

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 337

Session of
1977

INTRODUCED BY ZEARFOSS, BITTLE, MEBUS, D. S. HAYES, GARZIA,
SHUMAN, BERLIN, F. TAYLOR, MORRIS, LAUGHLIN, KERNICK, PRATT
AND IRVIS, FEBRUARY 15, 1977

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 15, 1977

AN ACT

1 Amending the act of July 7, 1947 (P.L.1368, No.542), entitled
2 "An act amending, revising and consolidating the laws
3 relating to delinquent county, city, except of the first and
4 second class and second class A, borough, town, township,
5 school district, except of the first class and school
6 districts within cities of the second class A, and
7 institution district taxes, providing when, how and upon what
8 property, and to what extent liens shall be allowed for such
9 taxes, the return and entering of claims therefor; the
10 collection and adjudication of such claims, sales of real
11 property, including seated and unseated lands, subject to the
12 lien of such tax claims; the disposition of the proceeds
13 thereof, including State taxes and municipal claims recovered
14 and the redemption of property; providing for the discharge
15 and divestiture by certain tax sales of all estates in
16 property and of mortgages and liens on such property, and the
17 proceedings therefor; creating a Tax Claim Bureau in each
18 county, except a county of the first class, to act as agent
19 for taxing districts; defining its powers and duties,
20 including sales of property, the management of property taken
21 in sequestration, and the management, sale and disposition of
22 property heretofore sold to the county commissioners, taxing
23 districts and trustees at tax sales; providing a method for
24 the service of process and notices; imposing duties on taxing
25 districts and their officers and on tax collectors, and
26 certain expenses on counties and for their reimbursement by
27 taxing districts; and repealing existing laws," increasing
28 certain time periods, requiring new notice provisions,
29 requiring public auctions and setting minimum bid levels at
30 public auctions.

31 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 308, act of July 7, 1947 (P.L.1368,
3 No.542), known as the "Real Estate Tax Sale Law," amended
4 September 15, 1961 (P.L.1334, No.589), subsection (a) amended
5 August 26, 1965 (P.L.386, No.201), is amended to read:

6 Section 308. Notice of Filing of Returns and Entry of
7 Claim.--(a) Not later than the thirty-first day of July of each
8 year, or for the first year a county operates under this act,
9 not later than the thirty-first day of October, or whenever,
10 heretofore, any claims have been returned to and a claim entered
11 with the tax claim bureau and the same has not been pursued to
12 sale as provided for by the act of Assembly, then within six (6)
13 months after the effective date of this act, the bureau shall
14 give notice of the return of said taxes and the entry of such
15 claim to each [delinquent taxable] owner, by United States
16 registered mail or United States certified mail, return receipt
17 requested, postage prepaid, addressed to the owner personally at
18 his last known post office address. [If the owner of the
19 property is unknown and has been unknown for a period of not
20 less than ten years, such notice shall be given only by posting
21 on the property affected.] In addition the bureau shall, through
22 the county sheriff's office, serve personal notice to the owner
23 of the land. [In the case of a mobilehome or house trailer
24 subject to real property tax, a copy of such notice shall at the
25 same time and in like manner be sent to the encumbrance holders
26 of record. If no post office address of the owner is known or if
27 a notice mailed to an owner at such last known post office
28 address is not delivered to him by the postal authorities, then
29 notice as herein provided shall immediately be posted on the
30 property affected.] If service cannot be obtained in the manner

1 previously set forth and the director of the bureau files an
2 affidavit stating that the owner is deceased or his whereabouts
3 unknown, or that he resides outside the Commonwealth, the
4 sheriff shall make service on the owner by serving any party
5 occupying or in possession of the property and by posting a copy
6 of the notice on the most public part of the land and in the
7 county courthouse and by publishing the notice in a newspaper of
8 general circulation in the county where the land is situated not
9 less than once a week for three (3) consecutive weeks.

10 If notice was served as required herein, no sale shall be
11 prejudicial or defeated nor shall any title to the property
12 purchased be impaired. Each mailed and posted notice shall, (1)
13 show all the information shown on the claim entered, (2) state
14 that if payment of the amount due the several taxing districts
15 for said taxes is not made to the bureau on or before the
16 thirty-first day of December next following, in cases where the
17 notice was mailed prior to August first, or that if payment is
18 not made on or before March thirty-first of the following year,
19 in cases where the notice was mailed on or after August first,
20 or no exceptions thereto filed, the said claim shall become
21 absolute, (3) [state that on July first of the year in which
22 such notice is given or if the notice was mailed after July
23 thirty-first, that on the first day of the month (naming it) in
24 which the notice was mailed the one (1) year period of
25 redemption shall commence or has commenced to run, and that if
26 redemption is not made during that period as provided by this
27 act, the property shall be sold at judicial sale and there shall
28 be no further redemption after such sale] state that the owner
29 has the right to file an exception to the claim of delinquency
30 pursuant to section 314(b), and further that such filing of an

exception is sufficient to challenge any irregularity whatsoever in the claim or notice, (4) state that the owner has the right of redemption under sections 501 and 619, and (5) state that the owner has a right of recoupment from any sale for any amount of money in excess of taxes and costs.

(b) In the case of claim for taxes, filed in the office of the prothonotary, which have not been heretofore reduced to judgment, where the lien of such claim has not been lost, the respective taxing districts shall return to the bureau on or before the first Monday of May, one thousand nine hundred forty-eight, or on or before the first Monday of June of any year in which any city of the third class or any county shall elect to collect its delinquent taxes in accordance with this act, a complete list of such claims and the properties against which the same are filed, and the bureau shall give such owners the same notice as above provided [or shall post such notice on the property].

(c) [Notice given in the manner provided by this section shall constitute proper service on the owner. A statement in the claim entered that due notice of the same was given shall be conclusive evidence that notice was given as required by law.]
The sheriff or deputy sheriff making the services shall file the return of service in the office of the bureau. Such return shall constitute proper service in the same manner as any other return of a sheriff. Such return, by the sheriff, shall be deemed correct conclusively and any loss suffered by reason of any inaccuracy shall be recovered from the sheriff.

(d) The costs of [such mailed and posted] all notices under this section shall be taxed as part of the costs of the proceedings and shall be paid by the owner the same as other

1 costs.

2 Section 2. Subsections (b) and (e) of section 314 of the
3 act, subsection (b) amended July 13, 1953 (P.L.439, No.98), are
4 amended to read:

5 Section 314. Proceeding to Attack Validity of Claim.--

6 * * *

7 (b) Any defendant in any such claim, at any time before the
8 day fixed for the claim to become absolute under section 311,
9 may file with the bureau exceptions to the claim as entered, or
10 to any part of the claim. The bureau, after giving due notice to
11 the taxing districts interested, shall hold a hearing thereon
12 and either disallow the exceptions or allow the exceptions in
13 whole, or in part, and strike off or reduce the claim in
14 accordance with the evidence produced and the powers of the
15 bureau as hereinbefore prescribed.

16 If the defendant is aggrieved by the decision of the bureau
17 he may, within fifteen (15) days after notice thereof, appeal by
18 petition to the court of common pleas of the county setting
19 forth the defense he has to the claim, or any part thereof, and
20 the refusal of the bureau to allow his exceptions and strike off
21 or reduce the amount of the claim. Thereupon the court shall
22 grant a rule on the taxing district or districts to show cause
23 why the claim should not be set aside or reduced in amount as
24 prayed for in the petition. The petitioners shall give notice of
25 such proceeding to the bureau. Any such notice of appeal shall
26 act as an automatic supersedeas of any scheduled sale and the
27 appealing party shall not be required to post security.

28 * * *

29 (e) [No] Every taxpayer shall have the right to proceed by
30 petition to the court of common pleas to open a claim absolute

1 under the provisions of this act. [, except on the ground of
2 payment of the tax involved or failure to receive notice. The
3 remedy provided by this section to contest a tax claim entered
4 shall be deemed exclusive except as herein otherwise provided.]

5 * * *

6 Section 3. Subsection (c) of section 501 of the act is
7 amended to read:

8 Section 501. Redemption of Property From Effects of Tax
9 Claims.--

10 * * *

11 (c) There shall be no redemption of any property after the
12 sale thereof except as provided in section 619.

13 Section 4. Section 601 of the act is amended by adding a
14 subsection to read:

15 Section 601. Date of Sale.--* * *

16 (c) Any property subject to sale under the provisions of
17 this act shall be sold at public auction only, where competitive
18 bidding is required and where the minimum bid accepted is in
19 conformity with the requirements of section 605.

20 Section 5. Section 602 of the act, amended September 27,
21 1973 (P.L.264, No.74), is amended to read:

22 Section 602. Notice of Sale.--Prior to any scheduled sale
23 the bureau shall give notice thereof, once a week for three (3)
24 consecutive weeks in two (2) newspapers of general circulation
25 in the county, if so many are published therein, and once in the
26 legal journal, if any, designated by the court for the
27 publication of legal notices. In addition the bureau shall again
28 notify the owner in accord with the provisions of section 308.

29 [Such] The publication notice shall set forth (a) the purposes
30 of such sale, (b) the time of such sale, (c) the place of such

1 act, and the agreement entered into.

2 In case the property of any corporation, limited partnership
3 or joint-stock association is advertised for sale, the bureau
4 shall give to the Department of Revenue the notice required by
5 section one thousand four hundred two of the Fiscal Code of the
6 ninth day of April, one thousand nine hundred twenty-nine
7 (Pamphlet Laws 343).

8 [No sale shall be defeated and no title to property sold
9 shall be invalidated because of proof that mail notice as herein
10 required was not received by the owner, provided such notice was
11 given as prescribed by this section.] Whenever the bureau shall
12 have omitted to advertise the fact of holding any sale, or shall
13 have omitted to serve written notice thereof, as required by the
14 provisions of section 308 and this section, such omission shall
15 invalidate the return of said sale and result in a sixty-day
16 postponement of such sale. The lien of such taxes, and such
17 taxes may, nevertheless, be collected by sale of the property
18 upon which the tax is due if the adjourned or readjourned sale
19 at which the same is sold is advertised and notice thereof given
20 in accordance with the provisions of said act.

21 The costs of such advertisement and notices shall be taxed as
22 part of the costs of such proceedings and shall be paid by the
23 owner the same as other costs.

24 Section 6. Subsections (a) and (g) of section 607, amended
25 May 10, 1951 (P.L.258, No.41), are amended to read:

26 Section 607. Bureau's Return to Court; Notice; Confirmation;
27 Appeal.--(a) It shall be the duty of the bureau, not later than
28 sixty (60) days after a scheduled sale was held, to make a
29 consolidated return to the court of common pleas of the county,
30 wherein it shall set forth, (1) a brief description of each

1 property exposed to sale, (2) the name of the owner in whose
2 name it was assessed, (3) the name of the owner at the time of
3 sale, and to whom notice [by mail] was given as provided by this
4 act, (4) a reference to the record of the tax claim on which the
5 sale was held, (5) the time when and the newspapers in which the
6 advertisement for sale was made, with a copy of said
7 advertisement, (6) the time of sale, (7) the name of the
8 purchaser, if any, and (8) the price for which each property was
9 sold, or that no bid was made equal to the upset price and the
10 property was not sold. Upon the presentation of said return, if
11 it shall appear to said court that such sale has been regularly
12 conducted under the provisions of this act, the said return and
13 the sales so made shall be confirmed nisi.

14 * * *

15 (g) If no objections or exceptions are filed, or where
16 objections or exceptions are finally overruled and the sale
17 confirmed absolutely, the validity of the tax, its return for
18 nonpayment, the entry of the claim, or the making of such claim
19 absolute and the proceedings of the bureau with respect to such
20 sale, except as to the giving of notice as required by the act,
21 or the time of holding the sale, or of petitioning court for an
22 order of sale shall not thereafter be inquired into judicially
23 in equity or by civil proceedings by the person in whose name
24 such property was sold, his or her or theirs, or his, her or
25 their grantees or assigns or by any lien creditor or other
26 person whatever. [There shall be no period of redemption after
27 such sale and the] The sale shall be deemed to pass a good and
28 valid title to the purchaser, after the period for redemption
29 has passed, free from any liens or encumbrances whatsoever,
30 except such liens as are hereafter specifically saved, and in

1 all respects as valid and effective as if acquired by a
2 sheriff's deed.

3 Section 7. Sections 613, 614 and 615 of the act are
4 repealed.

5 Section 8. The act is amended by adding sections to read:

6 Section 618. Recoupment of Surplus Funds.--(a) The bureau
7 shall provide notice to the former property owner by certified
8 mail and regular mail that a surplus exists from the sale
9 conducted under the provisions of this act. The notice shall
10 state the exact surplus to which the former owner is entitled
11 and also state the means and identification necessary to recover
12 this surplus.

13 (b) After any sale of property or lands for delinquent taxes
14 has been confirmed by the court, as aforesaid, it shall be the
15 duty of the bureau, where the bid exceeds the taxes, interest,
16 and costs, as aforesaid, to distribute the surplus money that
17 may remain after satisfying and paying all the taxes, interest,
18 and costs, as aforesaid, to the owners, their heirs, assigns or
19 legal representatives (as the case may be).

20 Section 619. Right of Redemption After Sale.--(a) Any real
21 estate sold under this act may be redeemed by the owner, his
22 heirs or legal representatives, or by any lien creditor, or his
23 heirs, assigns or legal representatives, or by anyone interested
24 in said real estate for the benefit of the owner thereof, at any
25 time within two (2) years after such sale, by the payment to the
26 bureau of the full amount which the purchaser paid to said
27 bureau for taxes, interest, and costs and fifteen per centum
28 (15%) of the amount of tax in addition thereto. In case the
29 purchaser has paid any taxes of any kind whatsoever, assessed
30 and levied against said property, the same shall be reimbursed

1 to said purchaser before any redemption shall take effect. No
2 sale of seated lands for taxes, under the provisions of this
3 act, shall be prejudiced or defeated by proof that there was
4 personal property to be found on the premises sufficient to pay
5 the taxes assessed thereon, nor shall such sale be prejudiced by
6 reason of the fact that such lands so assessed as seated lands
7 were at the time unseated.

8 (b) When any real estate is so sold, no lien whatsoever
9 against such real estate shall be deemed to be discharged during
10 the period for redemption; but if such real estate is not
11 redeemed, then all liens against the same, except such liens as
12 are hereinbefore specifically saved, shall be deemed to be
13 discharged from the date that the right of redemption expired.

14 (c) All owners of land sold under the provisions of this act
15 shall have notice of the right to redeem the land after the
16 sale. Notice of the right to redeem shall be given in accordance
17 with the provisions of this section, (1) the bureau shall send a
18 notice by registered mail to the former property owner within
19 ten (10) days after the sale informing the owner of the
20 redemption right and also the availability of any funds in
21 excess of the taxes due under section 618, (2) the purchaser
22 shall send a notice by certified mail and by regular mail to the
23 former owner one (1) year subsequent to the sale informing said
24 person of the right of redemption under the provisions of this
25 section, and (3) in addition, the purchaser shall, at least five
26 (5) months before and no earlier than seven (7) months before
27 the redemption period expires, attempt to give notice to the
28 former property owner of the right of redemption under this
29 section by personal service and certified mail and regular mail.
30 If the former owner cannot be found or his whereabouts unknown,

1 then the purchaser shall state in an affidavit that service and
2 mail notice was attempted, that the former owner did not respond
3 or could not be found and that the purchaser has made a good
4 faith effort to comply with the provisions of this subsection.

5 (d) When any real estate is so redeemed by a lien creditor,
6 or his heirs, assigns or legal representatives, or by any person
7 interested for the benefit of the owner, the bureau shall issue
8 to the person redeeming such real estate a certificate, stating
9 the fact of such redemption, a brief description of the real
10 estate redeemed, and the amount of the redemption money paid,
11 which certificate may be entered in the office of the
12 prothonotary of the county as a judgment against the owner of
13 the real estate for the amount stated therein. The lien of any
14 such judgment shall have priority over all other liens against
15 such real estate except such liens as would not have been
16 discharged had no redemption been made.

17 Section 9. Section 702 of the act, amended May 29, 1956
18 (P.L.1814, No.603), is amended to read:

19 Section 702. Powers and Duties of Bureau as Agent.--[The
20 property turned over to it, as provided in the preceding
21 section, shall not be subject to redemption and until] Until it
22 is finally sold, as hereinafter provided, the bureau shall
23 manage and control the property turned over to it as provided in
24 the preceding section for the trustee county with power, (a) to
25 lease the property for a period not exceeding one (1) year with
26 the usual privilege of renewal on termination thereof upon three
27 (3) months' notice, and any such lease may be on a royalty basis
28 for the purpose of extracting any minerals or oil or the cutting
29 of timber, (b) to make such repairs to the property as may be
30 reasonably necessary to restore and maintain it in a tenantable

1 condition, and to carry insurance on such property, (c) to
2 advertise the property for sale or for rent, (d) to appoint an
3 agent or agents who shall be a licensed real estate broker or
4 agent to collect the rentals, and pay such agents the customary
5 commissions for rent collection, (e) to harvest and sell the
6 crops or produce of the property, (f) to sell any scrap or
7 salvage resulting from repairs or alterations to buildings on
8 the property or from the demolition of buildings no longer safe
9 for occupancy, (g) to recover the cost of advertising, repairs,
10 alterations or demolition of buildings, the harvesting of crops
11 and the commissions of rental agents from the rental or sale of
12 the property or any crops or salvage therefrom, and (h) to sell
13 the property at private sale, to give options thereon and
14 receive option money, and to make deeds for such property when
15 sold in the manner provided by and subject to the provisions of
16 sections 613, 614 and 615 in so far as they may be applicable.

17 The bureau shall not in any case incur any expense for the
18 maintenance, repair or alteration of any such property in excess
19 of eighty per centum (80%) of the amount of rental to be
20 received for such property within a period of one (1) year,
21 under a lease entered into at or before the time such expense is
22 incurred.

23 Section 10. This act shall take effect in 60 days and shall
24 apply to all proceedings initiated after that date.