

**DAUPHIN COUNTY TAX COLLECTION COMMITTEE**

**RESOLUTION NO. 2014-1**

**Adopted: March 19, 2014**

**A RESOLUTION OF THE DAUPHIN COUNTY TAX COLLECTION  
COMMITTEE APPROVING AMENDMENT NO. 1 TO TAX COLLETION  
AGREEMENT WITH KEYSTONE COLLECTIONS**

WHEREAS, the Dauphin County Tax Collection Committee (hereafter, TCC) governs the Dauphin County Tax Collection District (hereafter, TCD), a body corporate and politic which exercises public powers under the Local Tax Enabling Act for purposes of collecting and administering income taxes; and

WHEREAS, on April 20, 2011, the TCC approved Resolution No. 2011-1 and thereby appointed Kratzenberg & Associates, Inc., d/b/a Keystone Collections Group (hereafter, Keystone), as the tax officer for the TCD for 2012-14 income taxes; and

WHEREAS, consistent with §507(d) of Act 32, 53 P.S. §6924.507(d), the TCC and Keystone entered into a Tax Collection Agreement, dated May 18, 2011 (hereafter, Agreement), for the collection of such income taxes; and

WHEREAS, pursuant to its terms and conditions, the Agreement commenced on January 1, 2012 and it will end at midnight on December 31, 2014; and

WHEREAS, Keystone has offered to extend the term of the Agreement until midnight on December 31, 2019 at no increase in the commission rate charged by Keystone for such tax collection services; and

WHEREAS, the TCC wishes to accept Keystone's offer to extend the term of the Agreement so that Keystone is authorized to serve as the appointed tax officer for the TCD for 2015-19 income taxes; and

WHEREAS, the TCC and Keystone wish to make certain other technical amendments to the Agreement, all as set forth in Amendment No. 1 to the Agreement (hereafter, Amendment No. 1), a true and correct copy of which is attached hereto at **Exhibit A**.

NOW, THEREFORE, be it resolved by the TCC, as follows:


1. By approving this Resolution, the TCC hereby appoints Keystone as tax officer for the TCD for 2015-19 income taxes.
2. Amendment No. 1 is hereby approved in the form attached hereto at **Exhibit A**.

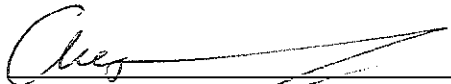
3. The TCC Chairman or Vice-Chairman is authorized to execute Amendment No. 1 in the name of the TCC.

4. This Resolution was duly adopted by a motion and vote of the TCC. A certified resolution will be forthwith provided to Keystone, the appointed tax officer, and to the Department of Community and Economic Development (hereafter, Department), Commonwealth of Pennsylvania, so that Keystone's name is added to the Department's official register for the collection of 2015-19 income taxes.

ATTEST

DAUPHIN COUNTY  
TAX COLLECTION COMMITTEE

  
\_\_\_\_\_  
Kaye Thoma, Secretary

By:   
\_\_\_\_\_  
August Memmi, Chairperson

Date: March 19, 2014

EXHIBIT A

## Dauphin County Tax Collection Committee

### Tax Collection Agreement – Amendment #1

**Background.** The Dauphin County Tax Collection Committee (the “TCC”) is a government entity created and organized under Act 32 of 2008, which amended and restated the Local Tax Enabling Act, 53 P.S. § 6924.101 *et seq.* Under Act 32, the TCC is required to appoint a tax collector to collect local earned income tax (“EIT”) levied by the school districts and municipalities that are part of the Dauphin County Tax Collection District (the “TCD”) and to oversee the appointed tax collector’s collections. The TCC appointed **Kratzenberg & Associates, Inc.**, a Pennsylvania business corporation doing business as “Keystone Collections Group” (“Tax Officer”), to collect EIT throughout the TCD. As required by Act 32, the TCC and Collector entered into a **Tax Collection Agreement** effective May 18, 2011. The parties would like to extend the term of, and make additional changes to, the Tax Collection Agreement.

**Intending to be legally bound, the parties agree as follows:**

1. **Extension of Term.** Section 3(a)(Term) of the Tax Collection Agreement is hereby amended so as to substitute “December 31, 2019” for “December 31, 2014.” As a result, the term of the Tax Collection Agreement shall end at midnight on December 31, 2019 unless otherwise extended or terminated in accordance with the provisions of the Tax Collection Agreement.

2. **Commission Amount.** Tax Officer agrees to no increase in the commission rate charged to the political subdivisions of the TCC during the full period of the extended term.

3. **Controls Audit – Tax Officer to assume cost.**

a. **Content.** Each year during the Extended Term, Collector shall deliver to the TCC at Tax Officer’s cost, a SSAE-16 controls audit report covering the prior calendar year and addressing the tax management technologies, data safety and control environment (“Controls Report”). Each such Controls Report shall be completed by a controls auditor experienced in performing SSAE-16 controls audits. Upon request, Collector shall provide the TCC with background information on the controls auditor. Under no circumstances shall the TCC be required to bear the cost of, or pay for a copy of, the SSAE-16 Controls Report.

b. **Disclosure.** The TCC understands that Collector prefers to avoid public dissemination of Controls Reports and believes such reports constitute “confidential proprietary information” under the Pennsylvania Right-to-Know Law, 65 P.S. § 67.102 and § 708(11). In response to Collector concerns, the parties agree that if Collector provides the Controls Report to the designated TCC officer or solicitor, or if the controls auditor provides the Controls Report directly to the TCC, then: (i) With respect to the Right-to-Know Law, unless ordered to do otherwise by an administrative agency or court, the TCC will not release any Controls Report in response to a Right-to-Know request, and will base the denial on the exception for “confidential proprietary information.” (ii) The TCC will share and disclose a Controls Report on a need to know basis as determined by the TCC, which may include disclosure to TCC delegates and to

accountants retained to audit Taxing Authority finances or collections of Tax. (iii) When the TCC shares a copy of a Controls Report with any individual, the TCC will advise the recipient of Collector's position that the contents represent "confidential proprietary information," and will request care in protecting the confidentiality of the information. (iv) The TCC will request that the Taxing Authorities and the TCC delegates and representatives act in a manner similar to the TCC commitments in this paragraph.

4. **Tax Revenue Deposit.** In accordance with the resolution unanimously adopted by the TCC at its regular meeting on September 18, 2013, Tax Officer is prospectively authorized to deposit Tax revenues collected under this agreement into the master public funds account maintained for the tax collection districts administered by Tax Officer throughout the Commonwealth of Pennsylvania. Tax Officer shall migrate the tax revenues and future employer deposit assignments from the separate Dauphin County TCC bank account to the master public funds bank account. The separate TCC deposit account shall be closed and the associated maintenance and administrative obligations set forth for said separate account are released accordingly. The TCC shall accordingly no longer be responsible for bank servicing costs or account maintenance costs on said tax funds, and Tax Officer shall prospectively be authorized to retain and apply investment earnings, if any, toward offsetting such bank servicing, account maintenance and administrative costs.

5. **Tax Collector Bond.**

a. **Bond Amount.** Section 4.D. (2)a. of the Tax Collection Agreement is hereby rendered null and void. The Tax Collection Agreement is hereby amended by adding a new Section 4.D.(2)a., which shall read as follows:

The TCC shall fix the amount of the Bond in an amount equal to the maximum amount of taxes that may be in the possession of the Collector at any given time, or an amount sufficient, in combination with fiscal controls, insurance and other risk management and loss prevention measures used by the TCD, to secure the financial responsibility of the Collector in accordance with guidelines adopted by the Department of Community and Economic Development, Commonwealth of Pennsylvania. The Bond shall 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 of the Commonwealth of Pennsylvania. Based on the audits of taxes thus far received and disbursed, the Bond for calendar year 2015 will be in the penal sum of Three Million Two-Hundred and Eighty Thousand (\$3,280,000.00) Dollars. However, the parties hereto covenant and agree that the amount of the Bond shall be revised annually by the TCC based upon the annual examination of the Collector required under §505(h) of Act 32, 53 P.S. §6924.505(h).

b. **Annual Bond Review.** Section 4.D (2)b. is hereby amended so as to substitute “September 1<sup>st</sup> of the succeeding year” for “April of each year.” As a result, the TCC must complete its annual review of the Bond no later than the date on which the TCC shall file the report of its accountant for the previous calendar year, the one which must be annually filed with the Department of Community and Economic Development under §505(h)(2) of Act 32, 53 P.S. §6924.505(h)(2).

c. **Bond Maintenance.** Section 4.D. (8) of the Tax Collection Agreement is hereby rendered null and void. The Tax Collection Agreement is hereby amended by adding a new Section 4.D. (8), which shall read as follows:

Collector shall be required to maintain a Bond which satisfies at all times the requirements of §509(d) of Act 32, 53 P.S. §6924.509(d).

6. **Effect.** The terms and conditions of this extension agreement accordingly modify the terms of the Tax Collection Agreement. Capitalized terms that are used in this Amendment but that are not defined herein have the meanings provided in the Tax Collection Agreement. In reading this Amendment, the singular includes the plural and vice-versa.

7. **Execution.** This Amendment may be executed in counterparts, each of which shall be considered an original and all of which taken together shall be considered one document. Facsimile, electronic, and photocopied signatures on this Amendment shall be considered the same as original signatures for all purposes.

The parties hereby execute and make this Amendment effective on \_\_\_\_\_, 2014.

**TAX COLLECTOR**

Attest:

\_\_\_\_\_

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

Title: President

Street Address:  
Keystone Collections Group  
546 Wendel Road  
Irwin PA 15642  
Facsimile Number: (724) 978-0339  
Email Address: tkratzenberg@keystonecollects.com  
**DAUPHIN COUNTY TAX COLLECTION**  
**COMMITTEE**

Attest:

\_\_\_\_\_

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

Title: Chairperson

Phone Number: (717) 780-6250

Facsimile Number: (717)

Email Address: amemmi@dauphinc.org