

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 20

Special Session No. 1 of
2005

INTRODUCED BY MAITLAND, OCTOBER 17, 2005

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 17, 2005

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 defining "tax collector" or "elected tax
9 collector"; adding a definition of "tax collection bureau";
10 providing for the abolishment of tax collectors in counties;
11 establishing realty tax oversight boards; and further
12 providing for bonds of tax collectors and for basic and
13 continuing education programs for tax collectors.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The definition of "tax collector" or "elected tax
17 collector" in section 2 of the act of May 25, 1945 (P.L.1050,
18 No.394), known as the Local Tax Collection Law, amended March
19 22, 2002 (P.L.200, No.14), is amended and the section is amended
20 by adding a definition to read:

21 Section 2. Definitions.--The words--

22 * * *

23 "Tax Collection Bureau" shall mean any bureau, officer, clerk

1 or collector, including their assistants and employees, either
2 under existing departments or otherwise as may be deemed
3 necessary, which is located within a county that has eliminated
4 the office of tax collector pursuant to section 3.1 and has been
5 authorized by a county ordinance or resolution to collect taxes
6 under this act on behalf of all of the taxing districts within
7 the county except those exempted by section 3.1(e). The bureau
8 may be the same entity which has been authorized by any
9 political subdivision for the assessment and collection of taxes
10 imposed under the authority of the act of December 31, 1965
11 (P.L.1257, No.511), known as "The Local Tax Enabling Act."

12 "Tax Collector" or "Elected Tax Collector" shall include
13 every person duly elected or appointed to collect all taxes,
14 levied by any political subdivision included in the provisions
15 of this act, including the treasurers of cities of the third
16 class and of townships of the first class in their capacity as
17 treasurers, and county collectors of taxes in counties of the
18 third, fourth, fifth, sixth, seventh and eighth class who have
19 been designated to collect county and institution district taxes
20 in cities of the third class and county treasurers in counties
21 of the fourth, fifth, sixth, seventh and eighth class who have
22 been designated to collect county taxes in municipalities
23 existing or organized under 53 Pa.C.S. Pt. III Subpt. E
24 (relating to home rule and optional plan government) that have
25 eliminated the elective office of tax collector and a tax
26 collection bureau authorized to collect taxes in counties that
27 have abolished the office of tax collector pursuant to section
28 3.1 of this act. The term includes a person authorized to
29 collect taxes under section 4.2 of this act.

30 * * *

1 Section 2. The act is amended by adding sections to read:

2 Section 3.1. Abolishing the Office of Tax Collector in
3 Counties.--(a) The office of tax collector may be abolished at
4 the option of each county by resolution.

5 (b) Upon abolition of the office of tax collector as
6 provided by this section, all rights, duties, powers and
7 authority of tax collectors within the affected county shall be
8 vested in any tax collection bureau authorized by a county
9 ordinance or resolution to collect taxes under this act on
10 behalf of all of the taxing districts within the county. The
11 county ordinance or resolution authorizing a tax collection
12 bureau to collect taxes under this act shall not become
13 effective until January 15 of the second year following the year
14 in which the ordinance or resolution is ratified by a majority
15 of the taxing districts within the county. In lieu of all
16 compensation that would otherwise be attributable to the billing
17 and collection of taxes by tax collectors within the affected
18 county, each taxing district shall remit to the appropriate tax
19 collection bureau appropriate sums as determined pursuant to
20 section 3.2(h).

21 (c) Any tax collection bureau vested with the rights,
22 duties, powers and authority of tax collectors by this act
23 shall, within one year of expiration of the office of tax
24 collector as provided by subsection (b), develop a taxpayer
25 outreach program that includes, but is not limited to, the
26 following:

27 (1) The establishment of at least two outreach sites for tax
28 payment which are located outside the city, borough, town or
29 other similar home rule charter municipality that serves as the
30 county seat.

1 (2) Each outreach site shall be staffed by employees of the
2 tax collection bureau.

3 (3) Each outreach site shall be open for tax payment a
4 minimum of two days each week, for a minimum of two hours each
5 day after five p.m. during the period specified in paragraph
6 (4).

7 (4) Each outreach site shall be in operation for four months
8 after the date of tax notices and may, at the option of the tax
9 collection bureau, also remain in operation at other times for
10 the collection of tax payments and additional penalties as
11 provided in section 10.

12 (d) The provisions of this section shall not apply with
13 respect to any of the following:

14 (1) A treasurer of a city of the third class or a township
15 of the first class.

16 (2) An employe or official who has been designated to
17 collect real property taxes in a municipality, other than a
18 county, existing or organized under 53 Pa.C.S. Pt. III Subpt. E
19 (relating to home rule and optional plan government), which
20 municipality has eliminated the elective office of tax
21 collector.

22 (3) A county collector of taxes in counties of the third,
23 fourth, fifth, sixth, seventh and eighth class who has been
24 designated to collect county and institution district taxes in
25 cities of the third class.

26 (4) A county treasurer in counties of the fourth, fifth,
27 sixth, seventh and eighth class who has been designated to
28 collect county taxes in municipalities existing or organized
29 under 53 Pa.C.S. Pt. III Subpt. E that have eliminated the
30 elective office of tax collector.

1 Section 3.2. Realty Tax Oversight Board.--(a) In any county
2 which has eliminated the office of tax collector pursuant to
3 section 3.1, a realty tax oversight board shall be established
4 to exercise budgetary and fiscal control over the tax collection
5 bureau.

6 (b) Any realty tax oversight board shall consist of one
7 representative from each taxing district within the county. The
8 members of each taxing district within the county shall be
9 responsible for choosing a representative from among the
10 employees or elected officials of that taxing district.

11 (c) Each representative of a taxing district shall have the
12 right to vote on budgetary and fiscal matters affecting the tax
13 collection bureau.

14 (d) Representatives shall serve at the pleasure of the
15 members of the taxing district.

16 (e) A realty tax oversight board shall select a chairman
17 from among its representatives.

18 (f) (1) A tax collection bureau shall develop an annual
19 operating budget to submit for approval by the realty tax
20 oversight board. The operating budget shall include salaries for
21 staff, office materials, equipment, basic and continuing
22 education program costs, all other reasonable expenses for
23 operation of the tax collection bureau and all reasonable
24 expenses for operation of the realty tax oversight board. The
25 operating budget shall also include sufficient capital, reserve
26 and emergency funds to ensure the continued operation of the tax
27 collection bureau and the realty tax oversight board.

28 (2) No significant expenditure by a tax collection bureau
29 shall be permitted unless approved by the realty tax oversight
30 board or included in a budget previously approved by the realty

1 tax oversight board. Each realty tax oversight board shall adopt
2 a definition of a significant expenditure.

3 (g) A realty tax oversight board shall establish general
4 policies as are necessary to carry out the purposes of this act.

5 (h) The realty tax oversight board shall assess each of the
6 taxing districts a fee to cover the annual operating budget of
7 the tax collection bureau. Each taxing district shall be liable
8 to pay a percentage of the total annual operating budget equal
9 to the total taxes charged in the duplicate of the taxing
10 district over the total taxes charged in the duplicates of all
11 of the taxing districts in the county.

12 (i) Upon the establishment of a tax collection bureau and a
13 realty tax oversight board, the realty tax oversight board may
14 assess each taxing district fees to cover the initial expenses
15 of both the tax collection bureau and the realty tax oversight
16 board until the approval of an annual operating budget under
17 this section. These fees shall be assessed in the same manner
18 and percentages as assessments under subsection (h). In no case
19 shall the initial expenses include operating costs for more than
20 a three-month period.

21 (j) Representatives shall be reimbursed for their travel
22 expenses incurred when attending realty tax oversight board
23 meetings.

24 Section 3. Section 4 of the act is amended by adding a
25 subsection to read:

26 Section 4. Bonds of Tax Collectors.--* * *

27 (g.1) (1) The bond of any tax collection bureau in counties
28 that have abolished the office of tax collector pursuant to
29 section 3.1 shall be fixed by the realty tax oversight board of
30 the county. The premium on any such bond shall be paid by the

1 respective taxing districts using the services of the tax
2 collection bureau. Each taxing district shall be liable to pay a
3 percentage of the bond premium equal to the total taxes charged
4 in the duplicate of the taxing district over the total taxes
5 charged in the duplicates of all of the taxing districts in the
6 county. The condition of the bond shall be that the tax
7 collection bureau, as collector of taxes as provided for in
8 section 3.1, shall account for and pay over all taxes, penalties
9 and interest received and collected by the tax collection bureau
10 to the appropriate taxing district.

11 (2) Any tax collection bureau in counties that have
12 abolished the office of tax collector pursuant to section 3.1
13 and the sureties of any tax collection bureau shall be
14 discharged from further liability on a tax collection bureau's
15 bond for the taxes charged in a duplicate delivered to the
16 bureau as soon as all tax items contained in the said duplicate
17 are:

18 (i) collected and paid over to the proper taxing district;

19 (ii) certified to the taxing authority for entry as liens in
20 the office of the prothonotary or as claims in the tax claim
21 bureau, as the case may be;

22 (iii) returned to the county commissioners for sale of the
23 real estate by the county treasurer; or

24 (iv) in the case of occupation, poll and per capita and
25 personal property taxes, accounted for by the payment over or by
26 exoneration which shall be granted by the taxing district upon
27 oath or affirmation by a representative of a tax collection
28 bureau that the tax collection bureau has complied with section
29 20:

30 Provided, That any tax collection bureau and its sureties shall

1 not be discharged of their liability under the provisions of
2 this subsection if the tax collection bureau has in fact
3 collected such taxes but has failed to pay the same over to the
4 proper taxing district. The bond given by any tax collection
5 bureau under the provisions of this subsection shall be for the
6 use of the taxing districts which contributed to pay the premium
7 on the bond.

8 * * *

9 Section 4. Section 4.1(a.2) and (h) of the act, amended June
10 22, 2001 (P.L.377, No.25), are amended and the section is
11 amended by adding a subsection to read:

12 Section 4.1. Basic and Continuing Education Programs for Tax
13 Collectors.--* * *

14 (a.2) The department shall:

15 (1) Make certain a qualified tax collector certificate is
16 issued to an individual who passes the basic qualification
17 examination. The certificate shall expire one year from the date
18 of issuance but may be renewed.

19 (2) Maintain a register that lists all qualified tax
20 collectors. The register shall be open to public inspection and
21 copying upon payment of a nominal fee.

22 (3) Provide once each year a list of all qualified tax
23 collectors on the department's World Wide Web site.

24 (4) Determine and approve reasonable fees for the training
25 program and for testing and qualification. The individual shall
26 bear the cost of the program, testing and qualification unless
27 the political subdivision agrees to pay for the cost in whole or
28 in part. The cost of the program, testing and qualification for
29 the personnel of any tax collection bureau which collects taxes
30 under this act shall be paid out of the annual operating budget

1 of the tax collection bureau.

2 * * *

3 (a.5) Within one year of the abolishment of the office of
4 tax collector in a county pursuant to section 3.1, the director
5 of any tax collection bureau which collects taxes under this act
6 shall be required to participate in the department's basic
7 education program for tax collectors and obtain qualification.
8 Thereafter, the director of any tax collection bureau which
9 collects taxes under this act shall be required to participate
10 in the mandatory continuing education necessary to maintain
11 qualification.

12 * * *

13 (h) The following words and phrases when used in this
14 section shall have the meanings given to them in this subsection
15 unless the context clearly indicates otherwise:

16 "Department" shall mean the Department of Community and
17 Economic Development of the Commonwealth.

18 "Qualified tax collector" shall mean a person who holds a
19 current valid certificate of qualification issued by the
20 Department of Community and Economic Development.

21 "Tax collector" shall mean a person duly elected or appointed
22 to collect real property taxes levied by a political
23 subdivision, other than a county, including the following:

24 (1) A tax collector in a borough, incorporated town or
25 township of the second class.

26 (2) A treasurer of a city of the third class or a township
27 of the first class in that person's capacity as tax collector.

28 (3) An employe or official who has been designated to
29 collect real property taxes in a municipality, other than a
30 county, existing or organized under 53 Pa.C.S. Pt. III Subpt. E

1 (relating to home rule and optional plan government), which
2 municipality has eliminated the elective office of tax
3 collector.

4 (4) The personnel in a tax collection bureau which collects
5 taxes under this act in a county that has abolished the office
6 of tax collector pursuant to section 3.1.

7 Section 5. This act shall take effect in 60 days.