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To: Robert J. O'Donnell, Superintendent

From: Donna Watson

Date: June 3, 2015

Subject: Installment payment plans

School districts are required by legislation to pass a resolution by June 30th of each year, which will offer installment payment plans for the payment of real property taxes.

The attached document contains a resolution to authorize the collection and payment of school real property taxes in installments.

The resolution includes the following recommendations from administration in congruence with current legislation.

The resolution shall include:

- Property owners are permitted to pay school real property taxes in installments.
- The first installment by a taxpayer before delinquency shall conclusively evidence intention to pay school real property taxes in installments.
- If a taxpayer fails to evidence an intention to pay school real property taxes in installments, the school real property taxes shall become due and payable and collection subject to the discounts and penalties provided by Local Tax Collection Law (P.L. 1050, No.394).
- The payment plan shall equal three installments.
- The dates on which installment payments of school real property taxes are due -
 - August 1, October 1, and December 1
 - Language related to due dates that fall on a weekend or holiday have been added to the resolution, and will be included in the instructions to taxpayers.
 - Unpaid installments shall not be considered delinquent if paid on or before the respective installment dates. A penalty of 10% shall be added for each delinquent installment payment. If the taxpayer is delinquent by more than 10 days on the second and third installment payments, the taxpayer shall be ineligible for the installment payment option in the following school year.
- Collection of installment payments of school real property taxes will be completed by current municipal tax collectors.

- The Board did not authorize collection of installment payments through electronic fund transfers (debit taxpayer account) or credit card payment.
- Assignment of installment claims to a third party is not recommended. Collectors for Halfmoon and Benner Townships are paid \$.50 per payment under the installment payment plan, as opposed to \$.95 per parcel for all other payments.

The administration believes the installment payment plan established should continue in 2015 as detailed in the attached resolution.

Enclosure

STATE COLLEGE AREA SCHOOL DISTRICT

Real Estate Tax Universal Installment Payment Plan Resolution

RESOLVED, by the Board of School Directors of the State College Area School District, that a plan is adopted providing an option for installment payment of real estate taxes for all taxpayers pursuant to the Taxpayer Relief Act, 53 P.S. § 6926.1502, as follows:

Real Estate Tax Universal Installment Payment Plan

For the real estate tax levied by the School District, other than interim real estate tax, taxpayers may elect an installment payment option under the following rules:

1. **Installment payment dates.** A taxpayer electing the installment payment option may pay the real estate tax in three (3) equal installment payments of one-third (1/3) of the full tax amount. The installments are due on or before August 1, 2015, October 1, 2015, and December 1, 2015. Any installment not paid in full by these dates is delinquent.
2. **Taxpayer election of installment payment option.** Payment of the first installment in full on or before August 1, 2015 will constitute taxpayer election to pay tax in installments. Installment payment is permitted if the taxpayer elects by paying the first installment payment in full on or before August 1, 2015. If the taxpayer fails to meet this requirement, the full amount of the real estate tax is due on or before November 1, 2015, and the real estate tax is delinquent if not paid in full on or before November 1, 2015.
3. **No discount.** No discount applies to installment payments.
4. **Penalty on delinquent installments.** If a taxpayer makes the first installment payment on or before August 1, 2015 and fails to pay in full any subsequent installment by the installment due date, the installment not paid by the due date is delinquent, and a penalty will be added to the tax in the amount of ten percent (10%) of the amount of the installment not paid by the installment due date, without regard to any partial payment of the installment.
5. **Weekends and holidays.** If a due date falls on a weekend or holiday the due date will be extended to the next business day.
6. **Option available for all property.** Any taxpayer may elect installment payment.
7. **Ineligibility.** A taxpayer who is delinquent by more than ten (10) days on the second and third installment payments is ineligible for the installment payment option in the following school year.
8. **Effective date.** This plan will become effective July 1, 2015, and will continue in effect thereafter for real estate taxes levied for the school year beginning July 1, 2015, and for real estate taxes levied for future years, until amended or repealed.

ENACTED as a Resolution of the State College Area School District at a regular meeting of the Board of School Directors held on the 8th day of June 2015.

STATE COLLEGE AREA SCHOOL DISTRICT

BY: _____
Amber Concepcion, President

ATTEST:

Mary Jenn Dorman, Secretary