

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 16

PRINTER NO. 1056

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

February 6, 2017

PRIME SPONSOR

Representative Mackenzie

DESCRIPTION AND PURPOSE OF BILL

House Bill 16 amends the Local Tax Collection Law (Act 394 of 1945) to prohibit tax payments made out to an individual and requires the creation of a separate account to be used solely for tax payments.

The legislation requires a tax collector to open a dedicated account for tax payment deposits. This account must include the name of an office, title, or position and may include the name of the municipality for which the tax collector was elected or appointed. This account cannot be opened using the individual's Social Security Number and must only be used for tax payments.

House Bill 16 requires tax collectors to transfer any money already collected into the account within 60 days of the effective date, unless an already established account meets the requirements.

The legislation allows tax collectors for joint tax collection districts as well as county treasurers to utilize a single account as long as it meets the requirements prescribed in the bill.

House Bill 16 requires that tax notices include an example of wording as to whom the payment must be made, including the name of the account established but not the individual.

This act shall take effect January 1 of the year immediately following the date of enactment.

FISCAL IMPACT:

House Bill 16 will have no adverse fiscal impact on Commonwealth or local funds.