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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1871

Session of  
1984

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INTRODUCED BY CALTAGIRONE, TRELLO, WAMBACH, PETRONE, POTT, NOYE,  
FISCHER, TIGUE, KOSINSKI, MICOZZIE, KLINGAMAN, CIVERA,  
MICHLOVIC, MORRIS, HERMAN, WOGAN, SEMMEL, GANNON, JOHNSON,  
DAWIDA, HALUSKA, CARN, McMONAGLE, BATTISTO, COLE, MOEHLMANN,  
PISTELLA, AFFLERBACH, STUBAN, DUFFY AND WILSON, JANUARY 31,  
1984

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REFERRED TO COMMITTEE ON FINANCE, JANUARY 31, 1984

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AN ACT

1 Providing for satisfaction of tax liability out of property  
2 seized in law enforcement actions against illegal operations.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Jeopardy  
7 Assessment Act.

8 Section 2. Declaration of purpose.

9 The United States Congress has experienced that individuals  
10 and entities involved in illegal operations usually have large  
11 tax liability on the basis of unreported income and sales. The  
12 purpose of the act is to set up a program for satisfying this  
13 tax liability out of cash or assets which are seized in law  
14 enforcement action against illegal operations and to compensate  
15 law enforcement offices for participation in the program.

16 Section 3. Definitions.

1       The following words and phrases when used in this act shall  
2 have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4       "Department."   The Department of Revenue.

5       Section 4.   Notice upon seizure.

6       When a police officer of a municipality or of the State  
7 Police seizes property in the course of law enforcement action  
8 against an illegal operation, the police officer shall notify  
9 the department of the seizure and of the approximate value of  
10 the property by the end of the next business day after the  
11 seizure.

12      Section 5.   Assessment.

13      Within 24 hours of receipt of notice under section 4, the  
14 department shall issue a jeopardy assessment of the tax due  
15 against the person or entity from whom the property was seized.  
16 Regardless of the nature of the tax liability, the procedure for  
17 the jeopardy assessment shall be as set forth in section 339 of  
18 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform  
19 Code of 1971. This section does not apply to property which is  
20 claimed by the victim of the illegal activity.

21      Section 6.   Allocation of collected funds.

22      After the department collects upon an assessment under  
23 section 5, the money collected shall be divided equally between  
24 the department and the entity responsible for the seizure. If  
25 the police officer involved in the law enforcement action  
26 against the illegal operation is a police officer of a  
27 municipality, the entity responsible for the seizure is the  
28 municipality. If the police officer involved in the law  
29 enforcement action against the illegal operation is a State  
30 trooper, the entity responsible for the seizure is the State

1 Police. If there is more than one entity responsible for the  
2 seizure, the department shall apportion the share of the  
3 entities responsible for the seizure according to time devoted  
4 to the enforcement action against the illegal operation.

5 Section 7. Regulations.

6 The department shall promulgate regulations to implement this  
7 act.

8 Section 8. Effective date.

9 This act shall take effect in 60 days.