



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 823

PRINTERS NO. 2181

PRIME SPONSOR: Greiner

COST / (SAVINGS)

FUND	FY 2015/16	FY 2016/17
General Fund	See "Fiscal Impact"	See "Fiscal Impact"
Municipal Funds	\$0	\$0

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 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.
- Clarifies the grandfathering of current tax collectors.
- Deletes a provision that created multiple levels of qualified tax collectors.
- 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 2 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.
- Adds that attending a state wide conference of the State Tax Collectors Association or a similar organization shall count as one credit of continuing education.

- 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.
- Caps the cost of the basic training exam at \$250.
- Includes the Local Tax Collection Law, the Real Estate Tax Sale Law, the Local Tax Enabling Act, and assessments as appropriate courses of instruction for the basic training exam and the continuing education classes.
- Adds that once an individual passes the basic training exam, they do not have to retake the test if they leave the office of tax collector and return to the office at a later date.
- Requires DCED to notify the municipality when a tax collector has completed the basic training exam and when the tax collector has completed his two credits of continuing education.

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.
- Adds that any individual running for a second or subsequent term in the office of tax collector will not have to file a criminal history check.

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.

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 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.

This legislation would have no adverse fiscal impact on municipal funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: October 2, 2015

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