



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 823

PRINTERS NO. 1586

PRIME SPONSOR: Greiner

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Corrects a number of technical issues that have arisen with the implementation of Act 164 of 2014 regarding basic and continuing education for tax collectors. The interim basic training/examination and continuing education programs shall take effect on October 22, 2015; the permanent basic training/examination and continuing education programs and a technical change to the Criminal History Check section shall take effect on January 1, 2017; the remainder of the legislation shall take effect immediately.

ANALYSIS: This legislation amends the Local Tax Collection Law to make the following clarifications to Act 164 of 2014:

Basic and Continuing Education:

- Pushes the effective date of the mandatory permanent basic training, examination and continuing education provision from October 22, 2015 to January 1, 2017. The voluntary program will continue until the mandatory training takes effect.
- Establishes that county treasurers who are collecting taxes in the case of a vacancy do not have to complete the basic training and continuing education.
- Grandfathers current tax collectors who have served more than 8 terms from the interim basic training, examination, and continuing education.
- Deletes a provision that created multiple levels of qualified tax collectors.
- Replaces the term "qualified tax collector" with the term "Pennsylvania Qualified Municipal Collector".
- Beginning in January 2017, lowers the number of continuing education hours that a tax collector is required to take from 6 hours every year to 6 hours over the course of their four year term.
- Adds a provision that specifically states that the State Tax Collectors Association and any other individual or organization can offer the continuing education classes provided that the classes offered are reviewed and approved by DCED.
- Requires DCED to include four tax collectors that are not part of the Tax Collectors Association in the development of the Basic and Continuing Education training.

- Five years after the mandatory basic and continuing education program takes effect, DCED shall review the program and provide the General Assembly with a report of their findings and any recommendations. DCED shall conduct the review with the assistance of:
 - PA State Association of Township Supervisors (PSATS)
 - PA State Association of Township Commissioners (PSATC)
 - PA Municipal League (PML)
 - PA State Association of Boroughs (PSAB)
 - County Commissioners Association of PA (CCAP)
 - PA School Boards Association (PSBA)
 - PA State Tax Collectors Association (PSTCA)
 - Five Tax Collectors that are not part of the State Association. These Tax collectors will be selected by DCED from various types and sizes of municipalities from across the state.

Criminal History Record Information:

- Adds that tax collectors running for office this year must turn in criminal history checks to the county board of elections.
- Adds that any individual appointed to fill a vacancy in the office of tax collector must complete a criminal history check and give it to each taxing district that he/she will serve.
 - Clarifies that checks are not required for vacancies filled by county treasurers and neighboring tax collectors.
- Makes it clear that any personal information provided in the criminal history check is subject to the Right-to-Know Law prior to being released pursuant to a Right-To-Know request.
- Deletes a provision relating to the cost of criminal history check at the request of the State Police.

Deputy Tax Collector:

- Adds that the Bond secured by the tax collector shall also cover all taxes collected by the deputy tax collector.
- Clarifies that the municipality for which the tax collector was elected must sign off on the deputy, along with the tax collectors bond company, before an appointment is made.
- Clarifies that the deputy tax collector shall collect taxes for the duration of an incapacitation.
- Provides that if an incapacitation is prolonged, an individual can institute a Quo Warranto action to have the office declared vacant.
 - Any vacancy arising as a result of this action will be filled in accordance with the appropriate municipal code.
- Adds that a deputy tax collector cannot be an immediate family member.

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.

It is important to note that the estimated fiscal impact for Act 164 of 2014 (HB 1590, PN 4150) was also estimated at \$200,000 and that the cost of the requirements was projected to be in FY 2015-16. Since this legislation would not take effect until January 1, 2017, it is anticipated that any expenses in FY 2014-15 or FY 2015-16 would be minimal, if any, with most of the initial \$200,000 being expended in FY 2016-17.

DCED also indicates that since October of 2014, they have utilized between \$85,000 and \$95,000 worth of staff time to begin the preparation work for Act 164. This includes the following:

- \$20,000 to \$25,000 in IT staff time for software development.
- \$65,000 to \$70,000 in other DCED staff time from multiple deputies down to clerical staff to implement the law.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 1, 2015

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