

Bill No. 4517-08

No. 08-09-OR

AN ORDINANCE

An Ordinance of the County of Allegheny authorizing the County to enter into a cooperation agreement with the City of Pittsburgh, School District of Pittsburgh and Pittsburgh Water and Sewer Authority pursuant to the Pennsylvania Intergovernmental Cooperation Act for the purpose of jointly cooperating in the collection of Delinquent Taxes.

Whereas, the General Local Government Code, 53 P.S. § 2301 *et. seq.* (hereinafter the "Code"), provides that two or more municipalities may jointly cooperate in the exercise of or performance of their respective governmental functions, powers, or responsibilities, when both bodies pass an ordinance to that effect; and

Whereas, the Code defines "intergovernmental cooperation" as cooperation or agreement in the exercise of any function, power or responsibility or the transfer of any function, power or responsibility with or to one or more other local governments, 53 P.S. § 2304; and

Whereas, Pennsylvania law permits taxing bodies such as the County to utilize third-party agents and collection services in order to streamline and modernize their collection ("Delinquent Collections") of delinquent and liened tax and municipal claims ("Delinquent Claim(s)") and to add the charges, expenses, fees and attorney fees ("Costs of Collection") of Delinquent Collections to the Delinquent Claim balance due; and

Whereas, in May 2004, the County, by and through its Treasurer, deputized a private tax collector ("Special Tax Servicer") to assist the Treasurer and the County's Special Legal Counsel with Delinquent Collections; and

Whereas, the Delinquent Collections program implemented by the County Treasurer has significantly increased the County's Delinquent Collections, generating in excess of \$60 million with **NO** Costs of Collection paid by the County; and

Whereas, adding the Costs of Collection to each Delinquent Claim reduces the financial burden on taxing bodies by shifting the Costs of Collection from those who pay their municipal obligations on time to those who do not; and

Whereas, the County and the City of Pittsburgh ("City") have considered government consolidation to achieve more effective and efficient government for the City and County and their respective taxpayers; and

Whereas, the County and the County Treasurer have determined that it is in the best interests of the County and its residents to cooperate with the City, the School District of Pittsburgh ("School District") and the Pittsburgh Water and Sewer Authority ("PWSA") (all four

entities are collectively referred to herein as the “Municipalities”) in the collection of Delinquent Claims; and

Whereas, consolidation will benefit the Municipalities and taxpayers alike by improving Delinquent Claim collections, reducing costs and expenses of collection, reducing multiple concurrent legal proceedings, consolidating Delinquent Claim records and by providing a single source for Delinquent Claim payments;

Whereas, the County desires to enter into an Intergovernmental Cooperation Agreement (“Agreement”) with the City, School District and PWSA in order to consolidate Delinquent Collections by utilizing the County’s Special Tax Servicer and Special Legal Counsel and to take full advantage of those provisions of Pennsylvania law which permit the recovery of the Costs of Collection as part of each Delinquent Claim; and

Whereas, entering into the Agreement will result in no additional cost or expense to the County.

The Council of the County of Allegheny hereby enacts as follows:

Section 1. Incorporation of Preamble.

The provisions set forth in the Preamble to this Ordinance are incorporated by reference in their entirety herein as findings of fact made by County Council.

Section 2. Cooperation Agreement Authorized.

The County, by and through its Treasurer, is hereby authorized to enter into an Agreement with the City, School District and PWSA to jointly cooperate in the collection of Delinquent Taxes. The Agreement shall be substantially in the form attached hereto and marked as Exhibit “A”, including any changes agreed to by the County through its Treasurer and by the City, School District and PWSA.

Section 3. Duration of Cooperation Agreement.

The Agreement shall continue until terminated by the County, City, School District and PWSA.

Section 4. Purpose and Objectives.

The Agreement shall be for the purposes and objectives set forth therein.

Section 5. Effective Date.

This Ordinance shall enter into effect on the date of its enactment.

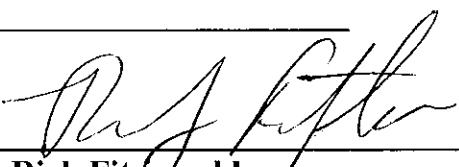
Section 6. Severability. If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance which shall be in full force and effect.

Section 7. Repealer. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Ordinance.

PRIMARY SPONSOR: COUNTY TREASURER WEINSTEIN

Enacted in Council, this 3rd day of March, 2009,

Council Agenda No. 4517-08



Rich Fitzgerald
President of Council

Attest: John Mascio
John Mascio
Chief Clerk of Council

Chief Executive Office March 5, 2009

Approved: Dan Onorato
Dan Onorato
Chief Executive

Attest: Donna Beltz
Donna Beltz
Executive Secretary

INTERGOVERNMENTAL COOPERATION AGREEMENT

By And Between

THE COUNTY OF ALLEGHENY, a Home Rule Municipality;

And

THE CITY OF PITTSBURGH, a Home Rule Municipality;

And

THE SCHOOL DISTRICT OF PITTSBURGH, a School District of the First Class A;

And

THE PITTSBURGH WATER AND SEWER AUTHORITY, a Municipal Authority

THIS INTERGOVERNMENTAL COOPERATION AGREEMENT is made and entered into by and between THE COUNTY OF ALLEGHENY, a Home Rule Municipality (COUNTY), THE CITY OF PITTSBURGH, a Home Rule Municipality (CITY), THE SCHOOL DISTRICT OF PITTSBURGH, a School District of the First Class A (SCHOOL DISTRICT), and THE PITTSBURGH WATER AND SEWER AUTHORITY, a Municipal Authority (PWSA) (collectively herein referred to as the PARTIES) for the purposes of cooperating in the Enforced Collection of Delinquent Claims.

WHEREAS, in May 2004, the COUNTY, by and through its Treasurer, deputized a Special Tax Servicer to collect delinquent and liened County real estate taxes ("Collector") and Special Legal Counsel to enforce collection of delinquent and liened COUNTY real estate taxes ; and

WHEREAS, Pennsylvania law permits the PARTIES to outsource delinquent and liened tax and municipal claim ("Delinquent Clam") collection services ("Delinquent Collections") and to add the charges, expenses, fees and attorney fees ("Costs of Collection") of Delinquent Collections to the Delinquent Claim balance due; and

WHEREAS, adding the Costs of Collection to each Delinquent Claim, reduces the financial burden on the PARTIES by shifting the Costs of Collection from those who pay their municipal obligations on time to those who do not; and

WHEREAS, the COUNTY'S Collector (referred to by COUNTY as "Special Tax Servicer" or "STS") and Special Legal Counsel (referred to by COUNTY as "SLC") have significantly increased the COUNTY'S Delinquent Collections, generating in excess of \$60 million with **NO** Costs of Collection paid by the COUNTY; and

WHEREAS, the COUNTY and CITY have considered government consolidation to achieve more effective and efficient government for the CITY and COUNTY and their respective taxpayers; and

WHEREAS, the CITY, SCHOOL DISTRICT and PWSA have agreed to consolidate Delinquent Collections by utilizing the COUNTY'S Collector and Special Legal Counsel, to enter into this Agreement and to take full advantage of those provisions of Pennsylvania law which permit the recovery of the Costs of Collection as part of each Delinquent Claim; and

WHEREAS, the PARTIES have enacted appropriate legislation and have entered into agreements with the Collector and Special Legal Counsel ("Collection Agreements") to provide specific and detailed Delinquent Collection services to the COUNTY, CITY, SCHOOL DISTRICT and PWSA and to define their respective contractual relationship with the Collector and with Special Legal Counsel; and

WHEREAS, the PARTIES understand and agree that their respective Delinquent Claims may differ from person to person, from property to property, in priority, in duration and in balance due and that those persons or entities who may make payment-in-full or partial payments ("Delinquent Payor") of Delinquent Claims may direct payments to one or more of the PARTIES' Delinquent Claims before directing payments towards another PARTY'S Delinquent Claims; and

WHEREAS, the PARTIES also understand that there are specific Pennsylvania statutes which govern lien priority and Delinquent Claim distribution which are addressed in the PARTIES' Collection Agreements; and

WHEREAS, the PARTIES agree that a unified approach to Delinquent Collections must be undertaken for the sake of efficiency and fiscal responsibility; and

WHEREAS, the PARTIES believe that such consolidation and coordination will increase the PARTIES' Delinquent Collections, will reduce the likelihood of multiple concurrent legal actions ("Collection Actions") by one or more of the PARTIES, thus reducing the Costs of Collection paid by Delinquent Taxpayers, will provide one source for Delinquent Claim information and payments, and will provide for a more efficient and predictable system of Delinquent Claim collections than presently exists; and

WHEREAS, the PARTIES, the Delinquent Taxpayers, as well as the persons and/or entities requiring updated, accurate and timely Delinquent Claim information, will benefit from the unified Delinquent Collection approach outlined in this Agreement; and

WHEREAS, the PARTIES are authorized to enter into this Agreement pursuant to the Pennsylvania Intergovernmental Cooperation Act, 53 Pa. C.S. §2301; and

NOW, THEREFORE, in consideration of the covenants and promises hereinafter set forth, the PARTIES agree as follows:

I. DEFINITIONS.

“Agreement” shall mean this Intergovernmental Cooperation Agreement;

“Collection Action” shall mean a law suit filed by or on behalf of one or more of the PARTIES to enforce collection of Delinquent Claims. Collection Action does not include collection notices or account statements that may be provided while a Collection Action is pending as well as any compromise, settlement, voluntary action, consented to action or amicable action between the Delinquent Taxpayer and any of the PARTIES unless Costs of Collection are due and owing. “Collection Action” does not include City Treasurer’s Sales brought pursuant to 53 P.S. §27101, *et. seq.*;

“Collection Agreement(s)” shall mean those individual agreements by and between the PARTIES and the Collector and Special Legal Counsel for Delinquent Collection and Collection Action services.

“Collector” (also referred to as “Special Tax Servicer” or “STS” in the COUNTY Collection Agreement) shall mean the person or entity providing Delinquent Collection services to the PARTIES.

“Combined Installment Payment Plan” shall mean and Installment Payment Plan between a Delinquent Payor and more than one of the PARTIES.

“Costs of Collection” shall mean Charges, Expenses and Fees as defined in 53 P.S. §101 and in the Collection Agreements, including record costs of any Collection Action, Servicing Expenses, Attorney Fees and Out-Of-Pocket Costs as permitted by applicable Pennsylvania law and by the Collection Agreements between the PARTIES, Collector and Special Legal Counsel.

“Delinquent Claims” shall mean filed and unfiled delinquent taxes, tax claims, tax liens, municipal claims and/or municipal liens due and owing to the PARTIES and subject to the Servicing Expense in accordance with each Party’s Collection Agreement and Ordinance or Resolution adopted in accordance thereto.

“Delinquent Collection” or “Servicing” shall mean those services provided to the PARTIES by Collector and Special Legal Counsel pursuant to the Collection Agreements.

“Delinquent Payor” shall mean any person or entity paying Delinquent Claims.

“Delinquent Property” shall mean each separate property, designated by the COUNTY Assessment Office by a Block and Lot number and subject to one or more Delinquent Claims.

“Delinquent Taxpayer” shall mean any person or entity owing Delinquent Claims.

“Installment Payment Plan” shall mean a written agreement between a PARTY and one or more Delinquent Payors providing for the payment of Delinquent Claims in one or more installment payments or a written forbearance agreement whereby the PARTIES and the

Delinquent Payor and/or Delinquent Taxpayer agree to the forbearance of one or more actions until a specified future date. Installment Payment Plan payment shall be in accordance with installment payment guidelines. Installment Payment Plan, unless specifically provided to the contrary herein, shall include a Combined Installment Payment Plan.

“PARTIES” shall mean the County of Allegheny, the City of Pittsburgh, the School District of the City of Pittsburgh and the Pittsburgh Water and Sewer Authority.

“PARTY” shall mean the County of Allegheny, the City of Pittsburgh, the School District of the City of Pittsburgh or the Pittsburgh Water and Sewer Authority.

“Treasurer’s Sale” shall mean that collection remedy available to the CITY and SCHOOL DISTRICT pursuant to 53 P.S. §27101, *et. seq.*

II. UNIFIED DELINQUENT COLLECTION.

A. Cooperation. The PARTIES agree to cooperate, to the fullest extent possible, in the Delinquent Collection of Delinquent Claims.

B. Single Collector and Special Legal Counsel. The PARTIES agree to retain a single exclusive common Collector and Special Legal Counsel, the same as retained by the COUNTY. This provision does not preclude the use of City Treasurer’s Sales during the term of this Agreement. See Article V, below.

C. Separate Collection Agreements and Legislation. The PARTIES have entered into separate Collection Agreements with the Collector and with Special Legal Counsel detailing specific Delinquent Collection and Collection Action services. The PARTIES have also enacted appropriate legislation providing for the recovery of the Costs of Collection.

D. Collection Notices. Except for those pleadings or notices mandated by law, notices responding to specific requests or targeted towards a specific Delinquent Property or a specific Delinquent Claim, all notices to Delinquent Taxpayers, in particular notices pursuant to Act 1 of 1996 and/or Act 20 of 2003, shall include statements of the balances due for all PARTIES’ Delinquent Claims.

E. Independent Delinquent Collection. While the PARTIES shall hereafter proceed jointly with respect to the subject matter herein, there may be some circumstances when one PARTY may be required to proceed independently in its Delinquent Collection. Those instances may include, but are not limited to the following:

1. A Delinquent Payor directs a payment towards a specific Delinquent Claim;
2. All other Delinquent Claims are paid in full for a specific property except for the Delinquent Claims of one or less than all of the PARTIES.

3. A Delinquent Payor or Delinquent Taxpayer is not in default of an Existing Installment Payment Plan (“EIPP”) for one or more of the PARTIES but has Delinquent Claims for one or more of the remaining PARTIES not subject to the EIPP.

III. LEGAL PROCEEDINGS.

A. Single Collection Action. Except as provided herein to the contrary, the PARTIES agree that only one Collection Action shall be filed against each Delinquent Property at one time.

1. **Pending Action.** If a Collection Action is pending as of the date of this Agreement and is filed on behalf of less than all of the PARTIES, that Collection Action shall be pursued to conclusion, without amendment to add any additional PARTY, however, if the Delinquent Taxpayer or Delinquent Payor wishes to pay the Delinquent Claims and Costs of Collection to conclude the proceeding, the Collector and/or Special Legal Counsel shall provide the Delinquent Taxpayer or Delinquent Payor with all of the PARTIES’ Delinquent Claims and request that all Delinquent Claims be paid in full or pursuant to a Combined Installment Payment Plan.
2. **No Pending Action.** If no Collection Action is pending against a Delinquent Property as of the date of this Agreement, then any future Collection Action, to the extent permitted by law, shall be filed on behalf of and in the name of all PARTIES with Delinquent Claims. Such action shall be pursued until all Delinquent Claims are paid in full or until the Delinquent Property is sold.
3. **Distribution of Delinquent Claims from Proceeds of Judicial Sale, Bankruptcy Sale.** Where the sale price or bid price for a Delinquent Property is equal to or less than the full amount of the PARTIES’ Delinquent Claims, the sale proceeds shall be distributed in accordance with the provisions of the Collection Agreements.
4. **Free and Clear Sales.** If a Delinquent Property is listed for Sheriff’s Sale in an action initiated by one or more of the PARTIES but receives no bids for the “upset price” as defined in 53 P.S. §7279, SLC shall postpone the Sale and shall automatically seek a Petition to Sell the property “free and clear” of liens, claims, mortgages, charges and estates (“Free and Clear Sale”) pursuant to 53 P.S. §7281. At any Free and Clear Sale of a Delinquent Property, the minimum bid price shall be set at the sole and absolute discretion of SLC but no lower than the PARTIES’, Collector’s, and SLC’s Costs of Collection. If no bids are received at a subsequent Sheriff’s Sale, then the Delinquent Property shall thereafter be subject to further sale, at the sole and absolute discretion of SLC, for an amount less than the PARTIES’, Collector’s, and SLC’s Costs of Collection. Any eventual recovery shall be dispersed in accordance with the provisions of the Collection Agreements. At the time of any Sheriff’s Sale following the grant of a Free and Clear

Petition by the Court, any or all of the PARTIES may bid, independently or jointly, but any such bid shall be no less than the Collector's and SLC's Costs of Collection. Note, the same procedures shall follow a "Free and Clear" Petition filed pursuant to 53 P.S. §7282, except that the Delinquent Property shall first be exposed to sale for the "upset price" as defined in 53 P.S. §7279.

5. If one or more PARTIES instructs Collector and Special Legal Counsel to pursue a Delinquent Property that Collector and Special Legal Counsel would not otherwise file a Collection Action against, those PARTIES requesting such Collection Action shall be responsible for reimbursing Collector's and Special Legal Counsel's Attorney Fees, Servicing Expenses and Out-of-Pocket Expenses (i.e., "Costs of Collection") in accordance with the provisions of each PARTY'S Collection Agreement.
6. The PARTIES' Collection Agreements provide for an an execution cost and expense fund ("Fund") to fund the Costs of Collection of execution, including but not limited to title search expenses. The PARTIES shall provide Collector and Special Legal Counsel with access to the Fund for execution, without delay. The PARTIES shall divide, pro rata, all Sheriff's execution costs and fees, as well as title search expenses, paid from the Fund, in the same manner partial payments made pursuant to a Combined Installment Payment Plan are apportioned pursuant to Article IV, Paragraph 4, below.

B. Multiple Actions. If a Delinquent Taxpayer or Delinquent Payor refuses to pay in full or enter into a Combined Installment Payment Plan for all of the PARTIES' Delinquent Claims, then the remaining PARTIES shall be permitted to pursue one or more Collection Actions against the same Delinquent Property or Delinquent Taxpayer. One or more of the PARTIES may have an Existing Installment Payment Plan ("EIPP") not in default as of the effective date of this Agreement. An EIPP shall not prevent the remaining PARTIES from pursuing the collection of their Delinquent Claims. The PARTIES understand that there are some Delinquent Taxpayers that own multiple Delinquent Properties or a combination of one or more Delinquent Property and one or more property that has no Delinquent Claims. To the extent practical and if the Collector and Special Legal Counsel have notice of multiple properties, the PARTIES may file a single Collection Action against the Delinquent Taxpayer or against the multiple Delinquent Properties or may file multiple Collection Actions, each concerning a separate Delinquent Property. A consent judgment or amicable scire facias, at the sole and absolute discretion of Special Legal Counsel may be required, as provided herein, to secure repayment of Delinquent Claims subject to an Installment Payment Plan.

IV. INSTALLMENT PAYMENT PLANS. Installment Payment Plans shall be required for all Delinquent Taxpayers, unless otherwise provided herein. Installment Payment Plans requested by Delinquent Payors, other than the Delinquent Taxpayer, shall be subject to the review and approval of, Collector or Special Legal Counsel. If an Installment Payment Plan

is denied for any of the reasons contained herein, or for any other reason, a Collection Action may be filed as provided herein or in the Collection Agreements

A. Combined Installment Payment Plans. Any Delinquent Claim not subject to a current Installment Payment Plan as of the date of this Agreement shall be eligible for a Combined Installment Payment Plan addressing all of the PARTIES' Delinquent Claims. Combined Installment Payment Plans shall be **denied** to any Delinquent Taxpayer or Delinquent Payor who refuses to address all of the PARTIES' Delinquent Claims in one Combined Installment Payment Plan. Other reasons for denial of a Combined Installment Payment Plan shall include, but are not limited to: an uncured prior Installment Payment Plan default; Delinquent Taxpayers with multiple Delinquent Properties; Delinquent Taxpayers subject to unresolved municipal claims or uncured zoning, health or other code violation(s); and/or Owners of delinquent vacant land, unoccupied structures or income producing Delinquent Properties.

- 1. Existing Installment Payment Plans ("EIPP").** Collector shall administer each PARTY's EIPPs pursuant to the terms of said Plans. Any EIPP in default shall be considered terminated and the PARTIES shall proceed as provided herein.

B. Payment In Full. Any Delinquent Taxpayer or Delinquent Payor subject to or denied a Combined Installment Payment Plan shall be permitted to pay in full any or all Delinquent Claims at any time. If less than all Delinquent Claims are paid in full, the Combined Installment Payment Plan shall be unaffected if future mandated payments are timely made. The Collector shall provide any Delinquent Taxpayer with a written statement or statements of the PARTIES' Delinquent Claims at no cost upon request. Certifications shall also be provided by the Collector upon request pursuant to the Collection Agreements.

C. Combined Installment Payment Plan Guidelines. The following Installment Payment Plan term guidelines are hereby established by the PARTIES for any Installment Payment Plan or Combined Installment Payment Plan. Any Delinquent Taxpayer or Delinquent Payor refusing to comply with any of the term guidelines shall be required to pay all PARTIES' Delinquent Claims in full unless the Delinquent Taxpayer is granted a Hardship Payment Plan or, for good cause shown, an exception is made by the PARTIES. Note, the PARTIES written Combined Installment Payment Plan and Installment Payment Plan forms shall contain several additional standard provisions as required by Collector and/or Special Legal Counsel.

1. Term Guidelines:

- a. Owner Occupied Residential Properties.** The term of any negotiated Combined Installment Payment Plan shall be 24 months or less.
- b. Tenant Occupied Residential, Occupied Commercial, Occupied and Operating Industrial Properties.** The term of any negotiated Combined Installment Payment Plan shall be 18months or less.

- c. **Vacant land, unoccupied residential, commercial and industrial properties and any other property type not specifically referenced in sub-paragraphs 1 and 2, above.** The term of any negotiated Combined Installment Payment Plan shall be 12 months or less.
2. **Judgment, Amicable Scire Facias or Consent Judgment:** The entry of judgment, whether by consent or by default, shall be a condition of any Combined Installment Payment Plan requested following the filing of any Collection Action. An Amicable Scire Facias or Consent Judgment shall be required, at the sole and absolute discretion of SLC where a Combined Installment Payment Plan is requested prior to the filing of a Collection Action for any Delinquent Property with combined Delinquent Claims totaling \$3,500 or more. A Delinquent Payor, other than a Delinquent Taxpayer, may be denied a Combined Installment Payment Plan where payment of Delinquent Claims is not secured by a judgment against the Delinquent Property unless suitable substitute security, at the sole discretion of Special Legal Counsel, is provided by the Delinquent Payor.
3. If CITY and SCHOOL DISTRICT Delinquent Claims are due, the parameters of Hardship Payment Plans in any Combined Installment Payment Plan shall be the same as provided in Paragraph 7 of that Settlement Agreement entered into by the City of Pittsburgh and its then Treasurer, Richard Fees, approved by Order of Court dated November 12, 2003 and indexed at GD 03-7130 in the Court of Common Pleas of Allegheny County, Pennsylvania, Civil Division. Otherwise, the terms of any Hardship Payment Plans shall be as determined by the COUNTY and by the PWSA. If hardship payment plan guidelines are not established by the COUNTY or PWSA, Collector and Special Legal Counsel shall utilize the same guidelines used for CITY and SCHOOL DISTRICT hardship payment plans.
4. **Apportionment of Partial Payments Made Pursuant to a Combined Installment Payment Plan.** Partial payments received pursuant to any Combined Installment Payment Plan, following payment of Collection Costs and record costs of any Collection Action, shall be apportioned by Collector pro-rata in accordance with the percentage of each PARTY's Delinquent Claims to the total of all PARTIES' Delinquent Claims then subject to collection by Collector and/or SLC. Other partial payments received and not directed to any specific PARTY's debt shall be divided as provided in accordance with this Paragraph provided that receipt and acceptance of the payment results in less than full payment and does not result in full and complete satisfaction of all of the PARTIES' Delinquent Claims. In that event, such payment shall be applied in accordance with the PARTIES' Collection Agreements with Collector and Special Legal Counsel. Partial payments directed towards a specific PARTY's debt shall be applied to that debt in accordance with the provisions of that PARTY's Collection

Agreement with Collector and Special Legal Counsel. All other partial payments received, including but not limited to proceeds from a judicial sale, tax sale, bankruptcy sale or eminent domain proceeding shall be distributed pursuant to the PARTIES' Collection Agreements with Collector and Special Legal Counsel.

V. CITY TREASURER'S SALES.

A. Future Treasurer's Sales. In any future Treasurer's Sale conducted by the CITY pursuant to 53 P.S. § 27101 et seq., all Delinquent Claims due all PARTIES shall be included in the upset price advertised for any Delinquent Property subject to said Treasurer Sale. The PARTIES current taxes and claims shall be collected in the same manner as the CITY Treasurer collects current CITY and SCHOOL DISTRICT taxes in conjunction with the Treasurer's Sale process. The PARTIES agree to promptly provide updated current tax and claim information to the Collector and to the CITY Treasurer upon request. Collector shall provide all PARTIES' statements of Delinquent Claims to the CITY Treasurer, shall attend each Treasurer's Sale and shall receive, distribute and report all payments received prior to, during or following any scheduled Treasurer's Sale and distribute all Delinquent Claims, as well as current taxes and claims, paid in accordance with the Collection Agreements. All pre-sale notices shall direct any Delinquent Taxpayer or Delinquent Payor wishing to make payment to Collector who shall receive full payment of all PARTIES' Delinquent Claims or enter into a Combined Installment Payment Agreement.

B. Limitation on Sales. It is understood by the PARTIES that a significant purpose of this Agreement and the Collection Agreements is to maximize the PARTIES' Delinquent Claim collections while reducing the PARTIES' Costs of Collection. However, the CITY shall continue to use the Treasurer's Sale during the term of this Agreement with an emphasis on pursuing properties for which a Collection Action is deemed unlikely to result in payment. It is anticipated that the Treasurer's Sale will focus on properties that are in need of redevelopment, including vacant and vandalized structures, vacant land and properties for which the Treasurer's Sale has been requested by community development organizations or other approved interested purchasers. The CITY shall coordinate each Treasurer's Sale with Collector and Special Legal Counsel to insure that duplication of effort is avoided or kept at a minimum. Prior to each Treasurer's Sale, the CITY shall provide a list of properties it intends to list for Treasurer's Sale to both Collector and Special Legal Counsel who shall inspect the list and promptly advise the CITY if any of the listed properties are then subject to pending Collection Actions. Such properties shall be removed from the Treasurer's Sale list at the sole discretion of the City. Upon removal from the Treasurer's Sale list, the Collection Action shall proceed until conclusion. If the City decides to proceed to Treasurer's Sale, the pending Collection Action shall cease pending the outcome of the Treasurer's Sale. If in the pending Collection Action service of process has been made and no Affidavit of Defense has been filed, then the proceeding shall be reduced to judgment and thereafter all further proceedings shall cease pending the outcome of the Treasurer's Sale. All Costs of Collection relating to the pending Collection Action shall remain in the Delinquent Claim balance due and shall be collected and paid, whether directly from the Delinquent Payor or from the proceeds of the Treasurer's Sale before any other amount, including the cost and expense of the Treasurer's Sale. For all other properties on the list, the

CITY shall proceed to Treasurer's Sale unless the CITY agrees to remove a property from the Treasurer's Sale List at the request of Collector and Special Legal Counsel on the basis that the Delinquent Property is considered more likely than not to pay all or a portion of the PARTIES' Delinquent Claims by Collector and/or Special Legal Counsel. Except as otherwise provided herein, no Collection Action shall be initiated against a Delinquent Property while that Delinquent Property is scheduled for Treasurer's Sale.

C. Except as otherwise provided in the preceding paragraph, the CITY'S costs and expenses incurred for a Treasurer's Sale shall be paid in accordance with the Collection Agreements. Any recoverable costs or expense associated with the Treasurer's Sale shall be provided by CITY to Collector in a form acceptable to Collector and will thereafter be added to the balance due for the Delinquent Claims subject to such recoverable costs. The Collector shall provide all statements of the PARTIES' Delinquent Claims for Delinquent Properties scheduled to be exposed to Treasurer's Sale.

D. All payments of Delinquent Claims made following the initiation of any Treasurer's Sale to any person other than Collector shall be forwarded to the Collector and disbursed in accordance with the provisions of the PARTIES' Collection Agreement(s).

E. In the event that a Treasurer's Sale property is sold following a quiet title action, if the negotiated purchase price for the property exceeds \$2,500.00, the proceeds in excess of \$2,500.00 shall first be applied to any Attorney Fees, Servicing Expenses and Out-Of-Pocket Expenses (i.e., Costs of Collection) due and owing Collector and Special Legal Counsel.

VI. MISCELLANEOUS PROVISIONS:

A. Effective Date. This Agreement shall be deemed effective as of January 1, 2009.

B. Term. This Agreement shall remain in force until terminated or superseded.

C. Termination. Unless otherwise agreed to by the PARTIES in writing, this Agreement shall terminate if any of the PARTIES terminates its/their Collection Agreement with the PARTIES' common Collector and Special Legal Counsel.

D. Applicable Law. This Agreement shall be deemed to have been made in, and shall be construed in accordance with the law of the Commonwealth of Pennsylvania.

E. Legal Challenges. Except as otherwise may be provided herein, the PARTIES agree that each shall be responsible for the payment of their own attorney fees and costs of defense in the event of any lawsuit filed alleging the breach of this Agreement, challenging any provision of this Agreement or challenging any of the PARTIES' actions taken pursuant to this Agreement.

F. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the PARTIES with respect to the subject matter hereof except with respect to the provisions of the

Collection Agreements and the provisions of the "AGREEMENT FOR THE PURCHASE, SALE, ABSOLUTE TRANSFER AND ASSIGNMENT OF CERTAIN DELINQUENT REAL PROPERTY TAX RECEIVABLES OWNED BY THE COUNTY OF ALLEGHENY, COMMONWEALTH OF PENNSYLVANIA between the COUNTY and PLYMOUTH PARK TAX SERVICES LLC d/b/a XSPAND dated December 21, 2007 which, unless provided specifically herein to the contrary, shall be unaffected hereby and shall control the manner in which certain of the COUNTY's Delinquent Claims are collected.

G. **Severability.** If any provision of this Agreement shall be declared unlawful, void or for any reason unenforceable, it shall be deemed severable from, and in no way shall affect the validity or enforceability of, the remaining provisions of this Agreement.

H. **Modification or Amendment.** This Agreement may not be amended, modified, changed, discharged or extended except by written amendment or change order duly executed by the PARTIES.

I. Authorizations.

1. This Agreement was authorized by the COUNTY on _____, pursuant to _____;
2. This Agreement was authorized by the CITY on _____, pursuant to _____;
3. This Agreement was authorized by the SCHOOL DISTRICT on _____, pursuant to _____;
4. This Agreement was authorized by the PWSA on _____, pursuant to _____;

IN WITNESS WHEREOF, this Agreement has been executed on the dates below given.

ATTEST:

COUNTY OF ALLEGHENY

By: _____
Title

APPROVED AS TO FORM:

Solicitor

ATTEST:

CITY OF PITTSBURGH

By: _____
Mayor

WITNESS:

By: _____
Director of Finance

EXAMINED BY:

Assistant City Solicitor

APPROVED AS TO FORM:

City Solicitor

COUNTERSIGNED:

City Controller

ATTEST:

SCHOOL DISTRICT OF PITTSBURGH

By: _____
Title _____

APPROVED AS TO FORM:

Solicitor

ATTEST:

**PITTSBURGH WATER AND SEWER
AUTHORITY**

By: _____
Title _____

APPROVED AS TO FORM:

Solicitor

Mascio, John R.

From: Weinstein, John
Sent: Thursday, December 11, 2008 12:00 PM
To: Mascio, John R.
Cc: Fitzgerald, Rich; Barker, Jared; Liptak, Jennifer M
Subject: FW: County Ordinance Authorizing Intergovernmental Cooperation Agreement for Delinquent Tax Collection ,

Attachments: Intergovernmental Cooperation Agreement.DOC; County Ordinance Authorizing Intergovernmental Cooperation Agreement for Delinquent Tax Collection .DOC



Intergovernmental County Ordinance
Cooperation ... Authorizing I...

Mr. Mascio;

Please accept this correspondence as my formal request to have the attached Ordinance place on the agenda for County Council consideration at its next meeting.

In an effort to consolidate the delinquent tax collection process, which has been tremendously successful here in Allegheny County, I have offered the professional service to the City of Pittsburgh, the City School District and the PWSA (City Water Authority). This progressive step will consolidate this function, streamline the procedure and increase efficiencies in the process. In addition, it will save the City of Pittsburgh taxpayers money and increase collection activities.

This is all at no cost to Allegheny County.

Please review the attached ordinance and corresponding Intergovernmental Cooperation Agreement.

Should you have any questions, please let me know.

Thanks

John Weinstein
Allegheny County Treasurer
412-350-5901
412-350-4473 fax