



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1185

PRINTERS NO. 2274

PRIME SPONSOR: Waugh

COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
First Class Township Funds	\$0	\$0

SUMMARY: Amends the First Class Township Code to permit the separation of the functions of tax collector and township treasurer. The repeal and amendment of several enumerated sections shall take effect January 6, 2014 and the remainder of this act shall take effect immediately.

ANALYSIS: This legislation would amend the First Class Township Code to establish the elective office of tax collector and to provide for the appointed position of township treasurer.

Tax Collector

Election-At the municipal election in 2013 and every fourth year thereafter, the electors of each first class township shall elect one tax collector.

Residency-Tax collectors shall reside in the township from which they are elected and shall have resided in that township continuously for at least one year preceding their election.

Term-The tax collector shall serve for a term of four years starting on the first Monday of January after the election, except when vacancies create shorter terms.

Compensation-Tax collectors shall receive such salary or compensation of office as may from time to time be fixed by ordinance in accordance with the "Local Tax Collection Law."

Vacancy-If the electors of a township fail to choose a tax collector or if a person elected to the office fails to give the required bond or take the required oath, the vacancy shall be filled as provided in the First Class Township Code.

Powers and Duties of Tax Collector-The township tax collector shall collect all county, institution district, township, school and other taxes levied within such townships by authorities authorized to levy taxes. The tax collector may also be designated to collect non-property taxes levied under The Local Tax Enabling Act (LTEA). The tax collector may also collect certain assessments enumerated in the Code.

Township Treasurer

Appointment-The township commissioners shall appoint a township treasurer, who may be the elected tax collector or an employee of the township, to serve at the pleasure of the board of township commissioners.

Compensation-The township commissioners shall determine the compensation of the treasurer.

Treasurer's Duties-The township treasurer shall:

- (1) Receive all moneys due the township and promptly deposit them in a designated depository in the name of the township.
- (2) Keep distinct and accurate accounts of all sums received from taxes and other sources, which accounts shall be open to the inspection of the board of commissioners, township auditor or controller.
- (3) Annually state the accounts with the books and vouchers for audit by the township auditors or controller.
- (4) Pay out all moneys of the township only on orders signed by the president or vice president and attested by the secretary or assistant secretary of the board, and designating the appropriation out of which the orders shall be paid.
- (5) Preserve the account books, papers, documents and other things held in right of his office and turn them over to the successor in office.
- (6) Pay over to the successor any balance in money remaining in his hands or charged against him in the settlement of his accounts.

Treasurer's Bond-The township treasurer shall give a fidelity bond to the Commonwealth in an amount prescribed by ordinance or resolution and at least equal to 50% of the amount of township funds estimated by the township commissioners to be available to the township treasurer at any time during the current year. The bond shall be subscribed by a surety company or companies duly authorized to do business in this Commonwealth. The bond given by the treasurer shall be conditioned on the faithful performance of the duties of the office. The treasurer shall not, in any event, be required to give bond or bonds aggregating an amount in excess of the taxes to be paid over to him by the tax collector.

Deputy-When the township treasurer is unable to perform the duties of office or fails to appoint a deputy treasurer, the board of township commissioners may appoint a deputy treasurer to serve until the treasurer is again able to perform the duties of his office. The deputy treasurer shall be bonded for the same amount as the township treasurer when acting in that capacity. The board of township commissioners shall determine the compensation of the deputy treasurer.

Depositories of Township Funds-The following shall apply:

- (1) The board of township commissioners shall designate by resolution a depository or depositories for township funds.
- (2) The depository or depositories shall be banks, banking institutions or trust companies located in this Commonwealth.
- (3) The depository or depositories shall not be required to furnish bond or collateral security to cover the amount of any deposit to the extent that the same is insured with the Federal Deposit Insurance Corporation.
- (4) The township treasurer or deputy treasurer shall, upon the designation of the depository or depositories by the board of township commissioners, immediately transfer thereto the township funds and after that make deposits solely in the depository or depositories in the name of the township.
- (5) No township treasurer or deputy treasurer complying with the provisions of this section, nor his surety or sureties, shall be chargeable with losses of township funds caused solely by the failure or negligence of the depository or depositories.
- (6) The depository or depositories shall furnish a bond to secure payment of deposits of township funds and any interest to the township, with a proper warrant to confess judgment in favor of the township, secured by a surety company or individual sureties to be approved by the board of commissioners, or deposit obligations of the United States, or the Commonwealth of Pennsylvania or any political subdivision thereof, to secure the payment of township deposits and any interest thereon. Such surety bonds shall be in a sum, to be fixed by ordinance or resolution, at least equal to the probable greatest amount of such deposit at any one time.

Application-The term of the person who holds the office of elected treasurer in a first class township shall end on the first Monday in January following the municipal election of 2013.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on first class township or Commonwealth funds. The legislation merely gives first class township commissioners the option to appoint a township treasurer, who may also be the elected tax collector. If the commissioners choose to hire a township treasurer who is not the elected tax collector, those additional costs would not be incurred until calendar year 2014.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: October 15, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.