

DRAFT

WOCESTER COUNTY AND TOWN OF OCEAN CITY PROPERTY TAX COLLECTION AGREEMENT

This Property Tax Levy Agreement (the “Agreement”) is made and entered into and effective as of July 1, 2010, by and between the County Commissioners of Worcester County, Maryland, a political subdivision of the state of Maryland (the “County”) and the Mayor and City Council of Ocean City, a State of Maryland municipal corporation (“Town”).

WHEREAS, the Town operates on an annual budget which is prepared and adopted by the Council in the form of an ordinance; and

WHEREAS, the real property within the corporate limits of the town shall be subject to taxation for municipal purposes and the assessment used shall be the same as that for State and county taxes; and

WHEREAS, from the effective date of the Town budget, the amount stated therein as the amount to be raised by the property tax shall constitute a determination of the amount of tax levy in the corresponding tax year; and

WHEREAS, consistent with its practice of collecting municipal taxes for Berlin, Snow Hill, and Pocomoke City, the County has offered to bill and collect real property taxes for the Town;

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:
 - 1.1. “Town” shall mean the Mayor and City Council of Ocean City and all its boards, commissions, departments, agencies and other subdivisions.
 - 1.2. “Town Proceeds” shall mean the Town real property tax proceeds collected by the County, specifically by ordinance by the Mayor and City Council of Ocean City.
 - 1.3. “County” shall mean County Commissioners of Worcester County, State of Maryland, and all of its boards, commissions, departments, agencies and other subdivisions.
 - 1.4. “City Council” shall mean the City Council of Ocean City, Maryland.
 - 1.5. “Tax Proceeds” shall mean the amount raised by the Town Levy.

2. Term of Agreement. The term of this Agreement (the “Term”) shall commence on the Effective Date until both parties agree to terminate the agreement with six months prior written notice.
3. Administration of Town Levy Proceeds.
 - 3.1. Tax Rate Deadline. The Real property tax rate is due to the County no later than June 1st of the prior fiscal year.
 - 3.2. Reimbursement to the County. Any additional cost incurred by the County in 2010 due to this property tax levy agreement shall be the responsibility of the Town, included, but not limited to upgrades to the County’s computer system so as to accommodate the Town’s Real Property Tax Levy.
 - 3.3. Collection and Reconciliation Procedures. It is the sole responsibility of the County to maintain and adopt procedures regarding the billing, collection and reconciliation of real property taxes. The County will disclose collection activity to the Town on a monthly basis no later than the 25th of the subsequent month. Collection responsibilities are the sole responsibility of the County and as such, the Town agrees to comply with the County’s collection, penalty and interest methodology and procedures.
4. Receipt of Town Levy Proceeds.
 - 4.1. Generally, the county shall distribute the Town’s share of the Town’s real property taxes.
 - 4.2. Receipt and Distribution of Levy Proceeds.
 - a. Payment Schedule. Throughout the term of the agreement, the County shall electronically transfer Town proceeds to the Town bank account below as follows:
 - 1.) On each Wednesday following July 7, for the month of July, the County will transfer the sum of \$2 million dollars.
 - 2.) For the months of August and September, the amount remitted on each Wednesday will be calculated as follows: determine number of weeks from July 7th to current week, multiply by \$2 million dollars. This product would be the minimum required remittance to date (A). Based on reconciliation procedures calculate total collection to date needed to be remitted (B). Weekly remittance would be the greater value of (A) or (B) minus total remittance to date.
 - 3.) For October through June, the County will transfer all actual amounts received during the previous month, as adjusted and reconciled, before month end.

b. Electronic transfer to:

PNC BANK
ABA#043000096
Credit Account MLGIP #1025191311
Further Credit Acct #0056090922
Town of Ocean City Operating Account

5. Notices. All notices required to be given hereunder shall be in writing and either delivered personally or sent by mail to the appropriate address listed below, or at such other address as shall be provided by written notice. Notice shall be deemed communicated two Town business days from the time of mailing if mailed as provided in this section. For convenience of the parties, copies of notices may also be given by other means; however, neither party may give official or binding notice except by personal delivery or by mail.

If to the Town:

Martha Bennett Lucey, Finance Director
Town of Ocean City
301 Baltimore Avenue
Ocean City, MD 21842

If to Worcester County:

Harold Higgins, Finance Officer
Worcester County Finance Department
Once West Market Street, Room 1105
Snow Hill, Maryland 21863-1072

6. Compliance with Laws. The Town and County shall comply and conform with all applicable laws and all governmental regulations, rules and orders.

7. Miscellaneous.

7.1. Liability of the County. The County's obligations to the Town under this Agreement shall be limited to the terms and conditions set forth herein. Notwithstanding any other provision in this agreement to the contrary, in no event shall the County be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including without limitation lost profits, arising out of or in connection with this Agreement of the services performed in connection with this Agreement.

7.2. Dispute Resolution. In the event of a dispute between the Town and the County regarding any term of this Agreement, the parties shall attempt to resolve the matter informally through the following mechanism: the Town (reps.) or their respective designee(s), shall meet with County (reps.) or their respective designee(s) to review

and discuss the matter(s) in dispute; if the Town (reps.) and County (reps.) are unable to reach a mutual resolution, the President, County Commissioner and the Mayor, or their respective designee(s) shall meet to review and discuss the matter(s) in dispute. If such persons are unable to resolve the matter informally if the matter is not resolved, an affected party shall be entitled to pursue any legal remedy available.

7.3. Agreement made in Maryland. This Agreement shall be deemed to be made in and shall be construed in accordance with the laws of the State of Maryland. Venue of any action brought by one party against the other to enforce or arising out of this Agreement shall be in Worcester County Circuit Court.

7.4. Integrated Agreement; Modification. This Agreement contains all the agreements of the parties hereto relating to the subject matter addressed herein, and cannot be amended or modified except by a written agreement approved by the Mayor and City Council of Ocean City or the County Commissioners of Worcester County, Maryland and mutually executed between each of the parties hereto.

County Commissioners of
Worcester County, Maryland

Mayor and City Council
of Ocean City

by: _____

by: _____

Name: _____
Print

Name: _____
Print

Title: _____

Title: _____

Date: _____

Date: _____