

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 636 Session of 2019

INTRODUCED BY BROWNE, BOSCOLA, BARTOLOTTA, REGAN AND SCHWANK,
MAY 10, 2019

REFERRED TO LOCAL GOVERNMENT, MAY 10, 2019

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 employes 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:

30 Section 1. Section 313(a) and Chapter 5 heading of the act

1 of December 31, 1965 (P.L.1257, No.511), known as The Local Tax
2 Enabling Act, are amended to read:

3 Section 313. Collection of Taxes.--(a) Administrative
4 Personnel; Joint Agreements.--

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16 reauthorization unless otherwise repealed or revoked by the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

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

26 * * *

27 CHAPTER 5

28 CONSOLIDATED COLLECTION OF LOCAL [INCOME] TAXES

29 Section 2. Section 505(a), (a.1), (b), (c), (j) and (l) of
30 the act, amended May 4, 2018 (P.L.102, No.18), are amended to

1 read:

2 Section 505. Tax collection committees.

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

10 (a.1) Duties.--A tax collection committee has the following
11 duties:

12 (1) To keep records of all votes and other actions taken
13 by the tax collection committee.

14 (2) To appoint and oversee a tax officer for the tax
15 collection district as provided in section 507(a).

16 (3) To set the compensation of the tax officer under
17 section 507(c).

18 (4) To require, hold, set and review the tax officer's
19 bond required by section 509(d).

20 (5) To establish the manner and extent of financing of
21 the tax collection committee.

22 (6) To adopt, amend and repeal bylaws for the management
23 of its affairs consistent with subsection (f) and regulations
24 under section 508.

25 (7) To adopt, amend and repeal policies and procedures
26 consistent with the regulations under section 508 for the
27 administration of [income] taxes under section 509 within the
28 tax collection district. The procedures shall supersede any
29 contrary resolutions or ordinances adopted by a political
30 subdivision and no additional forms, policies or procedures

1 may be adopted other than those promulgated by the department
2 unless permitted by the department under subsection (a.3).
3 This authority shall not be construed to permit a tax
4 collection committee to change the rate or subject of any
5 tax.

6 * * *

7 (b) Delegates.--

8 (1) The governing body of each political subdivision
9 within a tax collection district that imposed an income tax
10 prior to July 1, 2009, shall appoint one voting delegate and
11 one or more alternates to represent the political subdivision
12 on the tax collection committee by September 15, 2009. The
13 governing body of each political subdivision that after June
14 30, 2009, imposes [an income] a tax [for the first time]
15 under section 509 shall appoint one voting delegate and one
16 or more alternates to represent the political subdivision on
17 the tax collection committee. A voting delegate or alternate
18 shall serve at the pleasure of the governing body of the
19 political subdivision.

20 (2) The governing body of each political subdivision
21 within a tax collection district that prior to July 1, 2009,
22 does not impose an income tax may appoint one nonvoting
23 delegate and one or more alternates to represent the
24 political subdivision on the tax collection committee. If,
25 after June 30, 2009, the political subdivision imposes [an
26 income] a tax under section 509, the nonvoting delegate shall
27 become a voting delegate to represent the political
28 subdivision on the tax collection committee.

29 * * *

30 (c) Voting rights.--

1 (1) Only a delegate appointed by the governing body of a
2 political subdivision may represent a political subdivision
3 at a tax collection committee meeting. If a delegate cannot
4 be present for a tax collection committee meeting, the
5 alternate appointed under this section may represent the
6 political subdivision. Each delegate or alternate shall be
7 entitled to vote upon any action authorized or required of
8 the tax collection committee under this chapter.

9 (2) For the first meeting of the tax collection
10 committee, actions of the tax collection committee shall be
11 determined by a majority vote of those delegates present.
12 Votes shall be weighted among the governing bodies of the
13 member political subdivisions according to the following
14 formula: 50% shall be allocated according to the proportional
15 population of each political subdivision in proportion to the
16 population of each tax collection district as determined by
17 the most recent Federal decennial census data and 50% shall
18 be weighted in direct proportion to [income] tax revenues
19 collected in each political subdivision, based on each
20 political subdivision's most recent annual financial report
21 submitted to the department or the Department of Education.
22 For subsequent meetings, votes shall be taken in accordance
23 with this paragraph unless the bylaws provide otherwise.

24 (3) No later than September 1, 2009, the department
25 shall calculate the weighted vote for each political
26 subdivision within each tax collection district based on the
27 formula specified in paragraph (2). By July 1 of the year
28 following the first meeting, and of each year thereafter,
29 each tax collection committee shall recalculate the weighted
30 vote unless the bylaws provide for a more frequent

1 recalculation.

2 (4) If a political subdivision within the tax collection
3 district imposes [an income] a tax under section 509 for the
4 first time, the tax collection committee shall recalculate
5 the weighted vote or other method of voting under the bylaws.

6 * * *

7 (j) Appeals board.--

8 (1) By June 1, 2010, each tax collection committee shall
9 establish an appeals board comprised of a minimum of three
10 delegates or, in the case of a tax collection committee
11 established pursuant to subsection (m), a minimum of three
12 residents of the county.

13 (2) A determination of the tax officer relating to the
14 assessment, collection, refund, withholding, remittance or
15 distribution of [income] taxes enacted under this act may be
16 appealed to the appeals board by a taxpayer, employer,
17 political subdivision or another tax collection district. An
18 appeals board established under this section shall be the
19 appropriate venue for any appeal of the following:

20 (i) Any tax provided for under this act, except a
21 tax upon the transfer of real property or an interest in
22 real property.

23 (ii) A tax levied on payroll amounts generated as a
24 result of business activity as authorized by this act or
25 any other act.

26 (3) All appeals, other than those brought under
27 subsection (k), shall be conducted in a manner consistent
28 with 53 Pa.C.S. §§ 8431 (relating to petitions), 8432
29 (relating to practice and procedure), 8433 (relating to
30 decisions), 8434 (relating to appeals) and 8435 (relating to

1 equitable and legal principles to apply).

2 (3.1) When an appeal is filed in the manner prescribed
3 by a tax collection committee, a copy of the appeal shall be
4 concurrently filed with the taxing jurisdiction named in the
5 appeal.

6 (4) A tax collection committee may enter into an
7 agreement with another tax collection committee to establish
8 a joint appeals board.

9 (5) No member of an appeals board or joint appeals board
10 may be a tax officer or an employee, agent or attorney for a
11 tax officer.

12 (6) An appeals board appointed pursuant to this section
13 shall constitute a joint local tax appeals board as provided
14 for in 53 Pa.C.S. § 8430 (relating to administrative appeals)
15 for purposes of taxes collected under the supervision of the
16 appointing tax collection committee.

17 * * *

18 (1) Annual budget required.--

19 (1) Each tax collection committee shall adopt an annual
20 budget providing for compensation of the tax officer and
21 other expenses of operating the tax collection district.

22 (2) The expenses of operating the tax collection
23 district shall be shared among and paid by all political
24 subdivisions within the tax collection district that are
25 represented by voting delegates on the tax collection
26 committee and shall be weighted in direct proportion to
27 [income] tax revenues collected in each participating
28 political subdivision based on the political subdivision's
29 most recent annual audit report required under this section.

30 * * *

1 Section 3. Section 509(k) of the act is amended and the
2 section is amended by adding a subsection to read:

3 Section 509. Powers and duties of tax officer.

4 * * *

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

7 (1) no later than January 1, 2021, shall collect each
8 tax which is authorized under section 301.1 except a tax upon
9 the transfer of real property or an interest in real property
10 and a tax levied on payroll amounts generated as a result of
11 business activity as authorized by this act or any other act;
12 and

13 (2) when designated by the tax collection committee, [a
14 tax officer] may collect other taxes levied pursuant to [this
15 act,] the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
16 No.1), known as the Taxpayer Relief Act, or other statutory
17 law[.], except taxes excluded from collection under paragraph
18 (1).

19 (k.1) Exception.--Notwithstanding subsection (k), a
20 political subdivision may retain its tax collection authority
21 over a mercantile or business privilege tax by resolution
22 adopted not less than 90 days prior to the effective date of
23 subsection (k) (1).

24 Section 4. Section 707 heading of the act is amended to
25 read:

26 Section 707. Costs of Collection of Delinquent Per Capita,
27 Occupation, Occupational Privilege, Emergency and Municipal
28 Services, Local Services [and], Income and Payroll Taxes.--* * *

29 Section 5. Nothing in this act shall be construed to
30 terminate or modify the terms of a contract in effect on the

1 effective date of this section for the term of that contract
2 unless otherwise agreed to in writing by the parties to the
3 contract.

4 Section 6. This act shall take effect January 1, 2021, or
5 immediately, whichever is later.