

# CONEMAUGH TOWNSHIP AREA SCHOOL DISTRICT

## Resolution Updating Policies and Procedures for Elected Tax Collectors

### Background

Under the Local Tax Collection Law, a tax collector elected to collect the School District's tax has the following statutory obligations: (a) to obtain the proper certification (72 P.S. § 5511.4f); (b) to obtain a bond (72 P.S. § 5511.4); (c) to appoint a deputy to serve in the event the tax collector becomes incapacitated (72 P.S. § 5511.22); (d) to maintain office hours (72 P.S. § 5511.13); (e) to mail tax bills and certain notices to taxpayers (72 P.S. §§ 5511.6 and 5511.10); (f) to pay over to the School District all taxes that the tax collector receives (72 P.S. §§ 5511.5b and 5511.25); (g) to maintain records of tax collections (72 P.S. § 5511.4c); (h) to issue payment receipts under certain circumstances (72 P.S. § 5511.14); (i) to provide periodic reports to the School District (72 P.S. § 5511.25); (j) to settle the duplicate on an annual basis (72 P.S. § 5511.26).

The purposes of this Resolution are to: (a) give the tax collector options to assist him or her in executing statutory duties in the most time-efficient and least burdensome manner; (b) clearly distinguish between the tax collector's statutory duties and the tasks that the School District will perform as a result of such tasks not being required of the tax collector under the Local Tax Collection Law; (c) establish policies and procedures for the collection of the School District's real estate taxes in a manner that will maximize School District tax revenues by ensuring tax receipts and interest earnings are promptly paid over to the School District; and (d) ensure all public tax funds are adequately safeguarded, properly accounted for, and promptly turned over to the School District.

**RESOLVED, by the Board of School Directors, that the following are adopted as policies of the School District applicable to elected tax collectors:**

1. **Qualified Tax Collector Certification.** All tax collectors are required to be "qualified tax collectors" under the program administered by the Pennsylvania Department of Community and Economic Development.
2. **Minimum Legal Requirements.** On or before January 1, 2022, the tax collector elected during the 2021 general election (the "Incumbent Collector") shall: (a) Provide evidence satisfactory to the School District of having given the required oath. (b) Provide evidence satisfactory to the School District of possession of a Qualified Tax Collector Certificate, criminal history background information report, and appointment of a deputy. (c) Provide evidence satisfactory to the School District that the tax collector has opened a depository trust account that complies with all applicable requirements set forth under 72 P.S. § 5511.5b. For any tax collector other than the Incumbent Collector, the collector shall meet all of the requirements listed in this paragraph prior to the first calendar year of any new term of office.
3. **Office Hours.** The tax collector will maintain office hours in accordance with 72 P.S. § 5511.13 and as otherwise deemed necessary and appropriate by the School District.
4. **Tax Bills.** All tax bills will be in the form provided by the School District, and will state the tax collector office location and hours and, except as otherwise determined by the tax collector as provided below, that tax payment checks will be made payable to the tax collector.
5. **Tax Duplicate.** On or before August 1 of each year, the School District will: (a) provide the tax collector with the tax duplicate for real estate taxes; (b) have all tax bills printed and prepared; and (c) inform tax collector when tax bills are available for pickup. The tax collector will be responsible for sorting, stuffing, mailing, and follow-up to ensure the tax bills are paid. The tax collector shall mail out all tax bills within the applicable time period set forth under 72 P.S. § 5511.6. The tax collector must provide taxpayer duplicate information to any requesting escrow fund company, and cooperate in establishing arrangements for electronic payment of tax amounts by the company and payment receipt by the tax collector.
6. **Interim Tax Bills.** Additions to the duplicate may be made during the year after major improvements to a real estate parcel have been completed. In such event, the School District will have tax bills printed and prepared, and will ensure the bills are delivered to the tax collector. The County Assessment Office may mail the bills directly to the tax collector. The tax collector will be responsible for sorting, stuffing, mailing, and follow-up to ensure the tax bills are paid.

7. **Installment Payments.** The tax collector will allow taxpayers to pay tax according to the School District's real estate tax installment payment plan.
8. **Tax Collector Records.** The tax collector will utilize tax collection software provided by the County Assessment Office. Through use of that tax software, the tax collector shall keep with respect to each real estate parcel an ongoing, real time, and up to date account of all taxes collected, the amount of tax paid by each taxpayer, the property parcel number, the property parcel address, discounts granted and penalties applied, and the date of each payment. At all times, the School District shall have access to the tax collection software and the tax collector will not in any way interfere with such access.
9. **Taxpayer Inquiries.** The School District requests that all taxpayer inquiries begin with the elected tax collector. The elected tax collector can provide more detailed information if the inquiry is specific to and during the current tax collection period. If the elected tax collector cannot provide the needed assistance, they can defer the taxpayer inquiry to the School District's Business Office.
10. **Taxpayer Receipts and Refunds.** Upon request, the tax collector shall furnish each taxpayer upon payment of taxes a receipt providing the date of payment, name of taxpayer, amount of taxes paid, and identification of the related real estate parcel. A separate receipt shall be issued for each real estate parcel. Where payment of taxes is made by mail, a receipt shall be required to be furnished only if the taxpayer encloses with the payment a self-addressed and stamped envelope for the return of the receipt. If the tax collector finds that a taxpayer has made a duplicate payment or otherwise overpaid the amount owed, the tax collector shall provide the School District with a completed "refund request" form. Upon receipt of information satisfactory to the School District, the School District will issue and deliver a refund check made payable to the taxpayer in the amount of the overpayment.
11. **Credit Card Payments.** At this time the School District does not plan on accepting credit card payments with elected tax collectors.
12. **Unpaid Tax Notices.** Within one (1) week following the end of the face collection period, the tax collector shall utilize the tax collection software provided by the School District/County Assessment Office to prepare a list of each and every taxpayer with an unpaid balance and provide the taxpayer another copy of their tax bill. The tax collector will be responsible for sorting, stuffing, and mailing the notices. The tax collector shall mail out all delinquent notices within the first week of the penalty period.
13. **Requirements for Deposit of Tax Funds.** The elected tax collector is required to deposit tax funds directly into an account with a financial institution insured by a federal depository insurance program and approved by the School District. Unless the tax collector is required to have tax funds deposited into a School District account, the tax collector shall maintain a trust account for the deposit of all School District taxes at a bank which the School District has approved. All tax funds collected by the tax collector must be deposited on the day of receipt.
14. **Option for Deposit of Taxpayer Payments Directly to School District Account.** The District may require the tax collector to deposit all taxpayer payments directly into a bank account designated and controlled by the School District. For any tax collector other than the Incumbent Collector, the collector shall have until November 30 of the year during which he or she is elected to send the School District notice of the depository chosen for approval. If any tax collector is required by the District to have tax payments deposited directly into a School District account, the following terms and conditions will apply: (a) The School District will provide the tax collector with deposit slips; (b) If required by the bank, the tax collector must endorse any tax payment checks made payable to the collector so that such checks can be deposited into the School District account.
15. **Interest Earnings on Tax Funds.** Any interest earned by the tax collector on tax funds belongs to the School District, not to the tax collector, and the tax collector shall pay over all such interest to the School District by January 15 following the end of the collection year. If the interest earned exceeds \$5.00 per month, then the interest must be remitted to the School District within one (1) business day after the tax collector receives the interest credit.
16. **Interest Payable by the Tax Collector on Funds Paid Late.** If the tax collector fails to pay over any tax funds or interest by the deadline provided in this Resolution, then the tax collector shall pay to the School District interest at the rate of 6% per annum from the date that the amount was payable until the date of payment to the School District, with such interest to be prorated on the basis of a 365 day year.

17. **Tax Collector Reports.** The tax collector will use the County-issued tax collection software to record tax payment activity. Reports shall be filed with the District on a monthly basis OR when the deposited amount exceeds the bond limit during the discount collection period. Reports shall be filed on a monthly basis OR when the deposited amount exceeds the bond limit during the face and penalty periods. In addition, the tax collector shall make and deliver to the School District a written statement in form satisfactory to the School District reporting all taxes collected through and including the ending date of the preceding report. The report shall include the name of each taxpayer, the property parcel number, the property parcel address, the date of payment by each taxpayer, the amount collected from each taxpayer, along with discounts and penalties applied, if any, and the total amount of taxes received from all taxpayers and discounts and penalties applied since the last report. The report shall be reconciled with the tax duplicate to show the amount of taxes remaining to be collected. The report shall also include any interest credited to the tax collector on the tax funds. The report shall further include a listing of any instances of non-compliance with this Resolution that the tax collector is aware of and that were not previously reported in writing to the School District, a narrative explanation of how each such instance of non-compliance came about, and a narrative explanation of how the tax collector has resolved or is in the process of resolving each such instance of non-compliance. In the event the tax collector has no instances of non-compliance to report, the tax collector shall certify in the report that there are no such instances. Each report submitted by the tax collector shall be certified as true and correct under penalty pursuant to 18 Pa.C.S.A. § 4904 for making any false statements. The format of the tax collector's monthly reporting form is subject to approval by the School District. Any report that is not submitted in a format expressly approved by the School District shall be considered delinquent.

18. **Penalty for Delinquent Report.** If a tax collector does not provide a required report within the required time period, the tax collector shall pay to the School District a fee of twenty dollars (\$20) for each day or part of a day, excluding Saturdays, Sundays, and holidays, for the first six (6) days that a report is overdue; and the fee shall be ten dollars (\$10) for each day or part of a day, excluding Saturdays, Sundays, and holidays, for each day after the 6<sup>th</sup> day that a report is overdue. A delinquent report shall not be considered filed until all fees owed for late reporting have also been paid.

19. **Final Settlement.** The tax collector shall make final settlement of the tax duplicate with the School District's Business Office on or before January 15 of each year for the prior calendar year (or if such day is a Saturday, Sunday, or holiday, the next day which is not a Saturday, Sunday, or holiday).

20. **Access to Tax Collector Books and Records.** Books and accounts of the tax collector shall be open to inspection by the School District or its auditors at any time upon request by the School District. The records, periodic reports, and final account of the tax collector shall be audited by the School District's auditors. The tax collector shall comply in all material respects with the requests and directives of the School District's auditors.

21. **Tax Certifications.** For the following reasons, the School District, not the tax collector, will provide certifications as to taxes due or paid: (a) the School District, not the tax collector, is the ultimate recipient of the tax and is thus the proper party to issue certifications; (b) the tax collector must use software provided by the County and fully-accessible to the School District to maintain a real time record of tax receipts, meaning there will be no discernible lapse in time between payment and notice to the School District of payment that would justify imposing the added burden on the tax collector to issue certifications; and (c) nothing in the Local Tax Collection Law states that providing certifications is a statutory obligation of elected tax collectors.

22. **Payment of Compensation and Reimbursement of Expenses to Tax Collector.** Payment of tax collector compensation will be made through District payroll on a bi-weekly basis in 26 equal payments, January-December. Payment to the tax collector is subject to payroll deductions for Federal withholding taxes, Social Security and Medicare taxes, state taxes, and local taxes. The tax collector shall submit a bill to the School District for any reimbursable expenses of the type required to be paid under the Local Tax Collection Law and approved in advance by the School District. Accordingly, if the tax collector expects to incur any reimbursable expenses, the tax collector must consult with and obtain advance written approval by a duly-authorized representative from the School District before incurring the expense so that the School District can verify the expense is "actual and needful" as required under 72 P.S. § 5511.34. No compensation or reimbursement will be paid if at any time a tax collector is not in full compliance with this Resolution. Under no circumstances will a tax collector deduct compensation, funds for expense reimbursement, or any other amount from tax receipts.

23. **Additional District Assistance.** To facilitate collection of the tax and the tax collector's timely execution of his or her duties, the tax collector may at any time request assistance from the School District. If the School District provides the tax collector with requested assistance with a task, then the tax collector will not be deemed in violation of this Resolution if the School District fails to satisfy a requirement relating to the task that the tax collector would otherwise have been obligated to satisfy had he or she performed the task

24. **Surety Bond.** The amount of the tax collector's bond is based on the policy established by the Somerset County Group Policy for all elected tax collectors. The taxing bodies will share in the cost of the bond in proportion to the amount of their respective estimated duplicates for the first year of the four year term.
25. **Additional Requirements in the Event of Tax Collector Noncompliance.** If at any time a tax collector is not in compliance with this Resolution, the School District by written notice to the tax collector may require that the tax collector deposit all future tax funds in a bank account designated and controlled by the School District. In the event the tax collector is not in compliance with this Resolution, the School District may file for a writ of mandamus or other appropriate relief to compel the tax collector's full compliance.
26. **Legal Compliance.** In addition to the requirements set forth in this Resolution, the tax collector will comply with all other applicable provisions of the School Code, the Real Estate Tax Sale Law, the Local Tax Collection Law, and any other applicable laws.
27. **Further Compliance.** All tax collectors and any deputy shall comply with all policies, rules, guidelines, requirements, and procedures, as previously or in the future adopted by the School Board for collection of School District taxes or otherwise applicable to elected tax collectors.
28. **Prior Resolutions or Rules.** This Resolution shall supersede and replace any previously adopted tax collector policies or rules for elected tax collectors to the extent inconsistent with such previously adopted policies or rules.
30. **Effectiveness.** This Resolution governs all tasks and duties arising from or in any way related to taxes reflected in the School District's duplicate for 2021 and to taxes reflected in all subsequent School District duplicates, regardless of whether such tasks or duties were or are carried out before, on, or after the date on which the Resolution is adopted.

**Duly adopted by the Board of School Directors of Conemaugh Township Area School District as of this 16<sup>th</sup> day of February, 2021.**

**Conemaugh Township Area School District**

Attest: Carol C. Schultz  
Secretary

By: Christine R. Traxler  
President

(School District Seal)