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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1099 Session of  
2018

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INTRODUCED BY MARTIN, MENSCH, RESCHENTHALER AND AUMENT,  
APRIL 11, 2018

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REFERRED TO LOCAL GOVERNMENT, APRIL 11, 2018

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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 definitions; providing for  
9 county option to collect real property taxes, for optional  
10 alternative tax collection agreements and for collection of  
11 school taxes by school districts; and further providing for  
12 bonds of tax collectors.

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

15 Section 1. The definition of "tax collector" or "elected tax  
16 collector" in section 2 of the act of May 25, 1945 (P.L.1050,  
17 No.394), known as the Local Tax Collection Law, is amended to  
18 read:

19 Section 2. Definitions.--The words--

20 \* \* \*

21 "Tax Collector" or "Elected Tax Collector" shall include  
22 every person duly elected or appointed to collect all taxes,  
23 levied by any political subdivision included in the provisions

1 of this act, including the treasurers of cities of the third  
2 class, elected collectors of taxes in townships of the first  
3 class and county collectors of taxes in counties of the third,  
4 fourth, fifth, sixth, seventh and eighth class who have been  
5 designated to collect county and institution district taxes in  
6 cities of the third class and county treasurers in counties of  
7 the fourth, fifth, sixth, seventh and eighth class who have been  
8 designated to collect county taxes in municipalities existing or  
9 organized under 53 Pa.C.S. Pt. III Subpt. E (relating to home  
10 rule and optional plan government) that have eliminated the  
11 elective office of tax collector and county treasurers in  
12 counties of the third, fourth, fifth, sixth, seventh and eighth  
13 class who have been designated to collect taxes under section  
14 3.1, 3.2 or 4.4 of this act. The term includes a person  
15 authorized to collect taxes under section 3.2, 3.3 or 4.2 of  
16 this act.

17 \* \* \*

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

19 Section 3.1. County Collection of Real Property Taxes.--(a)

20 Notwithstanding any other provision of law, a county of the  
21 third, fourth, fifth, sixth, seventh or eighth class may, by  
22 resolution, provide for the collection by the county treasurer  
23 of all real property taxes levied by the county. Upon the  
24 adoption of a resolution by a county, the county treasurer shall  
25 have the powers, duties and responsibilities of billing and  
26 collecting real property taxes levied by the county. The county  
27 shall provide written notice of the adoption of the resolution  
28 to the taxing districts and the elected tax collectors in the  
29 taxing districts.

30 (b) The compensation of personnel and other expenses of

1 billing and collecting county real property taxes pursuant to  
2 this section shall be paid out of the general fund in the county  
3 treasury. The compensation and number of such employes other  
4 than the county treasurer shall be governed by the provisions of  
5 the act of August 9, 1955 (P.L.323, No.130), known as "The  
6 County Code," relating to the county salary board. The county  
7 treasurer shall not receive added compensation for performing  
8 such functions.

9 (c) If a county elects to discontinue the collection by the  
10 county treasurer of real property taxes levied by the county,  
11 the county shall provide written notice to the taxing districts  
12 and elected tax collectors in the taxing districts.

13 Section 3.2. Optional Alternative Tax Collection

14 Agreements.--(a) (1) Notwithstanding any other provision of  
15 law, the governing body of a municipality may, by ordinance,  
16 enter into an optional alternative tax collection agreement with  
17 a tax officer named by the governing body of the municipality to  
18 be responsible for the billing and collection of all taxes  
19 previously collected by an elected tax collector. The tax  
20 officer shall be one of the following:

21 (i) The county treasurer, provided that prior to adoption of  
22 an ordinance under this paragraph, the governing body of the  
23 municipality and the county commissioners shall each adopt a  
24 resolution specifying:

25 (A) The conditions of the agreement.

26 (B) The duration of the agreement, if any.

27 (C) The purpose and objectives of the agreement, including  
28 the powers and scope of authority delegated under the agreement.

29 (ii) A private agency already defined as a tax officer under  
30 section 501 of the act of December 31, 1965 (P.L.1257, No.511),

1 known as "The Local Tax Enabling Act."

2 (iii) A public employe of the municipality or home rule  
3 municipality.

4 (2) For calendar years in which a tax collector is to be  
5 elected in the municipality, an ordinance may not be adopted  
6 after the deadline for filing nomination petitions has passed.

7 (3) Upon the adoption of an ordinance by the municipality,  
8 the office of tax collector is abolished, subject to subsection  
9 (c). The municipality shall notify the taxing districts served  
10 by the elected tax collector of the tax officer named to replace  
11 the elected tax collector.

12 (4) When a tax officer is named under this section, the  
13 municipal treasurer shall have the authority to take receipt of  
14 payment of taxes if the tax officer is located outside of the  
15 municipality.

16 (5) The optional alternative tax collection agreement shall  
17 be deemed a professional services contract and not subject to a  
18 competitive bidding process.

19 (b) The ordinance to enter into an optional alternative tax  
20 collection agreement shall take effect as follows:

21 (1) If the office of tax collector is vacant and the  
22 municipality has named a tax officer prior to the effective date  
23 of the ordinance, the ordinance shall take effect immediately.

24 (2) If the office of tax collector is not vacant, the  
25 ordinance may not take effect until the office of tax collector  
26 becomes vacant or the term of office of the tax collector has  
27 expired.

28 (c) A tax collector in office when a municipality adopts an  
29 ordinance under this section shall remain in office until the  
30 end of the term of office and shall continue to have all the

1 powers and duties of the office.

2 (d) The person appointed by the governing body of the  
3 municipality as tax collector shall receive such compensation as  
4 agreed to between the governing body of the municipality and the  
5 appointee.

6 (e) (1) A tax officer appointed by a municipality shall be  
7 subject to the basic and continuing education requirements of  
8 this act.

9 (2) If the tax officer is an organization composed of  
10 multiple people, then at least one individual shall be  
11 designated to comply with the basic and continuing education  
12 requirements of this act.

13 (f) A tax officer shall name a deputy in accordance with  
14 section 22(b).

15 (g) A tax officer shall comply with the bonding requirements  
16 of section 4.

17 (h) A municipality shall provide a copy of an optional  
18 alternative tax collection agreement entered into with a tax  
19 officer to the county board of elections. After the effective  
20 date of the agreement, the board of elections may not place the  
21 office of tax collector on the ballot in that municipality.

22 (i) An optional alternative tax collection agreement entered  
23 into by a governing body of a municipality is not required to  
24 have a fixed duration and may be amended or terminated at any  
25 time by the governing body.

26 (j) Prior to terminating an optional alternative tax  
27 collection agreement, the municipality shall provide written  
28 notice to the tax officer, the taxing district and the county  
29 board of elections. Upon receipt of the notification, the county  
30 board of elections shall place the office of tax collector on

1 the ballot for the municipality during the next municipal  
2 election. The tax officer shall continue to collect taxes until  
3 a tax collector has been elected and sworn into office.

4 (k) As used in this section, the term "municipality" shall  
5 mean a borough, town or township within a county of the third,  
6 fourth, fifth, sixth, seventh or eighth class.

7 Section 3.3. Collection of School Taxes by School  
8 Districts.--(a) Notwithstanding any law, the board of school  
9 directors in each school district of the second, third or fourth  
10 class may appoint, by resolution, one or more suitable persons  
11 as tax collectors in such school districts. The board of school  
12 directors in any school district, appointing any tax collector  
13 or tax collectors, may authorize and direct any one tax  
14 collector to collect the school taxes in any one or more wards  
15 or other proper divisions in such school district.

16 (b) The board of school directors shall provide written  
17 notice of the adoption of the resolution to the elected tax  
18 collector of the taxing district.

19 (c) The person appointed by the board of school directors as  
20 tax collector shall receive such compensation as agreed to  
21 between the board of school directors and the appointee.

22 (d) If a board of school directors elects to discontinue the  
23 collection by the person appointed by the board of school  
24 directors as tax collector, the board of school directors shall  
25 provide written notice to the elected tax collector of the  
26 taxing district.

27 Section 3. Section 4(b) of the act is amended to read:

28 Section 4. Bonds of Tax Collectors.--\* \* \*

29 (b) In boroughs, towns and townships of the first or second  
30 class, the [elected] tax collector shall be the collector of

1 borough, town or township taxes, as the case may be, and of  
2 county, county institution district, school district and  
3 vocational school district taxes. He shall, before he enters  
4 upon the duties of his office, take and subscribe an oath of  
5 office and file the same in the office of the clerk of the court  
6 of common pleas of the county. He shall enter into one surety  
7 bond to the Commonwealth for all taxes to be collected by him,  
8 in an amount to be fixed by the court of common pleas of the  
9 county, which amount shall never exceed the estimated amount of  
10 taxes charged in the duplicates to be delivered to him in one  
11 year. Such bond may, at the option of the tax collector, be an  
12 annual bond or may cover the full term of office for which the  
13 tax collector shall have been elected or appointed. Such bond  
14 shall have thereon at least one bonding company, and the  
15 sufficiency of the sureties on the bond shall be approved by the  
16 court of common pleas at any time prior to the delivery of a tax  
17 duplicate to the tax collector. The bond shall be filed in the  
18 office of the clerk of the court of common pleas on or before  
19 the fifteenth day of March of the year in which the tax  
20 collector qualifies for office and annually thereafter, except  
21 where the first bond given by the tax collector covers the full  
22 term of office for which he was elected or appointed. Should any  
23 of the taxing districts be of the opinion, at any time, that the  
24 bond given by the tax collector is not sufficient in amount, or  
25 as to the surety thereon, the said taxing district may apply to  
26 the court by petition to have the tax collector furnish  
27 additional bond in the manner provided by this section.  
28 Thereupon the tax collector shall furnish such additional bond,  
29 if any, as the court of common pleas may prescribe, but not  
30 exceeding the limitation as to the amount hereinbefore

1 prescribed: Provided, That where taxes for borough purposes are  
2 collected by an appointee of council the bond shall be as may be  
3 prescribed by council. The board of commissioners of any county  
4 by resolution adopted no later than November 1 of the prior year  
5 may authorize and require for the following year the joint  
6 bidding by the board of commissioners of bonds for all tax  
7 collectors for the county and for boroughs, incorporated towns  
8 and townships of the first or second class, and school districts  
9 and vocational school districts within the county. The joint  
10 bidding of the bonds shall be subject to all provisions of this  
11 act not inconsistent with the requirement of joint bidding.

12 \* \* \*

13 Section 4. This act shall take effect in 60 days.