

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 653** Session of
2017

INTRODUCED BY BROWNE, BOSCOLA, FOLMER, MENSCH, MCGARRIGLE,
BARTOLOTTA, SCAVELLO, REGAN, EICHELBERGER, YUDICHAK,
BREWSTER, WILLIAMS, LAUGHLIN, MARTIN, WAGNER AND SCHWANK,
MAY 24, 2017

SENATOR WAGNER, LOCAL GOVERNMENT, AS AMENDED, JUNE 13, 2017

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),
2 entitled "An act empowering cities of the second class,
3 cities of the second class A, cities of the third class,
4 boroughs, towns, townships of the first class, townships of
5 the second class, school districts of the second class,
6 school districts of the third class and school districts of
7 the fourth class including independent school districts, to
8 levy, assess, collect or to provide for the levying,
9 assessment and collection of certain taxes subject to maximum
10 limitations for general revenue purposes; authorizing the
11 establishment of bureaus and the appointment and compensation
12 of officers, agencies and employees to assess and collect such
13 taxes; providing for joint collection of certain taxes,
14 prescribing certain definitions and other provisions for
15 taxes levied and assessed upon earned income, providing for
16 annual audits and for collection of delinquent taxes, and
17 permitting and requiring penalties to be imposed and
18 enforced, including penalties for disclosure of confidential
19 information, providing an appeal from the ordinance or
20 resolution levying such taxes to the court of quarter
21 sessions and to the Supreme Court and Superior Court," in
22 local taxes, further providing for collection; in
23 consolidated collection of local income taxes, further
24 providing for tax collection committees and for powers and
25 duties of tax officer; in collection of delinquent taxes,
26 further providing for costs of collection; and making a
27 related editorial change.

28 The General Assembly of the Commonwealth of Pennsylvania
29 hereby enacts as follows:

1 Section 1. Section 313(a), Chapter 5 heading, section
2 505(a), (A.1), (B), (C), (J) AND (L) and section 509(k) of the <--
3 act of December 31, 1965 (P.L.1257, No.511), known as The Local
4 Tax Enabling Act, are amended to read:

5 Section 313. Collection of Taxes.--(a) Administrative
6 Personnel; Joint Agreements.--

7 (1) Except as provided in section 506 and subject to the
8 provisions of section 509, any political subdivision is hereby
9 authorized to provide by ordinance or resolution for the
10 creation or designation of tax bureaus or the appointment and
11 compensation of a political subdivision, public employe, tax
12 bureau or public or private agency for the assessment and
13 collection of taxes imposed under authority of this chapter.
14 Each ordinance or resolution under this section authorizing a
15 political subdivision, public employe, tax bureau or public or
16 private agency to act in the capacity and with the authority of
17 a tax collector shall continue in force without annual
18 reauthorization unless otherwise repealed or revoked by the
19 political subdivision or unless otherwise provided by this act.

20 (2) Except as provided in section 506 and subject to the
21 provisions of section 509, political subdivisions imposing taxes
22 under authority of this chapter are authorized to make joint
23 agreements for the collection of such taxes or any of them. The
24 same political subdivision, tax bureau or public or private
25 agency may be employed by two or more political subdivisions to
26 collect any taxes imposed by them under authority of this
27 chapter.

28 * * *

29 CHAPTER 5

30 CONSOLIDATED COLLECTION OF LOCAL [INCOME] TAXES

1 Section 505. Tax collection committees.

2 (a) General rule.--Subject to the provisions of subsection
3 (m) and section 509(k), each tax collection district shall be
4 governed by a tax collection committee constituted and operated
5 as set forth in this section. Meetings of the tax collection
6 committee shall be conducted under 65 Pa.C.S. Ch. 7 (relating to
7 open meetings) and the act of June 21, 1957 (P.L.390, No.212),
8 referred to as the Right-to-Know Law.

9 (A.1) DUTIES.--A TAX COLLECTION COMMITTEE HAS THE FOLLOWING <--
10 DUTIES:

11 (1) TO KEEP RECORDS OF ALL VOTES AND OTHER ACTIONS TAKEN
12 BY THE TAX COLLECTION COMMITTEE.

13 (2) TO APPOINT AND OVERSEE A TAX OFFICER FOR THE TAX
14 COLLECTION DISTRICT AS PROVIDED IN SECTION 507(A).

15 (3) TO SET THE COMPENSATION OF THE TAX OFFICER UNDER
16 SECTION 507(C).

17 (4) TO REQUIRE, HOLD, SET AND REVIEW THE TAX OFFICER'S
18 BOND REQUIRED BY SECTION 509(D).

19 (5) TO ESTABLISH THE MANNER AND EXTENT OF FINANCING OF
20 THE TAX COLLECTION COMMITTEE.

21 (6) TO ADOPT, AMEND AND REPEAL BYLAWS FOR THE MANAGEMENT
22 OF ITS AFFAIRS CONSISTENT WITH SUBSECTION (F) AND REGULATIONS
23 UNDER SECTION 508.

24 (7) TO ADOPT, AMEND AND REPEAL POLICIES AND PROCEDURES
25 CONSISTENT WITH THE REGULATIONS UNDER SECTION 508 FOR THE
26 ADMINISTRATION OF [INCOME] TAXES UNDER SECTION 509 WITHIN THE
27 TAX COLLECTION DISTRICT. THE PROCEDURES SHALL SUPERSEDE ANY
28 CONTRARY RESOLUTIONS OR ORDINANCES ADOPTED BY A POLITICAL
29 SUBDIVISION. THIS AUTHORITY SHALL NOT BE CONSTRUED TO PERMIT
30 A TAX COLLECTION COMMITTEE TO CHANGE THE RATE OR SUBJECT OF

1 ANY TAX.

2 * * *

3 (B) DELEGATES.--

4 (1) THE GOVERNING BODY OF EACH POLITICAL SUBDIVISION
5 WITHIN A TAX COLLECTION DISTRICT THAT IMPOSED AN INCOME TAX
6 PRIOR TO JULY 1, 2009, SHALL APPOINT ONE VOTING DELEGATE AND
7 ONE OR MORE ALTERNATES TO REPRESENT THE POLITICAL SUBDIVISION
8 ON THE TAX COLLECTION COMMITTEE BY SEPTEMBER 15, 2009. THE
9 GOVERNING BODY OF EACH POLITICAL SUBDIVISION THAT AFTER JUNE
10 30, 2009, IMPOSES [AN INCOME] A TAX [FOR THE FIRST TIME]
11 UNDER SECTION 509 SHALL APPOINT ONE VOTING DELEGATE AND ONE
12 OR MORE ALTERNATES TO REPRESENT THE POLITICAL SUBDIVISION ON
13 THE TAX COLLECTION COMMITTEE. A VOTING DELEGATE OR ALTERNATE
14 SHALL SERVE AT THE PLEASURE OF THE GOVERNING BODY OF THE
15 POLITICAL SUBDIVISION.

16 (2) THE GOVERNING BODY OF EACH POLITICAL SUBDIVISION
17 WITHIN A TAX COLLECTION DISTRICT THAT PRIOR TO JULY 1, 2009,
18 DOES NOT IMPOSE AN INCOME TAX MAY APPOINT ONE NONVOTING
19 DELEGATE AND ONE OR MORE ALTERNATES TO REPRESENT THE
20 POLITICAL SUBDIVISION ON THE TAX COLLECTION COMMITTEE. IF,
21 AFTER JUNE 30, 2009, THE POLITICAL SUBDIVISION IMPOSES [AN
22 INCOME] A TAX UNDER SECTION 509, THE NONVOTING DELEGATE SHALL
23 BECOME A VOTING DELEGATE TO REPRESENT THE POLITICAL
24 SUBDIVISION ON THE TAX COLLECTION COMMITTEE.

25 * * *

26 (C) VOTING RIGHTS.--

27 (1) ONLY A DELEGATE APPOINTED BY THE GOVERNING BODY OF A
28 POLITICAL SUBDIVISION MAY REPRESENT A POLITICAL SUBDIVISION
29 AT A TAX COLLECTION COMMITTEE MEETING. IF A DELEGATE CANNOT
30 BE PRESENT FOR A TAX COLLECTION COMMITTEE MEETING, THE

1 ALTERNATE APPOINTED UNDER THIS SECTION MAY REPRESENT THE
2 POLITICAL SUBDIVISION. EACH DELEGATE OR ALTERNATE SHALL BE
3 ENTITLED TO VOTE UPON ANY ACTION AUTHORIZED OR REQUIRED OF
4 THE TAX COLLECTION COMMITTEE UNDER THIS CHAPTER.

5 (2) FOR THE FIRST MEETING OF THE TAX COLLECTION
6 COMMITTEE, ACTIONS OF THE TAX COLLECTION COMMITTEE SHALL BE
7 DETERMINED BY A MAJORITY VOTE OF THOSE DELEGATES PRESENT.
8 VOTES SHALL BE WEIGHTED AMONG THE GOVERNING BODIES OF THE
9 MEMBER POLITICAL SUBDIVISIONS ACCORDING TO THE FOLLOWING
10 FORMULA: 50% SHALL BE ALLOCATED ACCORDING TO THE PROPORTIONAL
11 POPULATION OF EACH POLITICAL SUBDIVISION IN PROPORTION TO THE
12 POPULATION OF EACH TAX COLLECTION DISTRICT AS DETERMINED BY
13 THE MOST RECENT FEDERAL DECENNIAL CENSUS DATA AND 50% SHALL
14 BE WEIGHTED IN DIRECT PROPORTION TO [INCOME] TAX REVENUES
15 COLLECTED IN EACH POLITICAL SUBDIVISION, BASED ON EACH
16 POLITICAL SUBDIVISION'S MOST RECENT ANNUAL FINANCIAL REPORT
17 SUBMITTED TO THE DEPARTMENT OR THE DEPARTMENT OF EDUCATION.
18 FOR SUBSEQUENT MEETINGS, VOTES SHALL BE TAKEN IN ACCORDANCE
19 WITH THIS PARAGRAPH UNLESS THE BYLAWS PROVIDE OTHERWISE.

20 (3) NO LATER THAN SEPTEMBER 1, 2009, THE DEPARTMENT
21 SHALL CALCULATE THE WEIGHTED VOTE FOR EACH POLITICAL
22 SUBDIVISION WITHIN EACH TAX COLLECTION DISTRICT BASED ON THE
23 FORMULA SPECIFIED IN PARAGRAPH (2). BY JULY 1 OF THE YEAR
24 FOLLOWING THE FIRST MEETING, AND OF EACH YEAR THEREAFTER,
25 EACH TAX COLLECTION COMMITTEE SHALL RECALCULATE THE WEIGHTED
26 VOTE UNLESS THE BYLAWS PROVIDE FOR A MORE FREQUENT
27 RECALCULATION.

28 (4) IF A POLITICAL SUBDIVISION WITHIN THE TAX COLLECTION
29 DISTRICT IMPOSES [AN INCOME] A TAX UNDER SECTION 509 FOR THE
30 FIRST TIME, THE TAX COLLECTION COMMITTEE SHALL RECALCULATE

1 THE WEIGHTED VOTE OR OTHER METHOD OF VOTING UNDER THE BYLAWS.

2 * * *

3 (J) APPEALS BOARD.--

4 (1) BY JUNE 1, 2010, EACH TAX COLLECTION COMMITTEE SHALL
5 ESTABLISH AN APPEALS BOARD COMPRISED OF A MINIMUM OF THREE
6 DELEGATES OR, IN THE CASE OF A TAX COLLECTION COMMITTEE
7 ESTABLISHED PURSUANT TO SUBSECTION (M), A MINIMUM OF THREE
8 RESIDENTS OF THE COUNTY.

9 (2) A DETERMINATION OF THE TAX OFFICER RELATING TO THE
10 ASSESSMENT, COLLECTION, REFUND, WITHHOLDING, REMITTANCE OR
11 DISTRIBUTION OF [INCOME] TAXES MAY BE APPEALED TO THE APPEALS
12 BOARD BY A TAXPAYER, EMPLOYER, POLITICAL SUBDIVISION OR
13 ANOTHER TAX COLLECTION DISTRICT.

14 (3) ALL APPEALS, OTHER THAN THOSE BROUGHT UNDER
15 SUBSECTION (K), SHALL BE CONDUCTED IN A MANNER CONSISTENT
16 WITH 53 PA.C.S. §§ 8431 (RELATING TO PETITIONS), 8432
17 (RELATING TO PRACTICE AND PROCEDURE), 8433 (RELATING TO
18 DECISIONS), 8434 (RELATING TO APPEALS) AND 8435 (RELATING TO
19 EQUITABLE AND LEGAL PRINCIPLES TO APPLY).

20 (4) A TAX COLLECTION COMMITTEE MAY ENTER INTO AN
21 AGREEMENT WITH ANOTHER TAX COLLECTION COMMITTEE TO ESTABLISH
22 A JOINT APPEALS BOARD.

23 (5) NO MEMBER OF AN APPEALS BOARD OR JOINT APPEALS BOARD
24 MAY BE A TAX OFFICER OR AN EMPLOYEE, AGENT OR ATTORNEY FOR A
25 TAX OFFICER.

26 (6) AN APPEALS BOARD APPOINTED PURSUANT TO THIS SECTION
27 SHALL CONSTITUTE A JOINT LOCAL TAX APPEALS BOARD AS PROVIDED
28 FOR IN 53 PA.C.S. § 8430 (RELATING TO ADMINISTRATIVE APPEALS)
29 FOR PURPOSES OF TAXES COLLECTED UNDER THE SUPERVISION OF THE
30 APPOINTING TAX COLLECTION COMMITTEE.

1 * * *

2 (L) ANNUAL BUDGET REQUIRED.--

3 (1) EACH TAX COLLECTION COMMITTEE SHALL ADOPT AN ANNUAL
4 BUDGET PROVIDING FOR COMPENSATION OF THE TAX OFFICER AND
5 OTHER EXPENSES OF OPERATING THE TAX COLLECTION DISTRICT.

6 (2) THE EXPENSES OF OPERATING THE TAX COLLECTION
7 DISTRICT SHALL BE SHARED AMONG AND PAID BY ALL POLITICAL
8 SUBDIVISIONS WITHIN THE TAX COLLECTION DISTRICT THAT ARE
9 REPRESENTED BY VOTING DELEGATES ON THE TAX COLLECTION
10 COMMITTEE AND SHALL BE WEIGHTED IN DIRECT PROPORTION TO
11 [INCOME] TAX REVENUES COLLECTED IN EACH PARTICIPATING
12 POLITICAL SUBDIVISION BASED ON THE POLITICAL SUBDIVISION'S
13 MOST RECENT ANNUAL AUDIT REPORT REQUIRED UNDER THIS SECTION.

14 * * *

15 Section 509. Powers and duties of tax officer.

16 * * *

17 (k) Collection.--In addition to the powers and duties
18 enumerated in this section, a tax officer:

19 (1) shall collect each tax which is authorized under
20 sections 301.1 and 303 except tax upon the transfer of real
21 property or of an interest in real property; and

22 (2) when designated by the tax collection committee, [a
23 tax officer] may collect other taxes levied pursuant to [this
24 act,] the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
25 No.1), known as the Taxpayer Relief Act, or other statutory
26 law.

27 Section 2. Section 707 heading of the act is amended and the
28 section is amended by adding a subsection to read:

29 Section 707. Costs of Collection of Delinquent Per Capita,
30 Occupation, Occupational Privilege, Emergency and Municipal

1 Services, Local Services [and], Income and Payroll Taxes.--* * *

2 (d) A contingent fee audit may not be conducted in the
3 collection of delinquent taxes.

4 Section 3. Nothing in this act shall be construed to
5 terminate or modify the terms of a contract in effect on the
6 effective date of this act for the term of that contract unless
7 otherwise agreed to in writing by the parties to the contract.

8 Section 4. This act shall take effect January 1, 2018.