

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1099 Session of 2018

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

SENATOR MARTIN, LOCAL GOVERNMENT, AS AMENDED, JUNE 22, 2018

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 (D) THIS SECTION SHALL NOT APPLY TO HOME RULE COUNTIES OF <--
14 THE THIRD CLASS. ANY RECLASSIFICATION OF COUNTIES AS A RESULT OF
15 A FEDERAL DECENNIAL CENSUS OR OF A STATE STATUTE SHALL NOT APPLY
16 TO THIS SECTION.

17 Section 3.2. Optional Alternative Tax Collection
18 Agreements.--(a) (1) Notwithstanding any other provision of
19 law, the governing body of a municipality WITHIN A COUNTY OF THE <--
20 THIRD CLASS may, by ordinance, enter into an optional
21 alternative tax collection agreement with a tax officer named by
22 the governing body of the municipality to be responsible for the
23 billing and collection of all taxes previously collected by an
24 elected tax collector. The tax officer shall be one of the
25 following:

26 (i) The county treasurer, provided that prior to adoption of
27 an ordinance under this paragraph, the governing body of the
28 municipality and the county commissioners shall each adopt a
29 resolution specifying:

30 (A) The conditions of the agreement.

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

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

4 (ii) A private agency already defined as a tax officer under
5 section 501 of the act of December 31, 1965 (P.L.1257, No.511),
6 known as "The Local Tax Enabling Act."

7 (iii) A public employe of the municipality or home rule
8 municipality.

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

12 (3) Upon the adoption of an ordinance by the municipality,
13 the office of tax collector is abolished, subject to subsection
14 (c). The municipality shall notify the taxing districts served
15 by the elected tax collector of the tax officer named to replace
16 the elected tax collector.

17 (4) When a tax officer is named under this section, the
18 municipal treasurer shall have the authority to take receipt of
19 payment of taxes if the tax officer is located outside of the
20 municipality.

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

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

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

29 (2) If the office of tax collector is not vacant, the
30 ordinance may not take effect until the office of tax collector

1 becomes vacant or the term of office of the tax collector has
2 expired.

3 (c) A tax collector in office when a municipality adopts an
4 ordinance under this section shall remain in office until the
5 end of the term of office and shall continue to have all the
6 powers and duties of the office.

7 (d) The person appointed by the governing body of the
8 municipality as tax collector shall receive such compensation as
9 agreed to between the governing body of the municipality and the
10 appointee.

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

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

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

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

22 (h) A municipality shall provide a copy of an optional
23 alternative tax collection agreement entered into with a tax
24 officer to the county board of elections. After the effective
25 date of the agreement, the board of elections may not place the
26 office of tax collector on the ballot in that municipality.

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

1 (j) Prior to terminating an optional alternative tax
2 collection agreement, the municipality shall provide written
3 notice to the tax officer, the taxing district and the county
4 board of elections. Upon receipt of the notification, the county
5 board of elections shall place the office of tax collector on
6 the ballot for the municipality during the next municipal
7 election. The tax officer shall continue to collect taxes until
8 a tax collector has been elected and sworn into office.

9 (K) THIS SECTION SHALL NOT APPLY TO HOME RULE COUNTIES OF <--
10 THE THIRD CLASS. ANY RECLASSIFICATION OF COUNTIES AS A RESULT OF
11 A FEDERAL DECENNIAL CENSUS OR OF A STATE STATUTE SHALL NOT APPLY
12 TO THIS SECTION.

13 ~~(k)~~ (L) As used in this section, the term "municipality" <--
14 shall mean a borough, town or township within a county of the
15 third, fourth, fifth, sixth, seventh or eighth class. <--

16 Section 3.3. Collection of School Taxes by School
17 Districts.--(a) Notwithstanding any law, the board of school
18 directors in each school district of the second, third or fourth <--
19 IN A COUNTY OF THE THIRD class may appoint, by resolution, one <--
20 or more suitable persons as tax collectors in such school
21 districts. The board of school directors in any school district,
22 appointing any tax collector or tax collectors, may authorize
23 and direct any one tax collector to collect the school taxes in
24 any one or more wards or other proper divisions in such school
25 district.

26 (b) The board of school directors shall provide written
27 notice of the adoption of the resolution to the elected tax
28 collector of the taxing district.

29 (c) The person appointed by the board of school directors as
30 tax collector shall receive such compensation as agreed to

1 between the board of school directors and the appointee.

2 (d) If a board of school directors elects to discontinue the
3 collection by the person appointed by the board of school
4 directors as tax collector, the board of school directors shall
5 provide written notice to the elected tax collector of the
6 taxing district.

7 (E) THIS SECTION SHALL NOT APPLY TO HOME RULE COUNTIES OF <--
8 THE THIRD CLASS. ANY RECLASSIFICATION OF COUNTIES AS A RESULT OF
9 A FEDERAL DECENNIAL CENSUS OR OF A STATE STATUTE SHALL NOT APPLY
10 TO THIS SECTION.

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

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

13 (b) In boroughs, towns and townships of the first or second
14 class, the [elected] tax collector shall be the collector of
15 borough, town or township taxes, as the case may be, and of
16 county, county institution district, school district and
17 vocational school district taxes. He shall, before he enters
18 upon the duties of his office, take and subscribe an oath of
19 office and file the same in the office of the clerk of the court
20 of common pleas of the county. He shall enter into one surety
21 bond to the Commonwealth for all taxes to be collected by him,
22 in an amount to be fixed by the court of common pleas of the
23 county, which amount shall never exceed the estimated amount of
24 taxes charged in the duplicates to be delivered to him in one
25 year. Such bond may, at the option of the tax collector, be an
26 annual bond or may cover the full term of office for which the
27 tax collector shall have been elected or appointed. Such bond
28 shall have thereon at least one bonding company, and the
29 sufficiency of the sureties on the bond shall be approved by the
30 court of common pleas at any time prior to the delivery of a tax

1 duplicate to the tax collector. The bond shall be filed in the
2 office of the clerk of the court of common pleas on or before
3 the fifteenth day of March of the year in which the tax
4 collector qualifies for office and annually thereafter, except
5 where the first bond given by the tax collector covers the full
6 term of office for which he was elected or appointed. Should any
7 of the taxing districts be of the opinion, at any time, that the
8 bond given by the tax collector is not sufficient in amount, or
9 as to the surety thereon, the said taxing district may apply to
10 the court by petition to have the tax collector furnish
11 additional bond in the manner provided by this section.
12 Thereupon the tax collector shall furnish such additional bond,
13 if any, as the court of common pleas may prescribe, but not
14 exceeding the limitation as to the amount hereinbefore
15 prescribed: Provided, That where taxes for borough purposes are
16 collected by an appointee of council the bond shall be as may be
17 prescribed by council. The board of commissioners of any county
18 by resolution adopted no later than November 1 of the prior year
19 may authorize and require for the following year the joint
20 bidding by the board of commissioners of bonds for all tax
21 collectors for the county and for boroughs, incorporated towns
22 and townships of the first or second class, and school districts
23 and vocational school districts within the county. The joint
24 bidding of the bonds shall be subject to all provisions of this
25 act not inconsistent with the requirement of joint bidding.

26 * * *

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