

**BOROUGH OF EDINBORO
RESOLUTION NO. 10-2020**

A RESOLUTION, of the Home Rule Borough of Edinboro, Erie County, Pennsylvania (the “Taxing District”) to approve an agreement among the County of Erie, Erie County Tax Claim Bureau, and the law firm of MacDonald, Illig, Jones, & Britton, LLP.

WHEREAS, the County of Erie and the Erie County Tax Claim Bureau (collectively “the County”) have entered into an Agreement (the “Agreement”) with MacDonald, Illig, Jones, & Britton, LLP (hereinafter “MIJB”) with respect to conduct of judicial, “lien-fee,” tax sales during the years 2020, 2021, and 2022 (hereinafter the “Judicial Tax Sales”) of properties against which delinquent taxes are due and owing; and

WHEREAS, the Council of the Borough of Edinboro (the “Council”) has been requested to approve the Agreement and agree that properties located in the Taxing District can be exposed to the Judicial Tax Sales; and

WHEREAS, the Council has determined that such resolution, approving the proposed Agreement, is in the best interest of all of the Taxing District and the Tax Claim Bureau, as it will further the general objective of collecting delinquent property taxes and realizing the greatest amount of revenue possible on certain delinquent real estate taxes in accordance with 72 P.S. § 5860.101, *et seq.*

NOW, THEREFORE, BE IT RESOLVED by the members of Borough Council as follows:

1. The proposed Agreement, a copy of which is attached to this Resolution, is approved.
2. The Mayor is authorized to execute on behalf of the Taxing District all signature copies of such Agreement and the Manager is authorized to witness or attest the same
3. The Solicitor and other officials of the Taxing District are authorized to take such actions as are necessary to conclude the Agreement, including but not limited to periodic reviews of and responses to information supplied by MIJB to the Tax Claim Bureau as called for in the Agreement.
4. The resolution is intended to put in place an ongoing agreement and process for the conduct of the Judicial Tax Sales as is outlined in the Agreement.

ADOPTED this 8th day of June, 2020.

ATTEST:

BY: 

Kevin Oppl, Borough Manager

BY: 

Aaron Gast, Mayor

and status of such payment plans.

ARTICLE 5: COMPENSATION AND COST ADVANCES

5.1 **Fees.** Subject to the provisions of section 5.2, MIJB shall be entitled to receive a contingent fee ("Contingent Fee") equal to the sum of (a) the final sales price of each property sold at the Judicial Tax Sale multiplied by the applicable percentage set forth below, and (b) the total amount collected from or on behalf of the parcel owner of any Included Property prior to the Judicial Tax Sale, as adjusted by Section 5.2, multiplied times the applicable percentage set forth below (the "Collection Amount"):

| <u>Collection Amount</u> | <u>Fee Percentage</u> |
|--|-----------------------|
| First \$25,000 of gross proceeds per property | 18% |
| Next \$75,000 of gross proceeds per property | 8% |
| Next \$100,000 of gross proceeds per property | 5% |
| Proceeds over \$200,000 of gross proceeds per property | 2% |

It is understood that other taxing districts in Erie County may be required to agree to the Contingent Fee for it to be binding upon them, and this Agreement is conditioned on such consent and agreement by other taxing districts, and will extend only to properties in taxing districts which have agreed to the Contingent Fee. The County agrees to assist MIJB in procuring agreements from other taxing districts by recommending to other taxing districts that such agreements be entered into.

In the event a taxing district does not agree to be bound to the Agreement then it is agreed that MIJB shall prepare and file a Petition to Disburse Sale Proceeds which will include the proposed deduction of fees based upon the above referenced sliding scale. The parties understand that taxing districts not bound to this Agreement would have the right to object to the Petition and the Court will ultimately have to decide the issue of the appropriate fee for parcels in said taxing district(s).

5.2 **Modifications to MIJB Contingent Fee Calculation.** Notwithstanding the provisions of section 5.2, MIJB's Contingent Fee calculation shall be modified in the following circumstances as specified:

5.2.1 **Removal of Property from Judicial Tax Sale List.** MIJB shall not be entitled to any Contingent Fee with respect to properties removed from the Judicial Tax Sale List by the County Tax Claim Bureau or MIJB pursuant to section 3.1.

5.2.2 **Payment of Delinquent Taxes Prior to Judicial Sale.** With respect to delinquent taxes paid prior to the Judicial Tax Sale: (a) MIJB shall be entitled to fifty percent (50%) of the Fee Percentage set forth in section 5.1 applicable to the amount of delinquent taxes paid prior to a Judicial Tax Sale as a Contingent Fee with respect to any property where, within ninety (90) days from the date of delivery to MIJB of the Judicial Tax Sale List, the Tax Claim Bureau or MIJB receive payment of the delinquent taxes in full, and (b) MIJB shall be entitled to include in the Collection Amount one hundred percent (100%) of the delinquent taxes received by the Tax Claim Bureau or MIJB after ninety (90) days from the date of delivery to MIJB of the Judicial Tax Sale List. Where the Tax Claim Bureau receives payment of the delinquent taxes in full no later than the scheduled start of the Judicial Tax Sale, MIJB shall remove the affected property from the Judicial Tax Sale List.

5.2.3 **Sheriff's Sale of Eligible Property.** With respect to Included Properties subject to a Sheriff Sale prior to the Judicial Tax Sale: (a) MIJB shall be entitled to fifty percent (50%) of the Fee Percentage set forth in section 5.1 applicable to the amount received through a Sheriff Sale as a Contingent Fee where such