
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2091 Session of
2007

INTRODUCED BY PHILLIPS, GEIST, RUBLEY, CAPPELLI, CREIGHTON,
FAIRCHILD, HENNESSEY, HERSHEY, HESS AND WATSON,
DECEMBER 5, 2007

REFERRED TO COMMITTEE ON FINANCE, DECEMBER 5, 2007

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," requiring tax collectors to receive tax payments
9 from escrow agents or escrow accounts; further providing for
10 penalties; and providing for application of requirements.

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

13 Section 1. The act of May 25, 1945 (P.L.1050, No.394), known
14 as the Local Tax Collection Law, is amended by adding a section
15 to read:

16 Section 13.1. Collectors Required to Receive Payment of
17 Taxes from Escrow Accounts.--(a) Taxes due on property may be
18 paid by an escrow agent from an escrow account. It shall be the
19 duty of the tax collector to receive and receipt, in accordance
20 with this act, the payment of taxes tendered or mailed, in
21 timely fashion, by an escrow agent.

1 (b) The following words and phrases when used in this
2 section shall have the meanings given to them in this subsection
3 unless the context clearly indicates otherwise:

4 "Escrow account" shall mean any account established in
5 conjunction with a mortgage loan on property, into which
6 payments are made and out of which the escrow agent pays the
7 taxes on the property covered by the mortgage. The term shall
8 also include an escrow arrangement the intent of which is to
9 serve the same purposes as an escrow account but which does not
10 require the formal establishment of an account.

11 "Escrow agent" shall mean the bank, mortgage banker, or
12 other institution, association, partnership corporation or
13 person who or which has made or services the loan of moneys in
14 conjunction with a mortgage on property, including the
15 successors in interest of the foregoing, among whose duties and
16 obligations is the payment of taxes from the escrow account on
17 the mortgaged property.

18 Section 2. Section 42 of the act, amended July 7, 2006
19 (P.L.374, No.80), is amended to read:

20 Section 42. Penalty.--(a) Any tax collector failing to
21 comply with the provisions of section thirteen or 13.1 of this
22 act, and any tax collector, treasurer or commissioner who
23 violates any of the provisions of section fourteen of this act,
24 shall be sentenced to pay a fine of not more than five hundred
25 dollars, or be sentenced to imprisonment for not more than six
26 months, or both, at the discretion of the court.

27 (b) A person who formerly held the office of tax collector
28 who unlawfully and intentionally impairs the availability of tax
29 collection records in violation of section 4.3(d) commits a
30 misdemeanor of the second degree.

1 Section 3. (a) In addition to applying to taxes that will
2 become due after the effective date of this section, the
3 provisions of this amendatory act adding section 13.1 to the
4 Local Tax Collection Law shall also apply to all taxes which are
5 to be collected by the tax collector during the calendar year in
6 which this section becomes effective, notwithstanding that taxes
7 may first have become due prior to the effective date of this
8 section.

9 (b) The provisions of this amendatory act amending section
10 42(a) of the Local Tax Collection Law shall not apply to
11 refusals to accept payment of taxes in accordance with section
12 13.1 made prior to the effective date of this section.

13 Section 4. This act shall take effect immediately.