

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

AS AMENDED ON THIRD CONSIDERATION, JUNE 30, 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 AND PROVIDING FOR SCHOOL DISTRICT CONSIDERATION OF INCREASE
11 IN TAX COLLECTOR COMPENSATION.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Section 11 of the act of May 25, 1945 (P.L.1050,
15 No.394), known as the Local Tax Collection Law, amended December
16 20, 2000 (P.L.735, No.104), is amended to read:

17 Section 11. Installment Payment of Taxes.--(a) [Any] Except
18 as otherwise provided in section 11.1, any taxing district shall
19 have power to provide by ordinance or resolution for the
20 collection and payment of its taxes in not more than [four]
21 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~~ SECTIONS <—
16 to read:

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

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

27 (i) Four quarterly installments.

28 (ii) Six bimonthly installments.

29 (iii) Twelve monthly installments.

30 (3) The ordinance or resolution shall include a process by

which residents and businesses can choose to make installment payments for school real property taxes.

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

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

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

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

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

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

18 SECTION 36.2. CONSIDERING INCREASE IN COMPENSATION OF TAX <—
19 COLLECTOR.--WITHIN FIFTEEN DAYS OF THE ADOPTION BY A SCHOOL
20 DISTRICT OF AN ORDINANCE OR RESOLUTION UNDER SECTION 11.1(A)(1),
21 THE TAX COLLECTOR IN THE SCHOOL DISTRICT MAY, BY SENDING A
22 CERTIFIED LETTER, REQUEST THAT THE SCHOOL DISTRICT CONSIDER
23 INCREASING THE COMPENSATION OF THE TAX COLLECTOR TO ACCOUNT FOR
24 ANY INCREASED ADMINISTRATIVE COSTS INCURRED BY THE TAX
25 COLLECTOR. WITHIN FORTY-FIVE DAYS OF RECEIVING SUCH LETTER, THE
26 SCHOOL DISTRICT SHALL CONSIDER THE REQUEST.

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