

February 15, 2018 04:02 PM

From: [Senator Scott Martin](#)

To: All Senate members

Subject: Reforming Property Tax Collection in Pennsylvania Through Local Option

In the near future, I plan to introduce legislation that will give counties, municipalities and school districts more flexibility to utilize reliable, efficient alternatives for property tax collection.

Modernizing government functions in order to improve effectiveness and efficiency should always be something that we strive for. Many systems or positions from days of yore have now become outdated or are no longer needed and the Commonwealth needs to allow the option for local governments to move into the 21st Century. A few years ago the State allowed options pertaining to Jury Commissioner elimination. It's now time to look at providing options to our property tax collection system.

Currently in my home County of Lancaster, over 66% of municipalities utilize the County Treasurer to collect their property taxes because they believe it is the most efficient and cost-effective option. For those that do, they must jump through hoops to find candidates, have them pass background checks, run for the office to get elected, only then to resign. This is unneeded bureaucracy that has led to some unfortunate situations.

For example, in 2013, after years of appointing the County Treasurer to collect municipal taxes, a write-in candidate in East Lampeter Township in Lancaster County was elected tax collector by one write-in vote. Problems began almost immediately in 2014 and as of March 2017, he owed the county more than \$90,000 from 2016 tax collections. Despite this individual knowing that the County told him he needed to reconcile his prior year's tax duplicates before receiving current year tax duplicates, this individual sent out his own property tax bills that were not authorized nor verified by the County Treasurer and had incorrect information. Chaos ensued with \$40,000 still owed to taxpayers for double payments, and 36 people had been sent to the Tax Claim Bureau, some of whom were incorrectly in danger of losing their property. In addition, the County and Township incurred unnecessary legal fees to get this straightened out in court.

This legislation will allow the position of Tax Collector to be removed from being placed on the ballot to eliminate the red tape for counties or municipalities that choose to have the County Treasurer collect property taxes.

Where tax collectors are utilized by municipalities, the Tax Collector needs to get authenticated information from the county, then collect municipal and county property taxes and then the County Treasurer has to re-collect the county portion from the Tax Collector and then reconcile for accuracy. There's a lot of inefficiency and duplication in this, which also lends to costing more to collect.

With regard to school districts, the cooperation historically enjoyed by school districts and tax collectors was recently jeopardized by a lawsuit filed in November 2017. Manheim Township School District (MTSD) was repeatedly deputized by their local tax collector(s) and has been collecting school district taxes for over 20 years. When a new tax collector was elected in 2013, the District alleges that they reached out to the individual twice to discuss a tax collection agreement and received no response. The District continued collecting taxes and believed "the current tax collector took no steps, or showed any interest, to collect school district taxes" until a complaint against the district was filed with the Lancaster County Court of Common Pleas. The district has already spent thousands in legal fees to address the lawsuit brought against them. When collecting their own property taxes, it is estimated that MTSD annually saves taxpayers \$40,000, which are funds that help educate their students. The savings are even greater annually in school districts across the Commonwealth. In Lancaster County, every school district has been collecting their own property taxes for over 20 years. This has allowed them to be more efficient and effective. It's time to eliminate the red tape needed by school districts to do this and allow them the option to collect property taxes without the permission or cost of a Tax Collector.

It's important to note that this legislation provides options. If counties, municipalities or school districts want to continue to utilize tax collectors, they still may. However, for those entities that believe they can collect property taxes more efficiently and effectively, they should be permitted to do so. It also allows them to return to the utilization of Tax Collectors if for some reason they want to in the future.

I hope you will consider joining me in co-sponsoring this important reform legislation.