

School Tax Collection Update



Warrants must be Signed in Order to Collect; Cash Cannot Be Prohibited

As we enter the school tax collection season, two common questions have arisen: What happens when the collecting officer receives the warrant that has been approved but remains unsigned? Can the school or collecting entity prohibit cash payments in light of the pandemic? The short answers are: the warrant must be signed in order to begin collection, and there is no authority to prohibit cash when making tax payments.

It appears that many collecting officers are receiving the warrants for school collection unsigned by the board or trustees. Real Property Tax Law section 1318 requires that warrants be signed by a majority in order for it to be effective. An unsigned warrant has no legal force or effect, and to collect under an unsigned warrant is to collect without authority and outside the scope of the collecting officer's undertaking. If physically signing the warrant at a certain location presents an issue, the trustees / board can print and sign the warrant and scan the copy

to the receiver. Additionally, if the warrant was approved remotely, the trustees / board members can thereafter sign the warrant in a safe and socially distant manner.

As for cash payments, federal law requires that cash be accepted as legal tender for tax payments. Specifically, federal law sets forth that United States coins and currency are legal tender for, among other things, the payment of taxes (see 31 USC § 5103). Accordingly, a collecting officer is required to accept tax payments that are made in cash or coin – a town (or any collecting entity) **cannot prohibit** cash or coin payments.

However, the fact remains that we are in the midst of an unprecedented global pandemic. To that end, some towns have required residents to make an appointment if they wanted to pay in person. While you cannot prohibit cash, you can encourage other manners of payment in the tax bill notice, including online payments, venmo or paypal and payments by check.

