

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 725 Session of  
1989

INTRODUCED BY CORMAN, PECORA, STOUT AND AFFLERBACH,  
MARCH 21, 1989

REFERRED TO LOCAL GOVERNMENT, MARCH 21, 1989

AN ACT

1 Amending the act of July 7, 1947 (P.L.1368, No.542), entitled,  
2 as amended, "An act amending, revising and consolidating the  
3 laws relating to delinquent county, city, except of the first  
4 and 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 counties of the first and second class, to act  
19 as agent for taxing districts; defining its powers and  
20 duties, including sales of property, the management of  
21 property taken in sequestration, and the management, sale and  
22 disposition of property heretofore sold to the county  
23 commissioners, taxing districts and trustees at tax sales;  
24 providing a method for the service of process and notices;  
25 imposing duties on taxing districts and their officers and on  
26 tax collectors, and certain expenses on counties and for  
27 their reimbursement by taxing districts; and repealing  
28 existing laws," further providing for the distribution of  
29 moneys collected and for notice of distribution of moneys  
30 obtained from tax sales.

31 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 205 of the act of July 7, 1947 (P.L.1368,  
3 No.542), known as the Real Estate Tax Sale Law, amended July 3,  
4 1986 (P.L.351, No.81), is amended to read:

5 Section 205. System of Accounting and Distribution.--

6 (a) In each county bureau a system of accounting and  
7 distribution of all moneys collected or received under the  
8 provisions of this act shall be established in the bureau as may  
9 be determined by the county commissioners, the county  
10 controller, if any, and county treasurer.

11 (b) The bureau shall keep an accurate account of all money  
12 recovered and received by it under this act and maintain a  
13 separate account for each property.

14 (c) Money received on account of costs, fees and expenses  
15 advanced by any taxing district shall be repaid to the taxing  
16 district making the advance. Other money collected under this  
17 act shall be subject, first, to a commission of five per centum  
18 (5%) of all money collected to be retained by the bureau to  
19 offset costs of the administration of this act. Interest earned  
20 on money held by the bureau prior to distribution shall also be  
21 retained by the bureau for administrative costs.

22 (c.1) It shall then be the duty of the bureau to distribute  
23 the entire remaining balance of the moneys collected, except  
24 moneys collected through any tax sale under the provisions of  
25 this act, to the taxing districts at least once every three (3)  
26 months in proportion to the taxes due each taxing district.

27 (d) It shall [then] be the duty of the bureau to distribute  
28 [the entire remaining balance of money collected against each  
29 account at least once every three (3) months] all moneys  
30 collected as the result of any tax sale conducted under the

1 provisions of this act, less the deductions authorized by  
2 subsection (c), in the following manner and according to the  
3 following priority:

4 (1) First, to the Commonwealth, by payment to the State  
5 Treasurer through the Department of Revenue, for satisfaction of  
6 tax liens of the Commonwealth only if the total amount of such  
7 liens or such portion thereof have been included in the purchase  
8 price and paid by the purchaser or the property is sold at  
9 judicial sale pursuant to this act.

10 (2) Second, to the respective taxing districts in proportion  
11 to the taxes due them.

12 (3) Third, to taxing districts or municipal authorities for  
13 satisfaction of municipal claims.

14 (4) Fourth, to mortgagees and other lien holders, in order  
15 of their priority, for satisfaction of mortgages and liens as  
16 they may appear of record, whether or not discharged by the  
17 sale.

18 (5) Fifth, to the owner of the property.

19 (e) Prior to the actual distribution required by [this  
20 section] subsection (d), the bureau shall petition the court of  
21 common pleas for a confirmation of distribution. The petition  
22 shall set forth a proposed schedule of distribution for each  
23 account and shall request the court to issue a rule to show  
24 cause on each distributee why the court should not confirm the  
25 distribution as proposed. The rule to show cause and a copy of  
26 the petition shall be served by first class mail upon each  
27 distributee [by first class mail] and upon the purchaser, with  
28 proof of mailing to the last residence or place of business of  
29 the distributee known to the bureau and to the purchaser at the  
30 address given to the bureau. If the rule to show cause is not

1 returned by any distributee or purchaser on or before the time  
2 set for its return, the court shall forthwith confirm the  
3 distribution absolutely. If any distributee or purchaser makes a  
4 return of the rule within the time set by the court, the court  
5 shall forthwith hear any objections and exceptions to the  
6 proposed distribution and thereafter adjust the schedule of  
7 distribution as it deems just and equitable according to law and  
8 confirm the distribution absolutely as adjusted. An absolute  
9 confirmation of distribution by the court shall be final and  
10 nonappealable with respect to all distributees listed in the  
11 petition.

12 (f) Whenever no claim for payment of any balance due the  
13 owner of the property is presented by or on behalf of the owner  
14 within a period of three (3) years of the date of the sale, the  
15 balance of the proceeds shall be distributed to the respective  
16 taxing districts pro rata based on the millage imposed by the  
17 respective taxing districts as of the year such property was  
18 sold. Interest earned by the proceeds of the sale during this  
19 three-year period shall be retained by the county.

20 Section 2. This act shall take effect in 60 days.