



Legislation Text

File #: 130240, **Version:** 1

130240

SUBSTITUTE 1

THE CHAIR

Substitute resolution approving a service agreement between the City of Milwaukee and GovTech Services, Inc., for certain technical tax collection services.

This resolution approves a service agreement with GovTech Services, Inc., to act as an intermediary between the City Treasurer and certain agents escrowing Milwaukee property taxes to coordinate the accurate and timely release of escrowed property taxes to the City to reduce the number of duplicate property tax payments made in error by escrow agents, and reduce the costs incurred by the City to process and issue refunds for these erroneous payments.

There will be no cost to the City under this service agreement.

Whereas, The Office of the City Treasurer processed 51,417 payments from bank and mortgage company tax escrow agents during the 2012 tax collection season, and incurred additional expense refunding 6,950 duplicate payments made by these escrow agents in error; and

Whereas, GovTech Services, Inc., (GovTech) provides services as an intermediary between property tax collectors and escrow agents to coordinate tax escrow payments, and ensure more accurate and timely escrow payments while eliminating duplicate payments; and

Whereas, GovTech currently contracts with 111 escrow agents and 101 tax collectors, including the cities of Wauwatosa and West Allis, Milwaukee and Waukesha Counties; and

Whereas, All charges for GovTech's services to these tax escrow agents and tax collectors are borne solely by the tax escrow agents with no charges accruing to the tax collector; and

Whereas, The Office of the City Treasurer expects to reduce costs by agreeing to participate as a tax collector in GovTech's service program at no cost to the City by substantially reducing the number of refunds of duplicate tax escrow payments made in error, and the number of telephone inquiries received regarding tax payments and refunds; and

Whereas, The one-year Letter of Agreement and Policy Acceptance attached to this file, which will automatically renew unless terminated by either party, authorizes GovTech as the City's exclusive agent to provide pre-approved property tax information to escrow agents at no cost to the City; and

Whereas, GovTech will provide programming services as needed to gather tax information from the City's tax collection system GovTech needs to coordinate tax escrow payments, and pay fees determined by the City for any programming or other services rendered by the City to facilitate property tax information gathering by GovTech; and

Whereas, GovTech will follow the highest professional standards and take all necessary precautions to ensure the security of City's tax collection system is not compromised during GovTech's system set-up or during tax information gathering, and GovTech will not disclose any confidential or proprietary tax collection information to any unauthorized third party; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Letter of Agreement and Policy Acceptance, a copy of which is attached to this file, between the City and GovTech Services, Inc., is approved and the City Treasurer and other proper City officers are authorized to execute the agreement on behalf of the City.

Office of the Treasurer

cc-cc
JRO
6/5/13

LRB #147176 - 2
Aaron Cadle
June 20, 2013