

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 430

**PRINTER NO.** 2274

**AMOUNT**

See Fiscal Impact

**FUND**

Local Funds

**DATE INTRODUCED**

February 8, 2021

**PRIME SPONSOR**

Representative Emrick

**DESCRIPTION**

House Bill 430 amends the act of May 25, 1945 (P.L.1050, No.394), known as the Local Tax Collection Law, by amending section 7 (relating to effect of failure to receive tax notice).

House Bill 430 provides that a taxing district shall, within 90 days of enactment of this legislation, by ordinance or resolution, require a tax collector to waive additional charges for real estate taxes beginning in the first year after the effective date of this act, if the taxpayer does all of the following:

- 1) Provides a waiver request of additional charges to the tax collector in possession of the claim within 12 months of a "qualifying event." A qualifying event is the date of transfer of ownership of real property or, for purposes of manufactured or mobile homes, the date of transfer of ownership or the date a lease agreement commences for a parcel of land;
- 2) Attests that a notice was not received;
- 3) Provides the tax collector in possession of the claim with a copy of the deed showing the date of real property transfer or a copy of the title following the acquisition of a mobile or manufactured home taxed as real estate, along with details regarding the lease of land; and
- 4) Pays the face value amount of the tax notice for the real estate tax with the waiver request.

A taxpayer granted a waiver and paying real estate tax under these provisions is not subject to an additional charge, and any claim or lien filed for an additional charge shall be deemed satisfied. A tax collector that accepts a waiver and payment in good faith is not personally liable for any amount due.

The legislation requires the Department of Community and Economic Development to make available to each taxing district a form by which a taxpayer may request a waiver of additional charges.

House Bill 430 defines an "additional charge" as any interest, fee, penalty or charge accruing to and in excess of the face amount of the real estate tax notice.

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Under current law, failure to receive notice does not relieve a taxpayer from the payment of any taxes imposed by a taxing district, and the taxpayer is charged with taxes as though the notice had been received. House Bill 430 offers a remedy for new property owners who may not have received a property tax bill that was inadvertently mailed to the previous owners or their mortgage company. By requiring a taxpayer to provide a waiver request within 12 months of a qualifying event (i.e., transfer of ownership or lease agreement), the legislation ensures that a waiver is granted only in instances involving new ownership (or lease) of real property.

This act shall take effect in 90 days.

## **FISCAL IMPACT:**

House Bill 430 will have no fiscal impact on Commonwealth funds. The Department of Community and Economic Development's duty to create a standard waiver form can be accomplished within its existing budget.

To the extent that additional charges for late payment of real estate taxes are currently collected from new property owners, the legislation may result in a modest decrease of local revenue received from late filing penalties.