

**MEMORANDUM**

**To: Delegates of the Huntingdon County Tax Collection Committee**

**From: Solicitor Jason T. Confair, Esq.**

**Re: Proposed Amended and Restated Bylaws**

**Date: December 1, 2015**

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Happy Holidays. Enclosed with this Memorandum you will find Amended and Restated Bylaws for the TCC which will be presented for your approval at the next TCC meeting on December 10.

The primary goal of the proposed Amended and Restated Bylaws is to simplify the structure of the TCC. Currently, the TCC must call a meeting of 45 delegates to accomplish very basic tasks, such as adopting a modest budget.

At the beginning of the Act 32 implementation process, it made sense to have a robust TCC to oversee the selection of the first county-wide earned income tax collector, to adopt legally-required policies for the TCC, and to coordinate other legal steps such as school district and municipal adoption of new earned income tax enactments. Now that those tasks have been accomplished, having a robust TCC does not make sense. Indeed, it appears the Huntingdon County TCC has only met once during the past 4 years. Moreover, the TCC's contract with the Capital Tax Collection Bureau entitles each school district and municipality in the County to representation on CapTax's board of directors. That direct oversight of the tax collector mitigates the need for a robust TCC to oversee the tax collector's performance.

If you approve the proposed Amended and Restated Bylaws at the December 10 meeting, the TCC's management structure will be as follows effective immediately upon such approval:

1. Instead of 45 delegates, the TCC will have a total of 8 delegates – each school district will have 1 delegate, and all municipalities lying within a particular school district will collectively appoint 1 delegate. Moreover, the same individual can represent a school district and, if the municipalities so choose, all of the municipalities within that school district.
2. The weighted vote will be retained. That way, if there is ever a 4 to 4 tie vote between the 8 delegates, that tie can be broken. However, the weighted vote will be “fixed” using the most recent census and earned income tax revenue statistics available leading up to the adoption of the Amended and Restated Bylaws. Thus, the weighted vote will no longer need to be adjusted each year.
3. Proxy voting will be permitted. Thus, while the TCC must hold advertised public meetings with at least one TCC delegate in attendance, delegates can vote at those meetings via email without having to actually attend the meeting.

If the Huntingdon County TCC approves the Amended and Restated Bylaws, it will join many other Tax Collection Committees throughout the Commonwealth that have adopted streamlined management structures. In fact, I represent very large Tax Collection Committees that have restructured along the same lines as those outlined above – and those restructurings have worked very well. Of course, if it is ever necessary to switch back to a more complicated management structure, the streamlined TCC can simply amend the Bylaws to that effect. However, there is no reason to maintain a robust TCC for the foreseeable future.

**HUNTINGDON COUNTY TAX COLLECTION COMMITTEE**

**AMENDED AND RESTATED BYLAWS**

**Effective December 10, 2015**

**HUNTINGDON COUNTY TAX COLLECTION COMMITTEE****AMENDED AND RESTATED BYLAWS**

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## HUNTINGDON COUNTY TAX COLLECTION COMMITTEE

### Amended and Restated Bylaws

Effective: December 10, 2015

**Background.** The Huntingdon County Tax Collection Committee (“TCC”) is a government entity created and organized under Act 32 of 2008, 53 P.S. § 6924.501 *et seq.*, which amended and restated the Local Tax Enabling Act (“LTEA”), 53 P.S. § 6901 *et seq.* Under Act 32, the TCC is required to appoint a tax collector to collect earned income and possibly other taxes on a county-wide basis and to oversee tax collection within the Huntingdon Tax Collection District (“TCD”). The TCD consists of the school districts and municipalities listed in Exhibit A. Each of those school districts and municipalities are referred to herein individually as a “**Taxing Authority**” and collectively as “**Taxing Authorities**.” Local earned income tax is referred to herein as “**EIT**.” The “**Effective Time**” is December 10, 2015.

### ARTICLE I. Governing Body – Board of Delegates

**Section 1. The Board of Delegates:** The governing body of the TCC will be called the “**Board of Delegates**” and is referred to herein from time to time as the “**Board**.” All powers of the TCC will be exercised by or under authority of the Board and the business and affairs of the TCC will be managed under the direction of the Board.

**Section 2. Board Delegates:** The Board will consist of voting delegates appointed pursuant to these Bylaws by Taxing Authorities that impose EIT. All Taxing Authorities currently impose EIT. In the event a Taxing Authority no longer imposes EIT in the future, the Taxing Authority will no longer be eligible to appoint delegates to the Board. A single individual may, and in the case of appointment by any municipality will, simultaneously serve as a delegate for multiple Taxing Authorities. Thus, for example, the same individual may represent a school district and all municipalities within the school district on the Board. A delegate representing more than one Taxing Authority may vote in the same manner or in a different manner for each such Taxing Authority. Each school district that is a member of the TCC and that imposes EIT will appoint one delegate to the Board. Under the process set forth herein, all municipal Taxing Authorities that impose EIT within each school district that is part of the TCD will collectively appoint one delegate to the Board. Accordingly, there will be an equal number of school district and municipal seats on the Board. Any individual appointed to represent more than one Taxing Authority will have the right to cast a separate vote on any given matter for each Taxing Authority that the individual represents.

a. **School District Appointment and Replacement:** Each individual appointed as a school district’s TCC delegate as of the Effective Time will represent the school district on the Board until a successor has been elected or earlier resignation, removal, or death. If and when there is a vacancy in the position of delegate representing any school district, the school district will promptly appoint a new delegate to fill the vacancy. Each time a school district appoints a new delegate, the school district will give notice to the TCC Chairperson with the delegate’s name and contact information.

b. Municipal Delegate Appointment and Replacement:

i. Initial Appointment Process for Municipal Delegates: Municipal representation on the Board will be determined pursuant to the following process:

(1) As soon as is practical after the Effective Time, all representatives of the municipalities within a given school district will discuss candidates to serve as delegates, with the objective of agreeing on consensus appointments.

(2) As soon as is practical but no later than March 31, 2016, each municipal governing body will vote on delegate appointments. The individual designated as the delegate by the highest number of municipalities that participated in the voting process within a given school district will serve as the delegate for all municipalities within the school district. If there is a tie vote for the delegate position, the appointment will be decided by weighting the vote of each participating municipality by using the weighted votes assigned to each such municipality under these Bylaws. After a group of municipalities selects a delegate in accordance with this paragraph, the municipalities will give notice to the TCC Chairperson with the delegate's name and contact information.

(3) Beginning April 1, 2016, municipalities will be represented on the Board solely by the delegates collectively appointed pursuant to the process set forth immediately above.

ii. Ongoing Appointment Process for Municipal Delegates: If there is a vacancy in the position of delegate representing all municipalities within a given school district on the Board, the municipalities will consult as soon as is practical with the objective of reaching consensus on an individual who will replace the delegate. As soon as is practical after a vacancy occurs, the governing body of each municipality that the delegate represented will vote on a replacement. The individual designated as a replacement delegate by the highest number of municipalities that participated in the voting process within a given school district will serve as the replacement delegate. If there is a tie vote, the appointment will be decided by weighting the vote of each participating municipality by using the weighted votes assigned to each such municipality under these Bylaws. After a group of municipalities selects a delegate in accordance with this paragraph, the municipalities will give notice to the TCC Chairperson with the delegate's name and contact information.

c. Delegate Term of Office: Each delegate on the Board will serve until a successor has been appointed, or earlier resignation, removal, or death.

d. Delegate Removal: Any school district delegate may be removed at any time for any reason or no reason at all by the school district that appointed the delegate. As to any delegate appointed to represent the municipalities within a given school district, the delegate may be removed at any time for any reason or no reason at all by a majority of those municipalities.

e. Delegate Qualifications: All delegates appointed to the Executive Committee will be eighteen (18) years of age or older and residents of Pennsylvania.

**Section 3. Board Meetings:** Regular meetings of the Board will be held on such dates as may be established by the Board. Special meetings of the Board may be called by the Chairperson or by any two (2) delegates on the Board. The Board will not hold any meetings from the Effective Time through March 31, 2016.

**Section 4. Quorum:** A quorum will consist of the presence, in person or by proxy, of any number of authorized delegates that collectively hold more than fifty percent (50%) of the total weighted vote.

**Section 5. Meeting Conduct:** All Board meetings will be conducted according to any policies or rules established by the Board.

**Section 6. General Voting Rule/Vote Weight:**

a. General Rule on Vote Required: Except as otherwise provided in these Bylaws, all action taken by the Board will be taken by the affirmative vote of a majority of the weighted vote of all Taxing Authorities represented by a delegate who is present in person or by proxy at the meeting at which the action is proposed.

b. Weighted Voting: The weighted vote of each Taxing Authority is listed in **Exhibit B**. The vote of each Taxing Authority has been calculated based on the following formula: (i) 50% of the weight was allocated according to the population of the Taxing Authority in proportion to the total population of the TCD, as determined by the 2010 Federal census; (ii) 50% of the weight was allocated according to the amount of EIT revenue collected for the Taxing Authority in proportion to the total amount of EIT collected for all Taxing Authorities, as determined by relying on and aggregating the most recent EIT revenue data provided to the TCC by the tax officer as of the Effective Time. The weighted votes of the Taxing Authorities will remain fixed unless and until the Board decides to reweight the votes.

**Section 7. Major Decisions:**

a. Definition: The following will be considered “**Major Decisions:**” (i) Approval of any amendment of these Bylaws. (ii) Approval to purchase or sell real estate. (iii) Approval to incur debt of any nature in an amount that exceeds \$10,000. (iv) Approval of any TCC annual budget in excess of \$25,000. (v) Approval to merge with another tax collection committee.

b. Vote Required for Major Decisions: Notwithstanding any other provision of these Bylaws, action taken by the Board on a Major Decision will be taken by affirmative vote of a two-thirds (2/3rds) super-majority of the weighted vote of all Taxing Authorities represented by a delegate who is present in person or by proxy at the meeting at which the Major Decision is proposed.

**Section 8. Voting:** Voting at a meeting of the Board will be conducted by any method the Chairperson deems appropriate under the circumstances. As set forth herein, proxy voting will be permitted at any public meeting of the Board.

**Section 9. Proxy Voting:** A delegate may vote at a public meeting of the Board by means of proxy if the delegate executes a proxy in the form attached at **Exhibit C** and complies with the other requirements set forth in this Section. No proxy will be valid unless: (a) the delegate submitting the proxy lists in the proxy his or her name, the name of the Taxing Authority the delegate represents and is voting on behalf of in the proxy, and the meeting at which the proxy is to be voted; and (b) the proxy is returned to the Chairperson at least forty-eight (48) hours prior to the meeting at which the proxy is to be voted. A proxy will only be valid for the meeting listed in the proxy. If a single individual serves as delegate for more than one Taxing Authority and wishes to vote by proxy for more than one Taxing Authority, the delegate must submit a separate proxy for each such Taxing Authority. A delegate representing more than one Taxing Authority may vote by proxy in the same manner or in a different manner for each such Taxing Authority.

## **ARTICLE II. Officers**

**Section 1. Officers:** The Board will have the following officers: (a) Chairperson; (b) Vice-Chairperson; (c) Secretary; and (d) Treasurer. All officers of the Board must be delegates on the Board. At the will of the Board, the Secretary may also serve as Treasurer.

**Section 2. Initial Officers:** The individuals who are elected to serve as the TCC Chairperson, Vice-Chairperson, Secretary, and Treasurer at the Effective Time will continue serving in those respective capacities unless and until a successor has been elected or earlier resignation, removal, or death.

**Section 3. Officer Term of Office:** Each officer will serve until a successor has been appointed, or earlier resignation, removal, or death.

**Section 4. Removal of Officers:** All officers serve at the pleasure of the Board and may be removed by the Board at any time for any reason or no reason at all. Election or appointment of any officer will not of itself create contract rights.

**Section 5. Chairperson:** The Chairperson will preside at and conduct Executive Committee meetings and perform other duties as determined by the Board. The Chairperson will sign all contracts on behalf of the TCC.

**Section 6. Vice-Chairperson:** The Vice-Chairperson will perform duties as determined by the Board. In the absence or unavailability of the Chairperson, the Vice-Chairperson will perform the duties of the Chairperson.

**Section 7. Secretary:** The Secretary will maintain minutes of Board meetings, provide all public notices required under the Pennsylvania Sunshine Act, provide all notices required by these Bylaws, provide all other notices required by applicable law, serve as the Open Records Officer for the TCC pursuant to the Pennsylvania Right-to-Know Law, and will perform other duties as determined by the Board.

**Section 8. Treasurer:** The Treasurer will be responsible for oversight of TCC finances, and will endeavor to ensure that the Board has adequate information concerning TCC finances. The Treasurer will perform other duties as determined by the Board.

**Section 9. Solicitor:** The TCC will at all times have a Solicitor who will serve until a successor is appointed, or earlier resignation, removal, or death. At all times, the Solicitor will be an individual with established expertise with the laws and processes governing EIT and local tax collection, deposit, investment, distribution, bonding, and reporting, applicable regulations and guidance promulgated by the Pennsylvania Department of Community and Economic Development, and all other applicable laws including, but not limited to, the LTEA, the Local Taxpayers Bill of Rights Act, the Pennsylvania Sunshine Act, the Pennsylvania Right-to-Know Law, and the Pennsylvania Ethics Act. The Solicitor will attend Board meetings upon request of the Chairperson.

### **ARTICLE III. Board Committees.**

**Section 1. Committees:** The Board may establish by resolution one or more committees to consist of one or more Board delegates. Any committee so appointed will have the powers granted to it under these Bylaws and any other powers granted to it by the Board.

**Section 2. Committee Member Appointment and Removal:** The members of all committees established under this Article will be appointed and removed by the Chairperson, subject to veto by the Board.

**Section 3. Committee Member Qualifications:** Each member of a committee established under this Article will be a delegate on the Board.

**Section 4. Committee Meetings:** A committee established under this Article will meet on dates and at times established by the committee.

**Section 5. Quorum:** A quorum of a committee established under this Article will consist of the presence of a majority of all committee members.

**Section 6. Votes Required for Action:** All action taken by any committee established under this Article will be by a majority vote of all committee members present at the meeting at which the action is proposed.

### **ARTICLE IV. Finances**

**Section 1. Fiscal Year:** The TCC fiscal year will begin on January 1 and end on December 31.

**Section 2. Budget:** Each proposed budget of the TCC will be prepared by the officers and distributed to delegates at least five (5) days prior to the Board meeting at which the budget is expected to be presented for adoption.



**Section 3. TCC Operating Expense Allocation and Payment:**

a. Application: This Section 3 applies to the allocation of TCC operating expenses. It does not apply in any manner to the allocation of the cost of tax collection.

b. Allocation: The expense of operating the TCC will be shared among and paid by all Taxing Authorities that impose EIT. Each Taxing Authority's share of total TCC operating expenses will be equal to the Taxing Authority's weighted vote.

c. Budget Funding Via Payment Through the Tax Officer: Beginning at the Effective Time, the TCC budget will be funded by deducting from each Taxing Authority the amount the Taxing Authority owes for the TCC budget. From time to time, the TCC will notify the tax officer of the TCC budget share that must be deducted for each Taxing Authority. The tax officer will then make the deductions from the first distributions following its receipt of such notice. If for some reason the amount of such distribution for a Taxing Authority is insufficient in amount to allow the tax officer to deduct the Taxing Authority's entire TCC budget share, the tax officer will deduct any remaining amount of that budget share from subsequent distributions due the Taxing Authority until the Taxing Authority's entire TCC budget share has been deducted. If for any reason the tax officer fails to comply with a notice from the TCC to deduct a Taxing Authority's budget share, the TCC may require direct payment from a Taxing Authority for the Taxing Authority's share.

**ARTICLE V. Notices and Meetings**

**Section 1. Required Meeting Notices:** The Secretary will give written notice to all delegates and officers of all meetings of the Board. The Secretary will give at least five (5) days' notice of a regular meeting of the Board and at least two (2) days' notice of a special meeting. Notice will be sent to each delegate and officer at the address for electronic mail provided to the Secretary by the delegate or, as the case may be, officer. A meeting notice will at minimum specify the date, time, and address of the meeting. For a public meeting, the Secretary will also give public notice of the meeting in accordance with the Pennsylvania Sunshine Act.

**Section 2. Waiver:** Attendance at a meeting by any person entitled to receive notice of the meeting will constitute a waiver of notice.

**Section 3. Meeting Location:** Meetings of the Board will be convened at locations as determined by the Board.

**ARTICLE VI. Tax Appeal Board**

**Section 1. Purpose:** The Tax Appeal Board will hear appeals of taxpayers, employers, school districts and municipalities, and other tax collection committees from determinations of the tax officer relating to the assessment, collection, refund, withholding, remittance, or distribution of taxes over which the TCC has jurisdiction.

**Section 2. Tax Appeal Board Members:** The Tax Appeal Board will be comprised of three regular members and two alternate members appointed by the Board. A panel of three

members will hear and decide each appeal. If a regular member is unavailable to participate in an appeal, one of the alternate members will participate in place of the regular member.

**Section 3. Tax Appeal Board Member Qualifications:** All Tax Appeal Board members will be delegates on the Board. The Board may prescribe other qualifications for Tax Appeal Board members in accordance with applicable law and in consultation with the Solicitor.

**Section 4. Term:** The individuals who are serving as TCC Tax Appeal Board members as of the Effective Time will continue to serve until a successor has been elected or earlier resignation, removal, or death. Each Tax Appeal Board member will serve until a successor has been appointed or earlier resignation, removal, or death.

**Section 5. Removal of Tax Appeal Board Members:** All Tax Appeal Board members serve at the pleasure of the Board and may be removed by the Board at any time for any reason or no reason at all. Election or appointment of any Tax Appeal Board member will not of itself create contract rights.

**Section 6. Tax Appeal Board Procedures:** The Tax Appeal Board will operate pursuant to the **Huntingdon County Tax Collection Committee Tax Appeal Board Regulations**.

#### **ARTICLE VII. Bylaw Amendments**

Any delegate or any officer may propose an amendment to these Bylaws. A copy of any amendment proposed to these Bylaws will be given to all delegates at least five (5) days prior to the Board meeting at which it will be presented for adoption. Any such proposed amendment may be adopted in the form given to the delegates or with such clarifying or other amendments as the Board determines appropriate at the meeting at which the proposed amendment is presented for adoption.

## Exhibit A

### Taxing Authorities

<b>School District</b>	<b>Municipalities Within School District</b>
Huntingdon Area School District	<u>Boroughs:</u> Huntingdon, Marklesburg, Mill Creek  <u>Townships:</u> Brady, Henderson, Jackson, Juniata, Lincoln, Miller, Oneida, Penn, Smithfield, Walker
Juniata Valley School District	<u>Boroughs:</u> Alexandria, Petersburg  <u>Townships:</u> Barree, Logan, Morris, Porter, Spruce Creek, West
Mount Union Area School District	<u>Boroughs:</u> Kistler, Mapleton, Mount Union, Newton Hamilton, Shirleysburg  <u>Townships:</u> Shirley, Union, Wayne
Southern Huntingdon County School District	<u>Boroughs:</u> Cassville, Orbisonia, Rockhill Furnace, Saltillo, Shade Gap, Three Springs  <u>Townships:</u> Cass, Clay, Cromwell, Dublin, Springfield, Tell

**Exhibit B**

**Weighted Votes**

[To be completed and circulated at TCC meeting.]

**Exhibit C**

**Proxy Voting Form**

**Huntingdon County Tax Collection Committee – Proxy Voting Form**

- A. **Print Name of TCC Delegate:** \_\_\_\_\_
- B. **Name of Taxing Authority Represented:** \_\_\_\_\_
- C. **TCC Board Meeting at which proxy is to be voted:** \_\_\_\_\_, 2 \_\_\_\_\_

Please indicate your Taxing Authority's vote on the following matters by checking the appropriate box under each numbered item listed below. If you do not check a box for a matter, you will be deemed as having abstained from voting on the matter in this proxy.

1. **[Chairperson: List action item – for example, “approval of slate of new officers”]**

\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ Abstain

2. **[List action item]**

\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ Abstain

3. **[List action item]**

\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ Abstain

4. **[List action item]**

\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ Abstain

5. **[List action item]**

\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ Abstain

**[Chairperson: Add additional numbered action items and voting lines as needed.]**

**Important Notes:** Per the TCC Bylaws, this proxy shall not be effective unless: (1) items “A” through “C” above are completed; and (2) a complete, accessible, and legible copy of the proxy is returned to the Chairperson at least 48 hours prior to the meeting at which the proxy is to be voted. This proxy is only valid for the meeting listed above and for the Taxing Authority listed above. If you represent more than one Taxing Authority and wish to vote for more than one Taxing Authority by proxy, you must provide a separate proxy for each such Taxing Authority.

**Intending to be legally bound, I represent that I am the duly-authorized TCC delegate for the Taxing Authority listed above and am executing this proxy on behalf of such Taxing Authority.**

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature