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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1111 Session of 2009

INTRODUCED BY PHILLIPS, GEIST, SAYLOR, BARRAR, CREIGHTON, HELM, HENNESSEY, HESS, KORTZ, MOUL AND MURT, MARCH 25, 2009

REFERRED TO COMMITTEE ON FINANCE, MARCH 25, 2009

AN ACT

Amending the act of May 25, 1945 (P.L.1050, No.394), entitled "An act relating to the collection of taxes levied by counties, county institution districts, cities of the third class, boroughs, towns, townships, certain school districts and vocational school districts; conferring powers and imposing duties on tax collectors, courts and various officers of said political subdivisions; and prescribing penalties," requiring tax collectors to receive tax payments from escrow agents or escrow accounts; further providing for penalties; and providing for application of requirements.

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

Section 1. The act of May 25, 1945 (P.L.1050, No.394), known as the Local Tax Collection Law, is amended by adding a section to read:

<u>Section 13.1. Collectors Required to Receive Payment of Taxes from Escrow Accounts.--(a) Taxes due on property may be paid by an escrow agent from an escrow account. It shall be the duty of the tax collector to receive and receipt, in accordance with this act, the payment of taxes by an escrow agent regardless of the payment being made payable to the taxing district or to the tax collector, provided such payment is</u>

tendered or mailed in a timely fashion, includes corresponding taxpayer identification information, is in the appropriate amount due and is otherwise tendered in accordance with this act. In the event an escrow agent tenders one payment on behalf of multiple taxpayers, it shall be the duty of the tax collector to receive and receipt the payment, provided such payment is tendered or mailed in a timely fashion, includes corresponding taxpayer identification information for each taxpayer, is in the appropriate aggregate amount due from those taxpayers and is otherwise tendered in accordance with this act.

(b) The following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Corresponding taxpayer identification information" shall mean an original tax notice, a duplicate of an original tax notice or information displaying each unique parcel identification number assigned and recognized by the county tax assessor, each property owner's name and the amount being paid for each tax bill.

"Escrow account" shall mean any account established in conjunction with a mortgage loan on property, into which payments are made and out of which the escrow agent pays the taxes on the property covered by the mortgage. The term shall also include an escrow arrangement the intent of which is to serve the same purposes as an escrow account but which does not require the formal establishment of an account.

"Escrow agent" shall mean the bank, mortgage banker or other institution, association, partnership corporation or person who or which has made or services the loan of moneys in conjunction with a mortgage on property, including the successors in

interest of the foregoing, among whose duties and obligations is the payment of taxes from the escrow account on the mortgaged property.

Section 2. Section 42 of the act, amended July 7, 2006 (P.L.374, No.80), is amended to read:

Section 42. Penalty.--(a) Any tax collector failing to comply with the provisions of section thirteen or 13.1 of this act, and any tax collector, treasurer or commissioner who violates any of the provisions of section fourteen of this act, shall be sentenced to pay a fine of not more than five hundred dollars and any penalty and interest incurred by the taxpayer as a result of the violation or failure to comply, or be sentenced to imprisonment for not more than six months, or both, at the discretion of the court.

(b) A person who formerly held the office of tax collector who unlawfully and intentionally impairs the availability of tax collection records in violation of section 4.3(d) commits a misdemeanor of the second degree.

Section 3. (a) In addition to applying to taxes that will become due after the effective date of this section, the addition of section 13.1 of the act shall also apply to all taxes which are to be collected by the tax collector during the calendar year in which this section becomes effective, notwithstanding that taxes may first have become due prior to the effective date of this section.

(b) The amendment of section 42(a) of the act shall not apply to refusals to accept payment of taxes in accordance with section 13.1 of the act made prior to the effective date of this section.

Section 4. This act shall take effect immediately.