

FILE OF THE COUNCIL NO. \_\_\_\_\_

2020

AN ORDINANCE

**AN ORDINANCE AUTHORIZING THE CITY OF SCRANTON TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE COUNTY OF LACKAWANNA AND THE COUNTY OF LACKAWANNA TAX CLAIM BUREAU, WHEREBY THE RESPONSIBILITY AND RIGHT TO COLLECT DELINQUENT REAL ESTATE TAXES FROM THE CITY OF SCRANTON SHALL BE TRANSFERRED FROM THE CITY OF SCRANTON TO THE LACKAWANNA COUNTY TAX CLAIM BUREAU.**

WHEREAS, the City of Scranton has for many years collected delinquent real estate taxes through the Single Tax Office, the City Treasurer Office and private collection services; and

WHEREAS, the City has negotiated an Intergovernmental Agreement with the County of Lackawanna tax Claim Bureau whereby delinquent real estate taxes will, beginning in January of 2021, be collected through the offices of the County Tax Claim Bureau; and

WHEREAS, a copy of said Intergovernmental Agreement is attached hereto as Exhibit "A"; and

WHEREAS, City Council believes that the enactment of this Ordinance approving said Intergovernmental Agreement is in the best interest of the City and its citizens;

NOW THEREFORE, be it resolved that the City Council approves the Intergovernmental Agreement between the City of Scranton and the Lackawanna County Tax Claim Bureau, pursuant to which, beginning in 2021, the Tax Claim Bureau will collect the delinquent taxes of the City of Scranton;

BE IT FURTHER RESOLVED, that the Mayor, City Solicitor and Deputy Mayor shall be authorized to sign, finalize and take any other additional actions necessary to finalize and sign said Intergovernmental Agreement and take any and all necessary steps in furtherance thereof.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decisions shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance of any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 2971, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State and Pennsylvania.

**INTERGOVERNMENTAL COOPERATION AGREEMENT AND  
MEMORANDUM OF UNDERSTANDING BETWEEN**

**THE LACKAWANNA COUNTY TAX CLAIM BUREAU**

**AND**

**CITY OF SCRANTON**

This Intergovernmental Cooperation Agreement and Memorandum of Understanding ("Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and among the Lackawanna County Tax Claim Bureau, a division of the Office of the Lackawanna County Commissioners, established pursuant to § 5860.201 of the Pennsylvania Real Estate Tax Sale Law, maintaining a principal place of business at 123 Wyoming Avenue, Suite 267, Scranton, Lackawanna County, Pennsylvania 18503 (hereinafter the "Tax Claim Bureau") and the City of Scranton, a Pennsylvania city of the second class A, maintaining a principal place of business at 340 North Washington Avenue, Scranton, Lackawanna County, Pennsylvania 18503 (hereinafter the "City").

**WHEREAS**, the statutory mandate of the Tax Claim Bureau is the collection of delinquent real estate taxes on behalf of the taxing districts situated in Lackawanna County;

**WHEREAS**, § 2303 of the Pennsylvania General Local Government Code authorizes local governments to jointly cooperate in the exercise or performance of their respective governmental functions, powers or responsibilities and to enter into joint agreements as may be deemed appropriate for those purposes following the adoption of an authorizing ordinance in compliance with § 2305 of the Code;

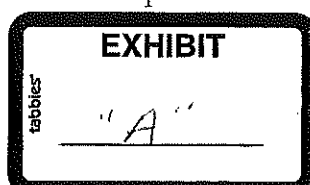
**WHEREAS**, § 205 of the City's Home Rule Charter empowers the City to enter into intergovernmental cooperation agreements following the adoption of an authorizing ordinance in compliance with § 502(4) of the City Charter;

**WHEREAS**, § 1.3-302(q) of Lackawanna County's Home Rule Charter empowers the County to enter into intergovernmental cooperation agreements following the adoption of an authorizing ordinance in compliance with § 1.3-309(k) of the County Charter;

**WHEREAS**, the Tax Claim Bureau and the City seek to collaborate to jointly achieve the common goal and objective of collecting delinquent real estate taxes in a uniform, efficient and effective manner;

**WHEREAS**, the City desires to appoint the Tax Claim Bureau to collect its current and future delinquent real estate taxes and the Tax Claim Bureau agrees to serve as the City's independent agent in the collection of the City's current and future delinquent real estate taxes; and

1



NOW, THEREFORE, intending to be legally bound, and in consideration of the mutual covenants contained herein, it is hereby agreed as follows:

1. PREAMBLE.

The parties hereto acknowledge and agree that the above recitals are incorporated herein and made a part of this Agreement.

2. OBLIGATIONS OF THE TAX CLAIM BUREAU.

2.1 COLLECTION OF DELINQUENT REAL ESTATE TAXES.

The Tax Claim Bureau shall serve as the exclusive and independent agent of the City and collect delinquent real estate taxes returned to it on behalf of the City in accordance with the provisions of the Pennsylvania Real Estate Tax Sale Law, 72 P.S. §§ 5860.201 et seq., as amended and supplemented, and the Pennsylvania Municipal Claim and Tax Lien Act, 53 P.S. §§ 7101 et seq., as amended and supplemented, as authorized by Lackawanna County Ordinance #16-0255.

2.2 DISQUALIFICATION OF TAX SALE BIDDERS.

The Tax Claim Bureau shall reject any bid, submitted for the purchase of real estate for the collection of delinquent real estate taxes, from any potential purchaser who is in arrears or owns or controls a business entity that is in arrears in the payment of taxes, fees, and/or liens due and owing to the City. Upon receipt of any bid money from a unqualified bidder, the Tax Claim Bureau shall cause the bid money of the unqualified bidder to be forfeited in accordance with the Tax Claim Bureau's forfeiture policy, as amended and supplemented.

2.3 ELDERLY EXTENSION OR DEFERRAL PROGRAM.

The Tax Claim Bureau shall administer its Elderly Extension or Deferral Program on behalf of the City in accordance with Lackawanna County Ordinance #16-0255 and the administrative terms and conditions implemented, and as amended and supplemented, by the Tax Claim Bureau.

2.4 LAND BANK.

The Tax Claim Bureau shall cooperate and coordinate with the Lackawanna County Land Bank, consistent with the provisions of the Pennsylvania Land Bank Act, 68 Pa. C.S.A. §§ 2101 et seq., as amended and supplemented, Lackawanna County Ordinance #15-0124 and the intergovernmental cooperation agreement and memorandum of understanding between the Lackawanna County Land Bank, County of Lackawanna, City of Scranton and Scranton School District regarding the acquisition of tax delinquent real estate situated in the City in order to convert those properties into productive use.

**2.5 PERFECTION OF LIENS.**

The City requires the filing of liens and the Tax Claim Bureau shall cause to be filed liens in the Office of the Lackawanna County Clerk of Judicial Records for delinquent real estate taxes due to the City in accordance with § 7106 of the Municipal Claims and Tax Lien Act and Lackawanna County Ordinance #16-0255. Any fees or costs associated with the filing or satisfaction of liens shall be advanced by the Tax Claim Bureau and the Tax Claim Bureau shall be entitled to reimbursement of fees and costs pursuant to § 7106 of the Municipal Claims and Tax Lien Act, as amended and supplemented, Lackawanna County Ordinance #16-0255 and §5860.205 of the Real Estate Tax Sale Law, as amended and supplemented.

**2.6 TAX LIEN CERTIFICATES.**

The Tax Claim Bureau shall, upon request of any person, furnish a lien certificate showing the taxes due on any property as shown on its records. The fee for issuing any such certificate shall be payable to the Tax Claim Bureau.

**3. OBLIGATIONS OF THE CITY.**

**3.1 CERTIFICATION AND TRANSMISSION OF EXISTING DELINQUENT REAL ESTATE TAXES.**

The City shall certify as accurate and transmit to the Tax Claim Bureau a return, in a form approved by the Tax Claim Bureau, identifying its existing real estate tax delinquencies, including all penalties, interest, fees and costs, which are currently due and owing to the City for tax years 2019 and prior no later than January 31, 2020.

**3.2 ANNUAL RETURNS OF DELINQUENT REAL ESTATE TAXES.**

The City shall direct the Single Tax Office to make annual returns to the Tax Claim Bureau of delinquent real estate taxes owed to the City beginning with tax year 2019 and each year thereafter no later than January 31 of the year immediately following the year in which the taxes were due in conformity with § 5860.306 of the Real Estate Tax Sale Law and Lackawanna County Ordinance #08-0337.

**3.3 CESSATION OF CITY TAX SALES.**

The City shall cease conducting tax sales for the collection of delinquent real estate taxes, including treasure's sales pursuant to 53 P.S. § 30901 and 53 P.S. § 30912. Notwithstanding, the City shall retain the ability to conclude any pending Pittsburg plan sales or treasurer's sales that remain active, but unconsummated, at the time of execution of this Agreement.

**3.4 DELINQUENT REAL ESTATE TAXES PAID TO THE TAX CLAIM BUREAU.**

The City agrees and acknowledges that all taxes for which returns have been made to the Tax Claim Bureau shall be payable only to the Tax Claim Bureau and shall not be payable to or be accepted by the City or the Single Tax Office pursuant to § 5860.204(b)(1) of the Real Estate Tax Sale Law. The payment of preexisting tax liens filed on behalf of the City by any third party collector of delinquent real estate taxes shall similarly be payable only to the Tax Claim Bureau and shall not be payable to or be accepted by the City or any third party collector in order to permit the Tax Claim Bureau to accurately receipt and credit payments to maintain an accurate accounting of its claims docket.

**3.5 IDENTIFICATION OF EXISTING PAYMENT PLANS.**

The City shall identify and provide a current accounting, including defaults, if any, of any payment plans that have been negotiated on behalf of the City through any third party collector of delinquent real estate taxes.

**3.6 EXECUTION UPON PREEXISTING LIENS.**

The City authorizes the Tax Claim Bureau to execute, in the manner authorized by § 7106 of the Municipal Claims and Tax Liens Act, as amended and supplemented, upon any or all tax liens previously filed on behalf of the City by any third party collector of delinquent real estate taxes. The City authorizes the Lackawanna County Solicitor's Office, any assistant solicitor or the County's designated legal representative to substitute and enter his/her/its appearance on behalf of the City in any matter touching or concerning any tax liens previously filed on behalf of the City by any third party collector of delinquent real estate taxes.

**3.7 SATISFACTION OF PREEXISTING LIENS.**

The City authorizes the Tax Claim Bureau to satisfy, through the recording of satisfaction pieces with the Lackawanna County Clerk of Judicial Records, any liens previously filed on behalf of the City by any third party collector of delinquent real estate taxes. The City authorizes the Lackawanna County Solicitor's Office, any assistant solicitor or the County's designated legal representative to substitute and enter his/her/its appearance on behalf of the City in any matter touching or concerning any tax liens previously filed on behalf of the City by any third party collector of delinquent real estate taxes. The Tax Claim Bureau shall not, however, unilaterally and arbitrarily satisfy any lien without just cause. The City shall retain the right to determine if any such liens shall be written off and the Tax Claim Bureau is prohibited from making such a determination unilaterally.

**3.8 TAX LIEN CERTIFICATES.**

The City shall not issue tax lien certificates for delinquent real estate taxes returned to the Tax Claim Bureau.

**4. TERM.**

The initial term of this Agreement shall be for five (5) years from the Effective Date of this Agreement. Unless terminated earlier by mutual agreement, or unilaterally as provided in paragraph five (5) below, this Agreement shall remain in effect and renew automatically under the same terms and conditions, for additional five (5) year terms. The term of years set forth in this provision shall in no way prohibit any party from exercising their rights to terminate this Agreement at any time in compliance with the termination provisions contained herein.

**5. TERMINATION.**

Any party hereto may terminate this Agreement upon thirty (30) days advanced written notice. In the event of termination of this Agreement, all obligations with regard to any property already sold or in the process of being sold, either through upset sale, private sale, judicial sale or repository sale, shall continue until the sale has been completed, a tax claim bureau deed for the property has been delivered, the sale proceeds have been distributed and/or any challenge to the sale is fully and finally adjudicated. The Tax Claim Bureau shall also be entitled to reimbursement of all fees and cost advanced on behalf of the City.

**6. LEGISLATIVE OR EXECUTIVE ACTION.**

The parties agree to enact any and all resolutions, ordinances or similar legislation or take any executive action, which may be necessary or essential to carry out the purpose and objectives of this Agreement.

**7. INDEPENDENT CONTRACTOR.**

Nothing in this agreement shall be construed to create an employment relationship between the parties. Rather, each of the parties hereto are and shall remain independent and automatous.

**8. COMPLIANCE WITH LAWS AND ORDINANCES.**

All activities performed by any party hereunder shall be performed in accordance with all applicable statutes and ordinances, including those of the Commonwealth of Pennsylvania and Lackawanna County.

**9. SEVERABILITY.**

In the event that any portion of this Agreement is declared invalid or unenforceable by legislation, or order, decree or judgment of a court of competent jurisdiction, this Agreement

shall be construed as if such portion had not been inserted herein, and the remainder of the Agreement shall be enforced with the invalid portion omitted.

**10. EFFECTIVE DATE.**

This Agreement shall become binding and effective upon the date of the parties' contemporaneous execution of this Agreement or upon the date of execution of the last party to sign this Agreement.

**11. GOVERNING LAW.**

This Agreement shall be governed by and construed under the laws of the Commonwealth of Pennsylvania. The resolution of any conflicts or disputes arising hereunder shall be under the jurisdiction and venue of the Lackawanna County Court of Common Pleas.

**12. ENTIRE AGREEMENT.**

This Agreement sets forth the terms of the entire agreement between and among the parties, and supersedes all prior negotiations and/or agreements, proposed or otherwise, written or oral, concerning the subject matter herein.

**13. MODIFICATION.**

No term of this Agreement may be changed or modified without the written consent of the parties.

**14. WAIVER.**

The failure of either party to insist upon the strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment of the future enforcement of such term, provision, option, right or remedy. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

**15. COUNTERPARTS.**

This Agreement may be executed and delivered in one or more counterparts, each of which shall be an original, but all of which, together, shall be deemed to constitute a single document.

**16. AUTHORITY TO BIND.**

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.



IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed this Agreement:

**ON BEHALF THE CITY OF SCRANTON:**

ATTEST:

By: \_\_\_\_\_  
Lori Reed, City Clerk

By: \_\_\_\_\_  
Paige Gebhardt Cognetti, Mayor

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Joseph A. O'Brien, Esq.  
Acting City Solicitor

Dated: \_\_\_\_\_

**ON BEHALF THE LACKAWANNA COUNTY TAX CLAIM BUREAU:**

ATTEST:

By: \_\_\_\_\_  
Brian Jeffers, Chief of Staff

By: \_\_\_\_\_  
Jerry Notarianni, Chairman

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Frank J. Ruggiero, Esq.  
Chief County Solicitor

Dated: \_\_\_\_\_



## DEPARTMENT OF LAW

City Hall | 340 North Washington Avenue | Scranton, PA 18503 | 570.348.4105

August 27, 2020

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

AUG 27 2020

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO AUTHORIZE THE CITY OF SCRANTON TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE COUNTY OF LACKAWANNA AND THE COUNTY OF LACKAWANNA TAX CLAIM BUREAU, WHEREBY THE RESPONSIBILITY AND RIGHT TO COLLECT DELINQUENT REAL ESTATE TAXES FROM THE CITY OF SCRANTON SHALL BE TRANSFERRED FROM THE CITY OF SCRANTON TO THE LACKAWANNA COUNTY TAX CLAIM BUREAU.

Very truly yours,

*Joseph A. O'Brien (A)*

Joseph A. O'Brien, Esquire  
Acting City Solicitor