



Pennsylvania Association of School Business Officials

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Sent via electronic mail and facsimile. No hard copy to follow.

TO: Members, Senate Education Committee

CC: Senator Charles T. McIlhinney
Executive Directors, Senate Education Committee

FROM: Jay Himes, Executive Director

SUBJECT: Senate Bill 971—Oppose

DATE: June 29, 2009

Senate Bill 971, scheduled to be considered on Tuesday, June 30, by the Senate Education Committee, will thwart efforts by school districts to reduce real estate tax collection costs and to consolidate the collection process. The bill will also have an immediate and drastic impact on dozens of school districts where there is a local elected tax collector for school property taxes. Additionally the legislation imposes a new mandate on school districts with regard to training, which is optional for elected tax collectors under Act 25 of 2001.

Currently, school districts can determine the compensation paid to the elected real estate tax collectors. Under Senate Bill 971, criteria are established for setting the compensation. The language removes local discretion and imposes a new requirement on school districts. This language conflicts with court rulings that have clearly given school boards the right to set compensation for real estate tax collectors based on efficiency and comparable cost.

In many districts, tax collector compensation has been established using bank costs for lock box arrangements. As a result, some local tax collectors have declined to accept the responsibility for school district property tax collections and taxpayers mail school property tax payments to financial institutions at a cost savings. These arrangements have been in place for decades in some school districts.

We believe that SB 971 will allow the use of these more efficient collection mechanisms only where there is a vacancy or where the tax collector "refuses to qualify." Combined with the mandate on compensation, SB 971 effectively denies school districts the option to move to more efficient collection practices.

If there is a vacancy or the tax collector refuses to qualify, new requirements would be placed on school district employees who oversee the collection process. One such requirement would impose mandatory training on school employees; such training is NOT required for elected tax collectors. In addition, this language would prohibit school employees from helping taxpayers if they are not certified. Section 683.1 (1) of the bill does not allow school employees to "to interact or consult with taxpayers."

For these reasons, we urge you to vote NO on Senate Bill 971. Thank you for your consideration.