

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 1590

PRINTER'S NO. 4150

AMOUNT

See Fiscal Impact Section

FUND

General Fund

DATE INTRODUCED

June 27, 2013

PRIME SPONSOR

Representative Scavello

DESCRIPTION AND PURPOSE OF BILL

House Bill 1590, as amended, amends the Local Tax Collection Law (Act 394 of 1945) by expanding the existing tax collector education programs and requirements and requires that all tax collectors become certified. The legislation also provides for criminal background checks for anyone running for the office of tax collector and provides for the appointment of a deputy tax collector in cases where the tax collector becomes incapacitated.

House Bill 1590 makes 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. Successful completion of the basic training program shall be evidenced by a "Pennsylvania Qualified Municipal Collector" designation.

Tax collectors in office on the legislation's effective date will be grandfathered and do not have to take an initial certification exam and will be issued qualified tax collector certificates by the Department of Community and Economic Development ("DCED"). The grandfathered tax collectors will be required to take the six hours of continuing education required by the legislation.

If a person fails to pass the qualification exam by the date they are to take office, then the office of tax collector is 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.

Each qualified tax collector must renew their qualification annually 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.

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House Bill 1590 provides that DCED shall bear the costs of the online training program and the certification process. The Governor shall annually recommend an appropriation to the General Assembly from the General Fund in an amount sufficient to cover the costs incurred by the department.

The legislation requires that any individual filing a nomination petition for the office of tax collector must include a completed criminal history check performed by the Pennsylvania State Police or, if the individual has not resided in the state for the last two years, the FBI. 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 determine whether the person's criminal history check includes 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 are on the criminal history check, the court will not allow the person's name to be placed on the ballot for tax collector.

The legislation provides that, at a minimum, a tax collector shall, with the approval of a taxing district, appoint a deputy tax collector who shall collect and settle taxes during any incapacitation of the tax collector. The deputy shall collect the taxes as long as needed, unless the taxing district decides to enter into a joint tax collection agreement or into an agreement with the county to collect taxes.

The act shall take effect in one year, except that section governing the appointment of a deputy tax collector shall take effect immediately.

FISCAL IMPACT:

House Bill 1590 could cost the General Fund approximately \$200,000 to implement during the first full year, which will likely not occur until FY 2015-16 because of the delayed effective date of the legislation.

DCED indicated to the House of Representatives that the costs would include salary and benefits for 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 out years because the database startup costs would not reoccur.

The legislation, as amended, provides that the Governor recommend an appropriation amount from the General Fund to cover the costs incurred by DCED. The General Assembly will have the ability to determine the amount, if any, appropriated to DCED for this purpose.

The legislation would have no material fiscal impact on local funds.