

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 851

PRINTER NO. 1150

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

September 12, 2017

PRIME SPONSOR

Senator Argall

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 851 amends the Real Estate Tax Sale Law (Act 542 of 1947) to clarify ownership of properties that are in the delinquent sale process.

The legislation defines “delinquent property owner” as a person whose taxes on the subject property are delinquent and in whose name the property is last registered, if registered according to law or, if not registered according to law, the person whose name last appears as an owner of record on a deed or instrument of conveyance recorded in the county office designated for recording. In all other cases, the term means a person in open, peaceable and notorious possession of property as apparent owner or reputed owner of the property.

Senate Bill 851 amends section 618 of the Real Estate Tax Sale Law (relating to repurchase by owner) by providing that if a property remains unsold after an upset sale and on the docket of a tax claim bureau, the bureau may accept full payment for the property from or on behalf of the owner. Full payment shall include the upset sale price of the property, plus any additional tax claims, tax liens or tax judgments filed or entered against the property and any costs, fees, expenses or interest incurred or accrued on the property subsequent to the upset sale. The bureau may not accept partial payments or enter into an installment agreement with an owner whose property remains unsold after an upset sale. Receipt of full payment discharges the tax claims, tax liens or tax judgments entered against the property, and the property shall be removed from further exposure to sale.

Article VI (Sale of Property) of the law is amended by adding new subarticle (g) regarding the ownership and maintenance of property. The legislation provides that a county or tax claim bureau shall hold property subject to sale under the Real Estate Tax Sale Law only as a trustee and shall exercise only such control over the property as may be necessary or implied in order to convey the property or otherwise further the purposes of the act. A county or tax claim bureau shall not have any civil or criminal liability or have any obligation for maintenance or for nuisance remediation of tax-delinquent property, regardless of whether the property has been exposed to an upset sale, unless the county or bureau purchases the property. A trusteeship under the act shall not be considered the care, custody or control of real property for purposes of the exceptions to governmental immunity.

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The legislation provides that a county or tax claim bureau may, at its discretion, rehabilitate and maintain property of which the county or bureau is a trustee without consent of the delinquent property owner. However, this authorization shall not diminish the responsibility of a delinquent property owner to maintain the property. Senate Bill 851 provides that at the time a property that is tax delinquent is exposed to, but not sold at, an upset sale, legal title to the property shall remain with the delinquent property owner until the tax claim bureau transfers the deed as trustee grantor to a purchaser. Nothing in this act shall be construed to relieve a delinquent property owner of civil or criminal liability or for an obligation for maintenance or for nuisance remediation of the tax-delinquent property to the extent the liability is imposed by law or ordinance.

This act shall take effect in 60 days.

FISCAL IMPACT:

Senate Bill 851 will have no adverse fiscal impact on Commonwealth or local funds.