

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 709 Session of
2005

INTRODUCED BY BRIGHTBILL, RHOADES, KITCHEN, JUBELIRER, BOSCOLA,
WONDERLING, MUSTO, WENGER, PILEGGI, O'PAKE, CORMAN, COSTA,
ROBBINS, M. WHITE, ORIE, PICCOLA, LAVALLE, ERICKSON, GORDNER,
ARMSTRONG, STACK, PIPPY, WAUGH, LOGAN, RAFFERTY, C. WILLIAMS
AND BROWNE, MAY 26, 2005

SENATOR THOMPSON, APPROPRIATIONS, RE-REPORTED AS AMENDED,
JUNE 28, 2005

AN ACT

1 Amending the act of May 25, 1945 (P.L.1050, No.394), entitled
2 "An act relating to the collection of taxes levied by
3 counties, county institution districts, cities of the third
4 class, boroughs, towns, townships, certain school districts
5 and vocational school districts; conferring powers and
6 imposing duties on tax collectors, courts and various
7 officers of said political subdivisions; and prescribing
8 penalties," further providing for installment payment of
9 taxes; and authorizing installment payment of school taxes.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 11 of the act of May 25, 1945 (P.L.1050,
13 No.394), known as the Local Tax Collection Law, amended December
14 20, 2000 (P.L.735, No.104), is amended to read:

15 Section 11. Installment Payment of Taxes.--(a) [Any] Except
16 as otherwise provided in section 11.1, any taxing district shall
17 have power to provide by ordinance or resolution for the
18 collection and payment of its taxes in not more than [four]
19 twelve installments. Where payment of taxes is made on the

1 installment basis, no abatement or discount shall be allowed on
2 said taxes.

3 (b) (1) Any such ordinance or resolution shall set forth
4 the number of installments in which taxes shall be paid and the
5 dates when the respective installments become due and
6 delinquent. Notwithstanding the complete and final settlement
7 made in accordance with section 26, a taxing district may set
8 installment payment dates subsequent to December 31. The unpaid
9 installments shall not be considered delinquent if paid on or
10 before the respective installment dates established by ordinance
11 or resolution of the taxing district. To each installment on the
12 date when it becomes delinquent, a penalty of up to ten per
13 centum shall be added, which shall be collected by the tax
14 collector. No further penalties, except as hereinafter provided,
15 shall be added to any installment of taxes, unless one or more
16 installments remain unpaid, and the lands upon which such
17 installments are due are returned under existing laws to the
18 county commissioners for nonpayment of taxes, or in case a lien
19 for such unpaid installment or installments is filed under
20 existing laws in the office of the prothonotary, in which case,
21 the additional penalty or interest provided for by such existing
22 return and lien laws shall apply.

23 (2) If a taxing district has set installment payment dates
24 subsequent to December 31, the following shall apply:

25 (i) Installment payments subsequent to December 31 of the
26 year in which the taxes are levied shall be collected by the
27 elected tax collector.

28 (ii) The elected tax collector shall, upon the certification
29 over to him of installments remaining unpaid, proceed to collect
30 the same from the persons respectively charged therewith, for

1 which purpose he shall have all the authority and power now
2 vested by law in any tax collector for the collection of such
3 taxes. The taxing district issuing the original warrants shall
4 issue an additional warrant to the collector of installment
5 payments.

6 (iii) Installments to be made on or before December 31 of
7 the year in which taxes are levied shall be collected by the
8 elected tax collector. The elected tax collector shall be
9 allowed a credit for the total amount of all uncollected,
10 nonlienable installments not required to be paid by December 31,
11 and this amount shall be identified and carried forward on the
12 reporting form prepared by the Department of Community and
13 Economic Development in accordance with this act as nonlienable
14 installments to be collected by the installment collector.

15 (iv) The elected tax collector shall be paid such
16 commissions or compensation at the same rate on installment
17 payments as is paid for the collection of taxes generally. Such
18 commissions or compensation shall be paid by proper orders drawn
19 on the taxing district. Every elected tax collector shall be
20 responsible and accountable to the taxing district for all such
21 taxes collected by the tax collector, and the final accounts and
22 records, returns and payments, and duplicates shall be audited
23 annually in the year in which the installments are collected in
24 like manner and in accordance with the laws pertaining to tax
25 collections.

26 (c) (1) The payment of the first installment by a taxpayer
27 before the same becomes delinquent shall conclusively evidence
28 an intention to pay his taxes on the installment plan, as
29 provided by said ordinance or resolution.

30 (2) If installment payments are permitted subsequent to

1 December 31 of the year in which taxes are levied, a taxpayer
2 shall evidence his intention to make installment payments of
3 taxes after December 31 either by the timely payment to the tax
4 collector of a first installment before December 31 or, if the
5 first payment is not due before December 31, by notifying the
6 elected tax collector in writing of his intention to make
7 installment payments.

8 (d) Where a taxpayer shall fail to evidence an intention to
9 pay on the installment plan, as hereinbefore provided, his taxes
10 shall become due and payable and be collected as elsewhere
11 provided in this act, subject to the discounts and penalties
12 provided thereby.

13 (e) The provisions of this section shall apply to cities of
14 the second class A.

15 Section 2. The act is amended by adding a section to read:

16 Section 11.1. Installment Payment of School Real Property
17 Taxes.--(a) (1) Not later than July 1, 2006, every school
18 district shall provide by ordinance or resolution for the
19 collection and payment of its real property taxes in
20 installments by residents of the school district and businesses
21 located in the school district, in such a manner that the
22 residents and businesses can begin making installment payments
23 not later than the 2006-2007 school year.

24 (2) The ordinance or resolution shall specify one of the
25 following payment options:

26 (i) Four quarterly installments.

27 (ii) Six bimonthly installments.

28 (iii) Twelve monthly installments.

29 (3) The ordinance or resolution shall include a process by
30 which residents and businesses can choose to make monthly

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1 installment payments for school real property taxes.

2 (4) The installment payments shall be scheduled in even
3 installments over the course of the school district's fiscal
4 year for any resident or business which chooses to participate.

5 (b) (1) Any such ordinance or resolution shall set forth
6 the dates when the respective installments become due and
7 delinquent. Notwithstanding the complete and final settlement
8 made in accordance with section 26, a school district may set
9 installment payment dates subsequent to December 31. The unpaid
10 installments shall not be considered delinquent if paid on or
11 before the respective installment dates established by ordinance
12 or resolution of the school district. To each installment on the
13 date when it becomes delinquent, a penalty of up to ten per
14 centum shall be added, which shall be collected by the tax
15 collector. No further penalties, except as hereinafter provided,
16 shall be added to any installment of taxes, unless one or more
17 installments remain unpaid, and the lands upon which such
18 installments are due are returned under existing laws to the
19 county commissioners for nonpayment of taxes, or in case a lien
20 for such unpaid installment or installments is filed under
21 existing laws in the office of the prothonotary, in which case,
22 the additional penalty or interest provided for by such existing
23 return and lien laws shall apply.

24 (2) The tax collector may contract with a tax bureau
25 independent of the school district for collection of
26 installments under this section. A tax bureau may contract with
27 more than one tax collector. The tax collector shall be paid
28 such commissions or compensation at the same rate on installment
29 payments as is paid for the collection of taxes generally. Such
30 commissions or compensation shall be paid by proper orders drawn

1 on the school district. Every tax collector shall be responsible
2 and accountable to the school district for all such taxes
3 collected by the tax collector, and the final accounts and
4 records, returns and payments, and duplicates shall be audited
5 annually in the year in which the installments are collected in
6 like manner and in accordance with the laws pertaining to tax
7 collections.

8 (c) The payment of the first installment by a taxpayer
9 before the same becomes delinquent shall conclusively evidence
10 an intention to pay his taxes on the installment plan, as
11 provided by said ordinance or resolution.

12 (d) Where a taxpayer shall fail to evidence an intention to
13 pay on the installment plan, as hereinbefore provided, his taxes
14 shall become due and payable and be collected as elsewhere
15 provided in this act, subject to the discounts and penalties
16 provided thereby.

17 Section 3. This act shall take effect in 60 days.