

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 552 Session of
1991

INTRODUCED BY SALVATORE, FEBRUARY 20, 1991

AS AMENDED ON THIRD CONSIDERATION, NOVEMBER 16, 1992

AN ACT

1 Amending the act of May 16, 1923 (P.L.207, No.153), entitled "An
2 act providing when, how, upon what property, and to what
3 extent, liens shall be allowed for taxes and for municipal
4 improvements, for the removal of nuisances, and for water
5 rents or rates, sewer rates, and lighting rates; for the
6 procedure upon claims filed therefor; the methods for
7 preserving such liens and enforcing payment of such claims;
8 the effect of judicial sales of the properties liened; the
9 distribution of the proceeds of such sales, and the
10 redemption of the property therefrom; for the lien and
11 collection of certain taxes heretofore assessed, and of
12 claims for municipal improvements made and nuisances removed,
13 within six months before the passage of this act; and for the
14 procedure on tax and municipal claims filed under other and
15 prior acts of Assembly," further providing for sale upon
16 judgment in cities of the first class; and providing for <—
17 registration of interested parties, service of notice and <—
18 statute of limitations in cities of the first class; AND
19 FURTHER PROVIDING FOR REDEMPTION OF UNINHABITED RESIDENTIAL
20 PROPERTY.

21 The General Assembly of the Commonwealth of Pennsylvania
22 hereby enacts as follows:

23 ~~Section 1. Section 31.2(a) of the act of May 16, 1923~~ <—
24 ~~(P.L.207, No.153), referred to as the Municipal Claim and Tax~~
25 ~~Lien Law,~~

26 SECTION 1. SECTION 15 OF THE ACT OF MAY 16, 1923 (P.L.207, <—

1 NO.153), REFERRED TO AS THE MUNICIPAL CLAIM AND TAX LIEN LAW,
2 AMENDED DECEMBER 13, 1982 (P.L.1196, NO.274), IS AMENDED TO
3 READ:

4 SECTION 15. SUCH TAX, MUNICIPAL OR OTHER CLAIM IF FILED
5 WITHIN THE PERIOD AFORESAID, SHALL REMAIN A LIEN UPON SAID
6 PROPERTIES UNTIL FULLY PAID AND SATISFIED: PROVIDED, THAT EITHER
7 A SUGGESTION OF NONPAYMENT AND AN AVERMENT OF DEFAULT, IN THE
8 FORM HEREINAFTER PROVIDED, BE FILED, EITHER BEFORE OR AFTER
9 JUDGMENT ON THE SCIRE FACIAS OR ELSE A WRIT OF SCIRE FACIAS, IN
10 THE FORM HEREIN PROVIDED, BE ISSUED TO REVIVE THE SAME, WITHIN
11 EACH PERIOD OF TWENTY YEARS FOLLOWING--(A) THE DATE ON WHICH
12 SAID CLAIM WAS FILED, (B) THE DATE ON WHICH A WRIT OF SCIRE
13 FACIAS WAS ISSUED THEREON, (C) THE DATE ON WHICH ANY JUDGMENT
14 WAS ENTERED THEREON, (D) THE DATE ON WHICH A PREVIOUS SUGGESTION
15 OF NONPAYMENT AND DEFAULT WAS FILED THEREON, OR (E) THE DATE ON
16 WHICH A JUDGMENT OF REVIVAL WAS OBTAINED THEREON, EXCEPT THAT IN
17 CITIES AND SCHOOL DISTRICTS OF THE FIRST CLASS WITH RESPECT TO
18 TAXES AND OTHER MUNICIPAL CLAIMS, THE PERIOD WITHIN WHICH SUCH
19 LIENS MAY BE REVIVED SHALL BE TWENTY YEARS.

20 THE SUGGESTION AND AVERMENT SHALL BE IN THE FOLLOWING FORM,
21 UNDER THE CAPTION OF THE CLAIM:

22 AND NOW, THE CLAIMANT, BY
23, ITS SOLICITOR, OR BY THE
24 CHIEF OF ITS DELINQUENT TAX BUREAU, OR, IN COUNTIES OF THE
25 SECOND CLASS, BY THE COUNTY CONTROLLER, SUGGESTS OF RECORD THAT
26 THE ABOVE CLAIM IS STILL DUE AND OWING TO THE CLAIMANT, AND
27 AVERS THAT THE OWNER IS STILL IN DEFAULT FOR NONPAYMENT THEREOF.
28 THE PROTHONOTARY IS HEREBY DIRECTED TO ENTER THIS SUGGESTION AND
29 AVERMENT ON THE MUNICIPAL LIEN OR THE PROPER DOCKET OF THE
30 CLAIM, AND ALSO TO INDEX IT UPON THE JUDGMENT INDEX AND ON THE

1 LOCALITY INDEX OF THE COURT, FOR THE PURPOSE OF CONTINUING THE
2 LIEN OF THE CLAIM.

3 SUCH SUGGESTION AND AVERMENT SHALL BE SIGNED BY, OR HAVE
4 STAMPED THEREON A FACSIMILE SIGNATURE OF, THE SOLICITOR OR CHIEF
5 EXECUTIVE OFFICER OF THE CLAIMANT, OR THE CHIEF OF ITS
6 DELINQUENT TAX BUREAU, EXCEPT IN COUNTIES OF THE SECOND CLASS,
7 IN WHICH CASE IT SHALL BE SIGNED BY, OR HAVE STAMPED THEREON A
8 FACSIMILE SIGNATURE OF, THE COUNTY CONTROLLER. THE PROTHONOTARY
9 SHALL DOCKET AND INDEX THE SUGGESTION AND AVERMENTS DIRECTED
10 THEREIN.

11 THE FILING AND INDEXING OF SUCH SUGGESTION AND AVERMENT
12 WITHIN TWENTY YEARS, OR IN ANY CITY OR SCHOOL DISTRICT OF THE
13 FIRST CLASS WITHIN TWENTY YEARS, OF FILING THE CLAIM OR THE
14 ISSUING OF ANY WRIT OF SCIRE FACIAS THEREON, OR OF ANY JUDGMENT
15 THEREON, OR OF THE FILING OF ANY PRIOR SUGGESTION AND AVERMENT
16 OF DEFAULT, SHALL HAVE THE SAME FORCE AND EFFECT, FOR THE
17 PURPOSES OF CONTINUING AND PRESERVING THE LIEN OF THE CLAIM, AS
18 THOUGH A WRIT OF SCIRE FACIAS HAD BEEN ISSUED OR A JUDGMENT OR
19 JUDGMENT OF REVIVAL HAD BEEN OBTAINED WITHIN SUCH PERIOD:
20 PROVIDED, THAT NO WRIT OF LEVARI FACIAS SHALL BE ISSUED UPON A
21 CLAIM FOR THE PURPOSE OF EXPOSING THE PROPERTY LIENED TO
22 SHERIFF'S SALE, EXCEPT AFTER A JUDGMENT SHALL HAVE BEEN DULY
23 OBTAINED UPON THE CLAIM, AS PROVIDED IN THIS SECTION, AND SUCH
24 JUDGMENT MUST HAVE BEEN OBTAINED WITHIN TWENTY YEARS, OR IN ANY
25 CITY OR SCHOOL DISTRICT OF THE FIRST CLASS WITHIN TWENTY YEARS,
26 OF THE ISSUANCE OF THE LEVARI FACIAS. WHENEVER THE LIEN OF A
27 CLAIM HAS BEEN REVIVED AND CONTINUED BY THE FILING AND INDEXING
28 OF A SUGGESTION AND AVERMENT OF DEFAULT, THE CLAIMANT MAY, AT
29 ANY TIME WITHIN TWENTY YEARS THEREFROM, OR IN ANY CITY OR SCHOOL
30 DISTRICT OF THE FIRST CLASS WITHIN TWENTY YEARS, ISSUE A WRIT OF

1 SCIRE FACIAS THEREON RECITING ALL SUGGESTION AND AVERMENT OF
2 DEFAULT FILED SINCE THE FILING OF THE CLAIM, AND SHALL PROCEED
3 THEREON, IN THE MANNER HEREIN PROVIDED, SUBJECT TO THE RIGHT OF
4 THE OWNER TO RAISE ANY DEFENSE ARISING SINCE THE LAST JUDGMENT.

5 IF A CLAIM BE NOT FILED WITHIN THE TIME AFORESAID, OR IF IT
6 BE NOT PROSECUTED IN THE MANNER AND AT THE TIME AFORESAID, ITS
7 LIEN ON REAL ESTATE SHALL BE WHOLLY LOST.

8 THE CHARGE FOR FILING THE CLAIM OF A MUNICIPALITY OR
9 MUNICIPALITY AUTHORITY SHALL INCLUDE THE COST OF MARKING THE
10 RECORD PAID AND SATISFIED. WHEN THE CLAIM AND COSTS ARE PAID THE
11 MUNICIPALITY OR MUNICIPALITY AUTHORITY SHALL SO NOTIFY THE
12 PROTHONOTARY.

13 NOTWITHSTANDING ANY OTHER PROVISION OF THIS OR ANY OTHER ACT
14 TO THE CONTRARY, ALL JUDGMENTS IN FAVOR OF CITIES, COUNTIES AND
15 SCHOOL DISTRICTS OF THE FIRST CLASS RELATING TO SELF-ASSESSED
16 TAXES AS DEFINED IN SECTION 2 OF THE ACT OF DECEMBER 1, 1959
17 (P.L.1673, NO.616), KNOWN AS THE "SELF-ASSESSED TAX LIEN ACT,"
18 MAY BE REVIVED IN THE MANNER PROVIDED FOR IN THIS SECTION.

19 SECTION 2. SECTION 31.2(A) OF THE ACT, added March 15, 1956
20 (1955 P.L.1274, No.388), is amended to read:

21 Section 31.2. (a) In addition to the remedies prescribed in
22 sections 28, 31 and 31.1 of this act, in cities of the first
23 class, whenever a claimant has [obtained a judgment upon] filed
24 its tax or municipal claim in accordance with the requirements
25 of this act, it may file its petition in the court in which the
26 proceeding is pending, setting forth the facts necessary to show
27 the right to sell, together with searches or a title insurance
28 policy, showing the state of record and the ownership of the
29 property, and of all tax and municipal claims, mortgages, ground
30 rents or other charges on, or estates in, the land, as shown by

1 the official records of the city or county, or the political
2 subdivision in which the real estate is situate, and thereupon
3 the court shall grant a rule upon all parties thus shown to be
4 interested, to appear and show cause why a decree should not be
5 made that the property be sold, freed and cleared of their
6 respective claims, mortgages, ground rents, charges and estates.
7 If upon a hearing, the court is satisfied that service had been
8 made of the rule upon the parties respondent in the manner
9 provided in this act for the service of writs of scire facias to
10 obtain judgments upon tax and municipal claims, and that
11 contemporaneously with the service of the rule on the parties
12 respondent notice of the rule has been published by the claimant
13 in at least one newspaper of general circulation in the county,
14 and in a legal periodical published therein, if any, and that
15 the facts stated in the petition be true, it shall order and
16 decree that the property be sold at a subsequent sheriff's sale
17 at a time to be fixed thereafter by the claimant, clear of all
18 claims, liens, mortgages, ground rents, charges and estates, to
19 the highest bidder at such sale and after payment of the tax or
20 municipal lien the balance of the proceeds realized therefrom,
21 shall be distributed in accordance with the priority of the
22 remaining claims, liens, mortgages, ground rents, charges and
23 estates, and the purchaser at such sale shall take and forever
24 thereafter have, an absolute title to the property sold, free
25 and discharged of all tax and municipal claims, liens,
26 mortgages, ground rents, charges and estates of whatsoever kind,
27 subject only to the right of redemption as provided by law. The
28 date of the sale shall be advertised in at least one newspaper
29 of general circulation in the county and in the legal periodical
30 published therein.

1 (b) The deed to the purchaser shall be executed,
2 acknowledged and delivered as in other real estate sales by the
3 sheriff. Any person interested may at any time prior to the
4 proposed sale pay all the costs of the proceedings, including
5 the cost for the title search or title insurance policy, and all
6 tax and municipal claims, penalties and interest thereon,
7 charged against the property whereupon the proceedings on
8 petition shall at once determine.

9 (c) For the purpose of enabling the petitioner in any
10 proceedings to give the notice required, it may take the
11 testimony of the defendant in the claim, or of any other person
12 whom it may have reason to believe has knowledge of the
13 whereabouts of any of the parties respondent, either by
14 deposition, commission or letters rogatory.

15 (d) Any claimant may bid and become the purchaser of the
16 property at such sale, and if such purchaser shall be a taxing
17 authority within the city or county, such property while held
18 and owned by such taxing authority, shall not be subject to tax
19 claims, unless it be redeemed by the former owner or other
20 person having the right to redeem, as provided by law. If,
21 however, a city or county, or a taxing authority within the city
22 or county, shall become the purchaser at said sale, the former
23 owner or other persons, desiring to redeem, shall pay all taxes
24 and municipal claims accrued and chargeable against the property
25 prior to the sale thereof, together with the costs and interest
26 thereon, and also all taxes and claims, whether filed or not,
27 which would have accrued and become chargeable against the
28 property had the same been purchased at the sale by some party
29 other than the city or county, or a taxing authority within the
30 city or county.

(e) Upon the delivery by the sheriff of a deed for any property sold under the provisions of this section, the judgment upon which such sale was had shall thereupon and forever thereafter be final and conclusive, and the validity thereof shall not be questioned for any cause whatsoever.

SECTION 3. SECTION 32(C) OF THE ACT, AMENDED DECEMBER 19, 1990 (P.L.1092, NO.199), IS AMENDED TO READ:

SECTION 32. * * *

(C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IN CITIES OF THE FIRST CLASS ONLY, THERE SHALL BE NO REDEMPTION OF [UNINHABITED RESIDENTIAL] VACANT PROPERTY BY ANY PERSON AFTER THE DATE OF THE ACKNOWLEDGMENT OF THE SHERIFF'S DEED THEREFOR. FOR THE PURPOSES OF THIS SUBSECTION, PROPERTY SHALL BE DEEMED TO BE "[UNINHABITED RESIDENTIAL] VACANT PROPERTY" UNLESS IT WAS CONTINUOUSLY OCCUPIED BY THE SAME INDIVIDUAL OR BASIC FAMILY UNIT AS A RESIDENCE FOR AT LEAST NINETY DAYS PRIOR TO THE DATE OF THE SALE AND CONTINUES TO BE SO OCCUPIED ON THE DATE OF THE ACKNOWLEDGMENT OF THE SHERIFF'S DEED THEREFOR.

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Section ~~2~~ 4. The act is amended by adding sections to read:

Section 39.1. (a) Any owner of real property located within a city of the first class, any mortgagee thereof, or any person having a lien or claim thereon or interest therein, shall register a notice of interest with the department of the city of the first class responsible for collection of tax and municipal claims, stating his name, residence and mailing address and a description of the real property in which the person has an interest. A NOTICE OF INTEREST SHALL NOT BE REQUIRED FOR ANY MORTGAGE OR INTEREST OTHERWISE PROPERLY RECORDED IN THE OFFICE

1 OF THE RECORDER OF DEEDS PROVIDED THE DOCUMENT CONTAINS A
2 CURRENT ADDRESS SUFFICIENT TO SATISFY THE NOTICE REQUIREMENTS OF
3 THIS SECTION. The interested party shall file an amended
4 registration as needed.

5 (b) After the completion and filing of a notice of interest,
6 a city of the first class shall serve all petitions, rules and
7 other notices required by this act on those interested parties
8 at the registered address.

9 (C) A CITY OF THE FIRST CLASS MAY PROMULGATE REGULATIONS FOR <—
10 THE BULK REGISTRATION OF NOTICES OF INTEREST.

11 Section 39.2. (a) In cities of the first class, notice of a
12 rule to show cause why a property should not be sold free and
13 clear of all encumbrances issued by a court pursuant to a
14 petition filed by a claimant under section 31.2 of this act
15 shall be served by the claimant upon owners, mortgagees, holders
16 of ground rents, liens and charges or estates of whatsoever kind
17 as follows:

18 (1) By posting a true and correct copy of the petition and
19 rule on the most public part of the property;

20 (2) By mailing by first class mail to the address registered
21 by any interested party pursuant to section 39.1 of this act a
22 true and correct copy of the petition and rule; and

23 (3) In the event a title search, title insurance policy or
24 tax information certificate identifies interested parties of
25 record who have not registered their addresses pursuant to
26 section 39.1 of this act, the city shall mail by first class
27 mail and by registered mail to such addresses as appear on the
28 respective records relating to the premises a true and correct
29 copy of the petition and rule.

30 The city shall file an affidavit of service with the court prior

1 to seeking a decree ordering the sale of the premises.

2 (b) No party whose interest did not appear on a title
3 search, title insurance policy or tax information certificate or
4 who failed to accurately register his interest and address
5 pursuant to section 39.1 of this act shall have standing to
6 complain of improper notice if the city shall have complied with
7 subsection (a) of this section. THIS PROVISION SHALL NOT APPLY <—
8 IF THE MORTGAGE OR INTEREST WAS OTHERWISE PROPERLY RECORDED IN
9 THE OFFICE OF THE RECORDER OF DEEDS AND THE DOCUMENT CONTAINS A
10 CURRENT ADDRESS SUFFICIENT TO SATISFY THE NOTICE REQUIREMENTS OF
11 THIS SECTION.

12 (c) Notice of the court's decree ordering a tax sale,
13 together with the time, place and date of the sale, shall be
14 served by first class mail on all parties served with the
15 petition and rule on any parties whose interest appeared of
16 record after the filing of the petition but before the court's
17 decree and on any creditor who has obtained judgment against the
18 owner of the premises prior to the date of the decree. The city
19 shall file an affidavit of service of these notices prior to the
20 date of the sale.

21 Section 39.3. All parties wishing to contest the validity of
22 any sale conducted pursuant to section 31.2 of this act,
23 including the sufficiency of any notice, and any party claiming
24 to have an interest in the premises which was not discharged by
25 the sale, must file a petition seeking to overturn the sale or
26 to establish the interest within six months of the
27 acknowledgment of the deed to the premises by the sheriff.

28 Section 39.4. Cities of the first class shall proceed on tax
29 claims after one year of delinquency, unless the owner or an
30 interested party enters into a payment agreement suitable to the

1 claimant. The finance director of the city may preclude the sale
2 of a property on a case-by-case basis if the sale would create
3 an undue hardship on the property owner or occupant.

4 Section 3 5. This act shall take effect in 60 days.

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