

CITY OF TAKOMA PARK, MARYLAND

RESOLUTION NO. 2018-3

A Resolution Approving a Settlement with Priti's Fashion and Jewelry, LLC for Payment of Business Personal Property Taxes for Tax Levy Years 2013 – 2016.

WHEREAS, Priti's operates a retail gold jewelry and boutique clothing store at 1157 University Blvd. E., Takoma Park, MD 20912, which business is located in the City of Takoma Park, Montgomery County, Maryland; and

WHEREAS, Priti's was formerly located in the Takoma-Langley area of Prince George's County and moved its business to its current location in the City of Takoma Park, Montgomery County, Maryland; and

WHEREAS, despite Priti's move, the Maryland State Department of Assessments and Taxation ("SDAT") continued to assess Priti's as a business located in Prince George's County for tax years 2013-2015; and

WHEREAS, upon correcting its tax location with SDAT, Priti's was billed for personal property taxes ("PPT") owed to Montgomery County and to the City of Takoma Park for tax levy years 2013-2016, in the total amount of approximately \$300,842.53 (representing Takoma Park PPT of \$219,435.37, Montgomery County PPT of \$556.78, and substantial interest); and

WHEREAS, with the support of the City, Priti's filed Amended Annual Reports and Personal Property Returns (Form 1) for 2013-2016; and

WHEREAS, based on the Amended Annual Report and Personal Property Returns, SDAT, by Notice dated July 3, 2017, adjusted the Town (Takoma Park) Base Assessment for Priti's and issued revised personal property tax bills for Tax Levy Years 2013-2016; and

WHEREAS, the revised PPT due to the City of Takoma Park from Priti's totals \$88,532.29 for Tax Levy Years 2013-2016 and substantial interest on the PPT also is due; and

WHEREAS, Priti's does not have the funds to pay the total PPT and/or interest balance owed to the City and the City wants to work with Priti's to resolve the PPT issue without a debilitating financial impact on Priti's business.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT a settlement of Priti's PPT liability to the City for Tax Levy Years 2013-2016 is approved upon the following terms:

The parties agree that Priti's will pay PPT to the City for Tax Levy Years 2013-2016 in the total sum of \$90,000.00. Payments will be made in monthly installments of \$3,000.00 with the first payment to commence upon execution of a Settlement Agreement between Priti's and the City. Subsequent monthly installments will continue on the 1st day of each month until the total PPT amount is paid in full. The Settlement Agreement will include a severability clause providing that if a waiver of interest or any other term of the agreement is declared illegal by a court, then the agreement would be reformed to be legal and enforceable.

BE IT FURTHER RESOLVED THAT the City Manager is authorized to execute a Settlement Agreement with Priti's regarding the payment of business personal property taxes owed to the City for Tax Levy Years 2013-2016, as set forth in this Resolution, and to execute such other documents and to take any action necessary to carry out the terms and intent of such settlement.

THIS RESOLUTION IS ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK THIS 10TH DAY OF JANUARY, 2018.

Attest:

Jessie Carpenter, CMC
City Clerk