

ARTICLE XXXII  
TAXATION AND FINANCE

Section 3201. Fiscal Year.--The fiscal year in townships commences on the first day of January in each year. All receipts, disbursements, contracts and purchases shall be entered as of record in the fiscal year in which made.

Section 3202. Annual Budget.--(a) The board of supervisors shall annually prepare a proposed budget for all funds for the ensuing fiscal year. The proposed budget shall reflect as nearly as possible the estimated revenues and expenses of the township for the year for which the budget is prepared. A township shall not prepare and advertise notice of a proposed budget when it is knowingly inaccurate. Upon any revision of the proposed budget, if the estimated revenues or expenses in the final budget are increased more than ten percent in the aggregate or more than twenty-five percent in any major category over the proposed budget, it may not be legally adopted with those increases unless it is again advertised once, the same as the original proposed budget, and an opportunity given to taxpayers to examine the amended proposed budget. A major category is a group of related revenue or expense items, the combined total of which is listed as a line item. The budget shall be prepared on a uniform form prepared and furnished under section 3203. The estimates in the budget shall specify the amount of money necessary for each governmental activity of the township for which a special tax levy may or may not be authorized and the amount of money necessary for the payment of debts and other miscellaneous purposes.

(b) Upon the preparation of the proposed budget, the board of supervisors shall give public notice by advertisement once in one newspaper of general circulation in the township that the proposed budget is available for public inspection at a designated place in the township. After the proposed budget has been available for public inspection for twenty days, the board of supervisors shall, after making revisions as are appropriate, adopt the final budget not later than the thirty-first day of December and the necessary appropriation measures required to put it into effect.

(c) The total appropriation shall not exceed the revenues estimated as available for the fiscal year.

(d) During the month of January next following any municipal election, the board of supervisors may amend the budget and the levy and tax rate to conform with its amended budget. A period of ten days' public inspection at the office of the township secretary of the proposed amended budget, after notice by the township secretary to that effect is published once in a newspaper of general circulation in the township, shall intervene between the adoption of the proposed amended budget and the final adoption of the amended budget. Any amended budget must be adopted by the board of supervisors on or before the fifteenth day of February. No proposed amended budget shall before final adoption be revised upward in excess of ten percent in the aggregate or in excess of twenty-five percent of the amount of any major category in the proposed amended budget. A major category is a group of related revenue or expense items, the combined total of which is listed as a line item.

(e) The board of supervisors may by resolution make supplemental appropriations for any purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing authorized by law. Supplemental appropriations may be made whether or not an appropriation for that purpose was included in the original budget as adopted.

(f) The board of supervisors may by resolution transfer unencumbered moneys from one township account to another, but no moneys may be transferred from the fund allocated for the payment of debts or from any fund raised by a special tax levy or assessment for a particular purpose. Transfers shall not be made during the first three months of the fiscal year. No moneys shall be paid out of the township treasury except upon appropriation made according to law.

(3202 amended June 22, 2000, P.L.329, No.35)

Section 3203. Uniform Report Forms.--(a) The uniform forms for the annual financial report required to be made by the auditors shall be prepared by a committee consisting of four representatives of the State Association of Township Supervisors and one representative each from the Department of Transportation and the Department of Community and Economic Development.

(b) Representatives of the State Association of Township Supervisors shall be appointed by the president of that organization. The representatives may be township supervisors, auditors or secretaries and should represent townships in the various population groups. The president of the State Association of Township Supervisors shall supply to the Department of Community and Economic Development the names and addresses of the representatives immediately upon their appointment.

(c) Representatives of the townships shall serve without compensation but shall be reimbursed by the Commonwealth for all necessary expenses incurred in attending meetings of the committee from appropriations made to the Department of Community and Economic Development. The committee shall meet at the call of the Secretary of Community and Economic Development, or an agent of the secretary, who shall chair the committee.

(d) (Deleted by amendment).

(e) The Department of Community and Economic Development shall prepare and furnish the forms required by this act in cooperation with the committee. If the committee fails to cooperate, the Department of Community and Economic Development shall issue the forms and distribute them annually, as needed, to the proper township officers.

(3203 amended June 22, 2000, P.L.329, No.35)

Section 3204. Investment of Township Funds.--(a) The board of supervisors may:

(1) Make investment of township sinking funds as authorized by the act of July 12, 1972 (P.L.781, No.185), known as the "Local Government Unit Debt Act."

(2) Make investment of moneys in the general fund and in special funds of the township.

(3) Liquidate any investment, in whole or in part, by disposing of securities or withdrawing funds on deposit. Any action taken to make or to liquidate any investment shall be made by the officers designated by action of the board of supervisors.

(b) The board of supervisors shall invest township funds consistent with sound business practice.

(c) The board of supervisors shall provide for an investment program subject to restrictions contained in this act and in any other applicable statute and any rules and regulations adopted by the board of supervisors.

(d) Authorized types of investments of township funds are:

(1) United States Treasury bills.

(2) Short-term obligations of the Federal Government or its agencies or instrumentalities.

(3) Deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation, or their successor agencies, to the extent that the

accounts are so insured and, for any amounts above the insured maximum, if approved collateral therefor is pledged by the depository.

(4) Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

(5) Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.), whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.), if the only investments of that company are in the authorized investments for township funds listed in paragraphs (1) through (4).

(6) Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation, or their successor agencies, to the extent that the accounts are so insured. However, for any amounts above the insured maximum, the certificates of deposit shall be secured by a pledge or assignment of assets of the institution, and the collateral may include loans, including interest in pools of loans, secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution's assets minus liabilities.

(7) Any investment authorized by 20 Pa.C.S. Ch. 73 (relating to fiduciaries investments). This paragraph is limited to investments for any pension or retirement fund.

(e) In making investments of township funds, the board of supervisors may:

(1) Permit assets pledged as collateral under subsection (d) (3) to be pooled under the act of August 6, 1971 (P.L.281, No.72), entitled "An act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis; and authorizing the appointment of custodians to act as pledgees of assets."

(2) Combine moneys from more than one fund under township control for the purchase of a single investment if each of the funds combined for the purpose is accounted for separately in all respects and the earnings from the investment are separately and individually computed and recorded and credited to the accounts from which the investment was purchased.

(3) Join with one or more other municipal corporations, municipality authorities or school districts under the act of July 12, 1972 (P.L.762, No.180), referred to as the Intergovernmental Cooperation Law, in the purchase of a single investment if the requirements of paragraph (2) on separate accounting of individual funds and separate computation, recording and crediting of the earnings therefrom are adhered to.

**Compiler's Note:** The act of July 12, 1972 (P.L.781, No.185), known as the Local Government Unit Debt Act, referred to in subsec. (a)(1), was repealed by the act of December 19, 1996 (P.L.1158, No.177). The subject matter is now

contained in 53 Pa.C.S. Pt. VII Subpt. B (relating to indebtedness and borrowing).

**Compiler's Note:** The act of July 12, 1972 (P.L.762, No.180), referred to as the Intergovernmental Cooperation Law, referred to in subsec. (e)(3), was repealed by the act of December 19, 1996 (P.L.1158, No.177). The subject matter is now contained in 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental cooperation).

Section 3205. Township and Special Tax Levies.--(a) The board of supervisors may by resolution levy taxes upon all real property within the township made taxable for township purposes, as ascertained by the last adjusted valuation for county purposes, for the purposes and at the rates specified in this section. All taxes shall be collected in cash.

(1) An annual tax not exceeding fourteen mills for general township purposes. If the board of supervisors petitions the court of common pleas for the right to levy additional millage, the court may order a greater rate than fourteen mills, but not exceeding five additional mills, to be levied.

(2) An annual tax not exceeding five mills to light the highways, roads and other public places in the township.

(3) An annual tax not exceeding fifty percent of the rate of assessment for the general township tax to procure land and erect public buildings thereon and for the payment of indebtedness incurred in connection therewith.

(4) An annual tax not exceeding three mills to purchase and maintain fire apparatus and a suitable place to house fire apparatus, to make appropriations to fire companies located inside and outside the township, to make appropriations for the training of fire company personnel and for fire training schools or centers and to contract with adjacent municipal corporations or volunteer fire companies therein for fire protection.

(i) The township may appropriate up to one-half, but not to exceed one mill, of the revenue generated from a tax under this clause for the purpose of paying salaries, benefits or other compensation of fire suppression employes of the township or a fire company serving the township.

(ii) If an annual tax is proposed to be set at a level higher than three mills, the question shall be submitted to the voters of the township.

(5) A tax not exceeding two mills to establish and maintain fire hydrants and fire hydrant water service.

(6) A tax to acquire, maintain and operate parks, playgrounds, playfields, gymnasiums, swimming pools and recreation centers.

(7) An annual tax sufficient to pay interest and principal on any indebtedness incurred under 53 Pa.C.S. Pt. VII Subpt. B (relating to indebtedness and borrowing).

(8) An annual tax not exceeding one-half mill to support ambulance, rescue and other emergency services serving the township.

(i) The township may appropriate up to one-half of the revenue generated from a tax under this clause for the purpose of paying salaries, benefits or other compensation of employes of the ambulance, rescue or other emergency service.

(ii) If an annual tax is proposed to be set higher than one-half mill, the question shall be submitted to the voters of the township.

(9) An annual tax not exceeding five mills to create and maintain a revolving fund to be used in making permanent street, sidewalk, water supply or sewer improvements before the collection of all or part of the cost from the property owners. A revolving fund may also be used for the deposit of funds raised through the issuance of general obligation bonds of the township for the making of permanent street, sidewalk, water supply or sewer improvements. When all or part of the cost of the construction of

any permanent street, sidewalk, water supply or sewer improvement is paid from the revolving fund and is later assessed and collected from the owners of the property adjoining or abutting upon the improvement, the collections shall be applied to the credit of the revolving fund to the extent of the withdrawal therefrom for that purpose.

(10) An annual special tax not exceeding two mills to create and accumulate moneys in a road equipment fund to be used exclusively for purchasing road equipment.

(b) When it is shown to the court that the debts due by any township exceed the amount which the board of supervisors may collect in any year by taxation, the court, after ascertaining the amount of indebtedness of the township, may in an action of mandamus direct the board of supervisors, by special taxation, to collect an amount sufficient to pay the debts. If the amount of indebtedness is so large as to render it inadvisable to collect the entire amount in any one year, the court may direct the special taxes to be levied and collected during successive years as may be required for payment of the debt.

(3205 amended Dec. 1, 2004, P.L.1745, No.224)

Section 3206. Procedure for Referendum on Tax Questions.--When the assent of the electors is required under this article for special tax levies, the county board of elections shall frame the question under the election laws of this Commonwealth for submission to the voters of the township at the first municipal or general election occurring not less than sixty days after submission of the question.

Section 3207. Taxes for Special Districts.--This article does not include the levy of any taxes upon particular districts or parts of any township for particular purposes.

Section 3208. Tax Rate to be Expressed in Dollars and Cents.--When the board of supervisors by resolution establishes the rate of taxation for any year at a mill rate, the resolution shall also include a statement expressing the rate of taxation in dollars and cents on each one hundred dollars (\$100) of assessed valuation of taxable property.

Section 3209. Tax Duplicates.--The board of supervisors shall require a duplicate to be made designating the amount of township tax levied against each taxpayer of the township, and also duplicates for all other taxes levied and assessed under this act, and deliver the duplicate within thirty days after the adoption of the budget or within thirty days after receipt of the assessment roll from the county, whichever is later, to the township tax collector.

Section 3210. Additions and Revisions to Duplicates.--

(a) When there is any construction of a building or buildings not otherwise exempt as a dwelling after the first day of January of any year and the building is not included in the tax duplicate of the township, the authority responsible for assessments in the township shall upon the request of the board of supervisors inspect and reassess, subject to the right of appeal and adjustment by the State law under which assessments are made, all taxable property in the township to which major improvements have been made after the first day of January of any year and to give notice of the reassessments within ten days to the authority responsible for assessments, the township and the property owner. The property shall be added to the duplicate and is taxable for township purposes at the reassessed valuation for that proportionate part of the fiscal year of the township remaining after the property was improved. Any improvement made during the month shall be computed as having been made on the first day of the month. A certified copy of the additions or revisions to the duplicate shall be furnished by the board of supervisors to the township tax collector, together with its warrant for collection of the taxes, and within ten days the township tax collector shall

notify the owner of the property of the taxes due in the township.  
((a) amended Nov. 29, 2006, P.L.1473, No.166)

(b) When an assessment is made for a portion of a year, the assessment shall be added to the duplicate of the following or succeeding year unless the value of the improvements has already been included in that duplicate.

**Compiler's Note:** Section 9(2)(ii) of Act 167 of 2006 provided that section 3210 is repealed insofar as it is inconsistent with Act 167.

**Compiler's Note:** Section 5 of Act 166 of 2006, which amended section 3210, provided that elected assessors in office in townships of the second class as of the effective date of section 5 shall serve the remainder of their unexpired terms. Thereafter, assessors shall neither be elected nor appointed.