



# **PSBA Education Research and Policy Center snapshot of property tax delinquencies in Pennsylvania**



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# PSBA Education Research and Policy Center snapshot of property tax delinquencies in Pennsylvania

In school year 2011-12, the year for which the most recent financial data is available, 58% of all Pennsylvania school district revenue came from local sources, including property taxes. Acknowledging that economic conditions throughout the state have impacted communities at all levels, PSBA's Education Research and Policy Center (ERPC) contacted districts to monitor property tax delinquencies over the past several years.

ERPC wanted to know how delinquent property taxes are currently collected, if districts had changed collection methods in the past five years and if a change in delinquent property tax collection methods had resulted in an improvement in collection rates. ERPC asked districts how many properties were billed for payment in 2011-12 and in 2012-13, and compared the number of delinquencies for the same years. ERPC also asked districts if delinquencies fell into residential, commercial or other categories, and about the numbers of properties that proceeded to sale as a result of delinquency in 2011-12 and 2012-13.

## Results

Survey results indicated most districts use the county tax claim bureau to collect delinquent school property taxes. Seventy-nine percent indicated they use the county tax claim bureau to collect delinquent taxes, while 16% of respondents indicated they use a board-appointed tax collection firm. Throughout the state, Portnoff Law Associates was the most commonly listed board-appointed tax collection firm. While an option available to all school districts in Pennsylvania, only 3%

of respondents indicated that they self-collect.

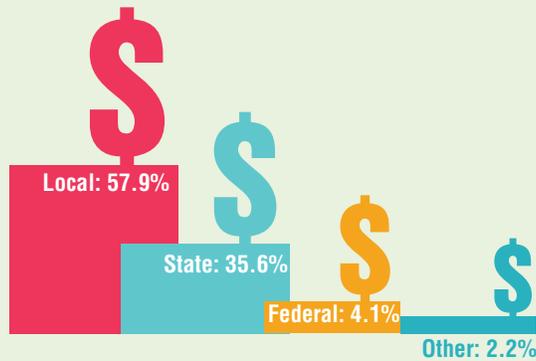
Most respondents (88%) indicated that they had not changed tax collection methods in the past five years. Of those who have changed collection methods in the past five years, only 7% said the change had resulted in improved collection rates.

The number of properties billed was fairly consistent over the two years analyzed. Among districts that responded to the survey, the average number of properties

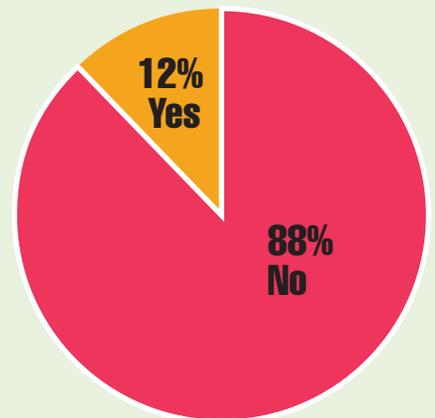
billed was 13,091 for 2011-12 and 13,100 for 2012-13. However, more than half of districts that responded indicated a larger number of delinquencies for 2012-13 when compared to 2011-12. These districts saw an average of 78 additional delinquent properties for 2012-13. Delinquencies were reported as 88% residential, 10% commercial/industrial and 2% other.

Ten percent of districts reported more than 10 properties proceeding to sale for 2011-12 compared to 16% for 2012-13.

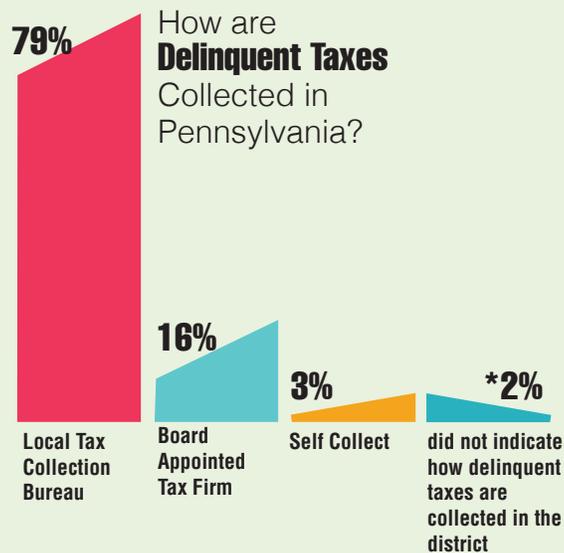
### Pennsylvania School District Revenue Sources – 2011-12



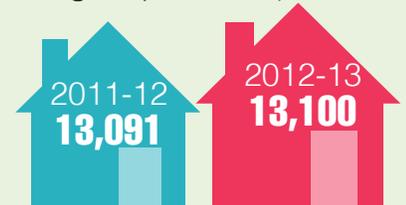
Most Districts Have Not Changed **Delinquent Tax Collection Methods** in the Past Five Years



### How are Delinquent Taxes Collected in Pennsylvania?



Average number of Properties **Billed for Tax Collection** (among respondents)



Average number of properties billed was consistent during the two years analyzed.

54% of respondents indicated an **average of 78 additional** delinquencies for 2012-13 compared to 2011-12.

### Delinquencies by Category



### Reporting Ten or More Properties Proceeding to Sale

