fee of Twenty-nine ($29.00) Dollars for any check returned "Non Sufficient Funds", "Stopped Payment" or "Account Closed".

***7. Severability***

If any covenant or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

***8. Controlling Law***

This agreement shall be deemed to have been made under and shall be governed by the laws of the Commonwealth of Pennsylvania. This agreement represents the entire agreement between the parties and any modifications of same must be in writing to be valid.

***9. Agreement Survival***

This Agreement shall inure to the benefit of and be binding upon the respective parties hereto and their respective successors and assigns.

***10. Commencement***

This Agreement shall become effective January 1, 2011.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

ATTEST: (MUNICIPALITY)

By: (SEAL)  
Duly Authorized Representative

ATTEST: KRATZENBERG & ASSOCIATES, INC. KEYSTONE COLLECTIONS GROUP

By: (SEAL) T.J. Kratzenberg, Esquire

President