

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 823 Session of
2003

INTRODUCED BY BRIGHTBILL, RHOADES, M. WHITE, O'PAKE, KITCHEN,
MUSTO, ERICKSON, ORIE, C. WILLIAMS, PILEGGI, COSTA,
ARMSTRONG, BOSCOLA, WENGER, WONDERLING, ROBBINS, WAUGH,
RAFFERTY, JUBELIRER, LEMMOND, GREENLEAF, LAVALLE, WOZNIAK AND
CORMAN, JUNE 23, 2003

REFERRED TO FINANCE, JUNE 23, 2003

AN ACT

1 Amending the act of May 25, 1945 (P.L.1050, No.394), entitled
2 "An act relating to the collection of taxes levied by
3 counties, county institution districts, cities of the third
4 class, boroughs, towns, townships, certain school districts
5 and vocational school districts; conferring powers and
6 imposing duties on tax collectors, courts and various
7 officers of said political subdivisions; and prescribing
8 penalties," further providing for installment payment of
9 taxes; and authorizing monthly installment payment of school
10 taxes.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Section 11 of the act of May 25, 1945 (P.L.1050,
14 No.394), known as the Local Tax Collection Law, amended December
15 20, 2000 (P.L.735, No.104), is amended to read:

16 Section 11. Installment Payment of Taxes.--(a) [Any] Except
17 as otherwise provided in section 11.1, any taxing district shall
18 have power to provide by ordinance or resolution for the
19 collection and payment of its taxes in not more than four
20 installments. Where payment of taxes is made on the installment

1 basis, no abatement or discount shall be allowed on said taxes.

2 (b) (1) Any such ordinance or resolution shall set forth
3 the number of installments in which taxes shall be paid and the
4 dates when the respective installments become due and
5 delinquent. Notwithstanding the complete and final settlement
6 made in accordance with section 26, a taxing district may set
7 installment payment dates subsequent to December 31. The unpaid
8 installments shall not be considered delinquent if paid on or
9 before the respective installment dates established by ordinance
10 or resolution of the taxing district. To each installment on the
11 date when it becomes delinquent, a penalty of up to ten per
12 centum shall be added, which shall be collected by the tax
13 collector. No further penalties, except as hereinafter provided,
14 shall be added to any installment of taxes, unless one or more
15 installments remain unpaid, and the lands upon which such
16 installments are due are returned under existing laws to the
17 county commissioners for nonpayment of taxes, or in case a lien
18 for such unpaid installment or installments is filed under
19 existing laws in the office of the prothonotary, in which case,
20 the additional penalty or interest provided for by such existing
21 return and lien laws shall apply.

22 (2) If a taxing district has set installment payment dates
23 subsequent to December 31, the following shall apply:

24 (i) Installment payments subsequent to December 31 of the
25 year in which the taxes are levied shall be collected by the
26 elected tax collector.

27 (ii) The elected tax collector shall, upon the certification
28 over to him of installments remaining unpaid, proceed to collect
29 the same from the persons respectively charged therewith, for
30 which purpose he shall have all the authority and power now

1 vested by law in any tax collector for the collection of such
2 taxes. The taxing district issuing the original warrants shall
3 issue an additional warrant to the collector of installment
4 payments.

5 (iii) Installments to be made on or before December 31 of
6 the year in which taxes are levied shall be collected by the
7 elected tax collector. The elected tax collector shall be
8 allowed a credit for the total amount of all uncollected,
9 nonlienable installments not required to be paid by December 31,
10 and this amount shall be identified and carried forward on the
11 reporting form prepared by the Department of Community and
12 Economic Development in accordance with this act as nonlienable
13 installments to be collected by the installment collector.

14 (iv) The elected tax collector shall be paid such
15 commissions or compensation at the same rate on installment
16 payments as is paid for the collection of taxes generally. Such
17 commissions or compensation shall be paid by proper orders drawn
18 on the taxing district. Every elected tax collector shall be
19 responsible and accountable to the taxing district for all such
20 taxes collected by the tax collector, and the final accounts and
21 records, returns and payments, and duplicates shall be audited
22 annually in the year in which the installments are collected in
23 like manner and in accordance with the laws pertaining to tax
24 collections.

25 (c) (1) The payment of the first installment by a taxpayer
26 before the same becomes delinquent shall conclusively evidence
27 an intention to pay his taxes on the installment plan, as
28 provided by said ordinance or resolution.

29 (2) If installment payments are permitted subsequent to
30 December 31 of the year in which taxes are levied, a taxpayer

1 shall evidence his intention to make installment payments of
2 taxes after December 31 either by the timely payment to the tax
3 collector of a first installment before December 31 or, if the
4 first payment is not due before December 31, by notifying the
5 elected tax collector in writing of his intention to make
6 installment payments.

7 (d) Where a taxpayer shall fail to evidence an intention to
8 pay on the installment plan, as hereinbefore provided, his taxes
9 shall become due and payable and be collected as elsewhere
10 provided in this act, subject to the discounts and penalties
11 provided thereby.

12 (e) The provisions of this section shall apply to cities of
13 the second class A.

14 Section 2. The act is amended by adding a section to read:

15 Section 11.1. Monthly Installment Payment of School Real
16 Property Taxes.--(a) (1) Not later than July 1, 2004, every
17 school district shall provide by ordinance or resolution for the
18 collection and payment of its real property taxes in twelve
19 monthly installments by residents of the school district and
20 businesses located in the school district, in such a manner that
21 the residents and businesses can begin making monthly
22 installment payments not later than January 31, 2005.

23 (2) The ordinance or resolution shall include a process by
24 which residents and businesses can choose to make monthly
25 installment payments for school real property taxes.

26 (3) The monthly installment payments shall be scheduled in
27 even installments over the course of a calendar year for any
28 resident or business which chooses to participate.

29 (4) The monthly installment payments in a given calendar
30 year shall be based on the tax due in the school fiscal year

1 which commenced in the preceding July.

2 (b) (1) Any such ordinance or resolution shall set forth
3 the dates when the respective installments become due and
4 delinquent. Notwithstanding the complete and final settlement
5 made in accordance with section 26, a school district may set
6 installment payment dates subsequent to December 31. The unpaid
7 installments shall not be considered delinquent if paid on or
8 before the respective installment dates established by ordinance
9 or resolution of the school district. To each installment on the
10 date when it becomes delinquent, a penalty of up to ten per
11 centum shall be added, which shall be collected by the tax
12 collector. No further penalties, except as hereinafter provided,
13 shall be added to any installment of taxes, unless one or more
14 installments remain unpaid, and the lands upon which such
15 installments are due are returned under existing laws to the
16 county commissioners for nonpayment of taxes, or in case a lien
17 for such unpaid installment or installments is filed under
18 existing laws in the office of the prothonotary, in which case,
19 the additional penalty or interest provided for by such existing
20 return and lien laws shall apply.

21 (2) The tax collector shall be paid such commissions or
22 compensation at the same rate on installment payments as is paid
23 for the collection of taxes generally. Such commissions or
24 compensation shall be paid by proper orders drawn on the school
25 district. Every tax collector shall be responsible and
26 accountable to the school district for all such taxes collected
27 by the tax collector, and the final accounts and records,
28 returns and payments, and duplicates shall be audited annually
29 in the year in which the installments are collected in like
30 manner and in accordance with the laws pertaining to tax

1 collections.

2 (c) (1) The payment of the first installment by a taxpayer
3 before the same becomes delinquent shall conclusively evidence
4 an intention to pay his taxes on the installment plan, as
5 provided by said ordinance or resolution.

6 (2) If installment payments are permitted subsequent to
7 December 31 of the year in which taxes are levied, a taxpayer
8 shall evidence his intention to make installment payments of
9 taxes after December 31 either by the timely payment to the tax
10 collector of a first installment before December 31 or, if the
11 first payment is not due before December 31, by notifying the
12 tax collector in writing of his intention to make installment
13 payments.

14 (d) Where a taxpayer shall fail to evidence an intention to
15 pay on the installment plan, as hereinbefore provided, his taxes
16 shall become due and payable and be collected as elsewhere
17 provided in this act, subject to the discounts and penalties
18 provided thereby.

19 Section 3. This act shall take effect in 60 days.