



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1590

PRINTERS NO. 3664

PRIME SPONSOR: Scavello

COST / (SAVINGS)

| FUND | FY 2013/14 | FY 2014/15 |
|-----------------|------------|---------------------|
| General Fund | \$0 | See "Fiscal Impact" |
| Municipal Funds | \$0 | \$0 |

SUMMARY: Mandates a tax collector education program for all tax collectors to become certified as qualified tax collectors, requires a mandatory criminal history check for anyone running for the office of tax collector or placed on the ballot through a write-in campaign, and provides for the submission of property taxes. This legislation would take effect in one year.

ANALYSIS: This legislation amends the Local Tax Collection Act to expand the tax collector education program by making it mandatory for all tax collectors to become certified by DCED as a qualified tax collector before taking the oath of office, mandates a criminal history check for anyone running for the office of tax collector or placed on the ballot through a write-in campaign, and provides for the submission of property taxes.

Mandatory Training Program: This legislation would make it mandatory for all tax collectors to obtain certification as a "qualified tax collector" before they take the oath of office, and to present it to the secretary or clerk of the municipality wherein the person has been elected. Tax collectors in office on the legislation's effective date will be grandfathered and shall not have to take an initial certification exam and will be issued qualified tax collector certificates by DCED. These individuals will still have to take the 6 hours of continuing education required within the legislation.

If a person fails to pass the qualification exam by the date he/she is to take office, then the office of tax collector is to be deemed vacant and will be filled using the proper procedure. Nothing in the legislation shall prevent a person attempting to become a qualified tax collector from taking the qualification exam more than once if they fail to pass the exam the first time.

If a person is appointed to fill a vacancy in the office of tax collector that will last for less than a year, that person will not have to become a qualified tax collector. If the tax collector then takes the office for a full term, he/she will have to meet the requirements of this legislation.

Annually, each qualified tax collector must renew their qualification by completing the continuing education requirement. DCED will issue a renewal certificate to the qualified tax collector which

will then be given to the municipal secretary. If the tax collector fails to maintain the qualification, then the office will be deemed vacant and will be filled using the proper procedure.

In addition to making the existing training mandatory, this legislation also expands the training program so that it can be completed online or by using a compact disc delivered in the mail. Testing, however, must be conducted in an online or classroom setting.

The legislation includes language to clarify that the vacancy provisions contained within the mandatory training language do not contradict any provision found elsewhere in law that provide procedures for filling vacancies in the office of tax collector. The legislation specifically references the ability of a municipality to enter into an agreement with the county for the county treasurer to collect the municipalities' taxes or to enter into a joint taxing district. This section also clarifies that if county tax collectors collect taxes on behalf of a municipality, they are not considered a tax collector for the purposes of the mandatory education provisions.

The legislation also contains provisions that DCED shall bear the costs of the online training program and the certification process. The Governor shall annually allocate to DCED the amount necessary to cover the certification and training costs incurred from the General Fund.

Criminal History Check: This legislation also mandates that anyone who runs for the office of tax collector shall file a completed criminal history check along with their nominating petitions. The background check must be performed by the PA State Police or, if the individual has not resided in the state for the last two years, the Federal Bureau of Investigation (FBI). These organizations may charge the appropriate fees to complete the background check.

This information shall be made available to anyone that wishes to challenge the person's nomination petition. If an objection to the nomination petition is filed, the court shall check to see if the person's criminal history check shows a conviction for any of the following crimes - burglary, robbery, theft, forgery, crimes against public administration, hacking, or similar Federal or out-of-state offenses. If any of these offenses (misdemeanor or felony) are on the criminal history check, the court will not allow the person's name to be placed on the ballot.

If a person receives enough votes under Section 1405 of the Election Code (pertaining to write in ballots) to be placed on the ballot for the general election, he/she needs to turn in a completed PA criminal history check or a completed Federal background check to the county board of elections.

Under this legislation, attaching the criminal history check to the nomination petition and turning a criminal history check in to the board of elections after winning a write-in campaign is a qualification of office, and anyone that fails to do so will not be placed on the ballot. Once a criminal history check is turned over to the county board of elections, such information will be subject to the provisions of the Right to Know Law.

No member of the county board of elections shall be held civilly liable for any action directly related to enforcing the bill's provisions.

Submission of Property Taxes: This legislation provides that no payment of taxes shall be payable to an account that is in or includes an individual's name but may be payable to an account that includes the name of an office, title or position. The legislation also provides that a tax notice shall also include an example of the wording to which the payment must be made.

FISCAL IMPACT: According to DCED, this legislation would cost approximately \$200,000 to implement during the first full year. The costs would include salary and benefits of one additional staff person to oversee the new online training materials as well as a new database that would collect and handle the online training requirements. The costs would be reduced slightly in the years thereafter as the database startup costs would be eliminated and the residual costs would include the employee and the ongoing maintenance of the database. The Governor would annually allocate to DCED the amount necessary to cover the certification and training costs incurred from the General Fund.

Since this legislation would not take effect for one year, it is anticipated that the costs in FY 2014-15 would be minimal with the large majority of the initial \$200,000 being expended in FY 2015-16.

This legislation would have no adverse fiscal impact on municipal funds. It is presumed that any municipality that has to change their tax collection and distribution process, such as changing the name or establishing a new bank account, could do so conveniently without any additional cost.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 5, 2014

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