



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 160

PRINTERS NO. 1235

PRIME SPONSOR: Mackenzie

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	\$0
Municipal Funds	\$0	\$0

SUMMARY: Amends the Local Tax Collection Law to prohibit tax payments to an account in an individual's name and adds that any overpayments must be returned to the individual responsible for the overpayment. This legislation would take effect on January 1st of the year immediately following enactment.

ANALYSIS: This legislation adds a new Section 5.2 to the Local Tax Collection Law to require that tax collectors no longer accept payment of taxes in the name of an individual.

Tax Accounts: Within 60 days of this legislation's effective date, the legislation requires any funds collected for the payment of taxes to be deposited or transferred into an account that includes the name of an office, title or position, and may include the name of the municipality. The legislation prohibits the deposit of taxes into an account bearing an individual's name and the use of one's social security number to open an account.

To help taxpayers make this adjustment, this legislation requires that all tax notices include a description of how taxes are to be paid, based on the new requirements under Section 5.2.

Deputy Tax Collectors: As a safety feature, this legislation adds that the deputy tax collector shall be added as a joint signatory on the account to ensure that someone can access any collected tax monies in the case of an emergency. This legislation clarifies that, despite being a signatory on the account, the deputy tax collector is not responsible for signing off on every check withdrawn by the tax collector to pay taxes.

Joint Taxing Districts: Joint taxing districts and county treasurers that collect on behalf of a tax collector may choose to open one single account for collected monies, subject to the same account naming restrictions noted above.

Real Estate Tax Overpayment/Refunds: This legislation creates a new Section 26.2 entitled the Refund of Overpayment of Real Estate Taxes, which creates a minimum standard for tax collectors to follow when refunding overpayment of real estate taxes. This section establishes that, after the completion of the yearly audit, any overpayment monies collected by the tax collector, greater than \$10, must be refunded to the owner of record or person or entity that made the overpayment. Any amount less than \$10 shall be turned over to the Department of Treasury's Division of Unclaimed Property.

Any monies that the tax collector has not refunded after three years will be turned over to the Department of Treasury's Division of Unclaimed Property.

Report: This legislation also requires the tax collector, at the completion of the yearly audit, to generate a report of any overpayments that have yet to be refunded. The report must include the amount being held, who the money belongs to, the property identification number, and any other identifying information.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth or 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: April 16, 2015

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