
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1670 Session of
1999

INTRODUCED BY McNAUGHTON, FARGO, SCHRODER, FICHTER, FLICK,
GEIST, S. H. SMITH, R. MILLER, HARHAI, THOMAS, M. COHEN,
ROSS, RUBLEY, YOUNGBLOOD, ZUG AND MAITLAND, JUNE 15, 1999

SENATOR GERLACH, LOCAL GOVERNMENT, IN SENATE, AS AMENDED,
FEBRUARY 8, 2000

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," providing for the alternative collection of
29 taxes; and further providing for discharge of tax claims and
30 for date of sale.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

3 Section 1. Section 201 of the act of July 7, 1947 (P.L.1368,
4 No.542), known as the Real Estate Tax Sale Law, amended July 3,
5 1986 (P.L.351, No.81), is amended to read:

6 Section 201. Creation of Bureaus.--[A] Except as otherwise
7 provided in section 201.1, a Tax Claim Bureau is hereby created
8 in each county in the office of the county commissioners.

9 Section 2. The act is amended by adding a section to read:

10 Section 201.1. Alternative Collection of Taxes.--(a) In
11 lieu of creating a bureau, counties are authorized to provide,
12 by ordinance, for the appointment and compensation of such
13 agents, clerks, collectors and other assistants and employes,
14 either under existing departments, in private sector entities or
15 otherwise as may be deemed necessary, for the collection and
16 distribution of taxes under this act. Any alternative collection
17 method shall be subject to all of the notices, time frames,
18 enumerated fees and protections for property owners contained in
19 this act. Two or more counties may enter into a joint agreement
20 under 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental
21 cooperation) to provide for the alternative collection of taxes
22 under this section.

23 (b) The requirement of section 203 to furnish bonds,
24 provisions of this act relating to accounting and distribution
25 of moneys and other provisions relating to operation of a bureau
26 shall apply to an alternative collection system established
27 under this section.

28 Section 3. Section 501 of the act, amended January 29, 1998
29 (P.L.24, No.5) and December 21, 1998 (P.L.1008, No.133), is
30 amended to read:

1 Section 501. Discharge of Tax Claims.--

2 (a) Any owner, his heirs or legal representatives, or any
3 lien creditor, his heirs, assigns or legal representative, or
4 other interested person or, with the approval of the lienholding
5 political subdivision, disinterested person may cause the
6 discharge of tax claims and liens entered against the property
7 by payment to the bureau of the amount of the aforesaid claim
8 and interest thereon, the amount of any other tax claim or tax
9 judgment due on such property and interest thereon, and the
10 amount of all accrued taxes which have been returned and remain
11 unpaid, the record costs, including pro rata costs of the notice
12 or notices given in connection with the returns or claims
13 calculated under paragraph (1), (2) or (3). The county may give
14 the right of first refusal for discharge of tax claims under
15 this section to the local redevelopment authority, municipality
16 or its designated agent. The subject property shall be removed
17 from exposure to sale and shall not be listed in any
18 advertisement relating to sale of property for delinquent taxes
19 if, prior to July 1 of the year following the notice of claim,
20 payment is made in any of the following amounts:

21 (1) An amount equal to the sum of:

22 (i) the outstanding taxes entered on notice of claim and
23 interest due on those taxes;

24 (ii) the amount of any other tax claim on or tax judgment
25 against such property and interest on that claim or judgment;

26 (iii) the amount of all accrued taxes which have been
27 returned and remain unpaid; and

28 (iv) the record costs, including pro rata costs of notice
29 given in connection with returns and claims.

30 (2) An amount less than the total amount due under paragraph

1 (1) if the political subdivision agrees to accept that amount.
2 If payment is made after July 1 of the year following the notice
3 of claim, but before the actual sale of the property, the
4 property shall not be sold, but the property and name of owner
5 may appear in an advertisement relating to the sale of property
6 for delinquent taxes.

7 (3) With respect to two (2) or more claims or judgments
8 transferred by a political subdivision to a person, an amount
9 less than the aggregate amount due for such claims or judgments
10 under paragraph (1) if the political subdivision agrees to
11 accept that amount.

12 (a.1) Upon receipt of payment or upon certification to the
13 bureau that payment of all taxes and other charges otherwise
14 payable to the bureau under this act has been made to a taxing
15 district, the bureau shall issue written acknowledgement of
16 receipt and a certificate of discharge and shall enter
17 satisfaction on the record. All payments received shall be
18 distributed to the taxing district entitled thereto not less
19 than once every three (3) months.

20 (b) When any property is discharged from tax claim by
21 payment by a lien creditor, or his heirs, assigns or legal
22 representatives, or by any person, whether interested or
23 disinterested, the certificate shall be issued to the person
24 making the payment and shall state the fact of the discharge, a
25 brief description of the property discharged and the amount of
26 the discharge payment. This certificate may be entered in the
27 office of the prothonotary as a judgment against the owner of
28 the property for the entire amount due to the political
29 subdivision, regardless of whether the property was discharged
30 from tax claim by payment under subsection (a)(1), (2) or (3).

1 The lien of any such judgment shall have priority over all other
2 liens against such property in the same manner and to the same
3 extent as the taxes involved in the discharge.

4 (b.1) In addition to any other remedy provided by law, a
5 certificate under subsection (b) enables the person for whose
6 benefit judgment was entered to proceed by action in assumpsit
7 and recover the amount of tax due by an owner and to recover
8 related attorney fees and court costs and reasonable collection
9 costs related thereto. An action under this subsection must be
10 commenced within six (6) years after the taxes first became due.

11 (c) There shall be no redemption of any property after the
12 actual sale thereof.

13 (d) Nothing in this section shall preclude the bureau from
14 retaining the five per centum (5%) commission on all money
15 collected by the bureau and any interest earned on money held by
16 the bureau as provided in section 205(c).

17 (e) If any interested or disinterested person holding a
18 judgment certificate sells real or personal property subject to
19 a judgment certificate at a judicial or a private sale and the
20 proceeds of the sale are less than the amount of the judgment
21 certificate and any municipal or other claim with liens on the
22 property that are coequal or senior to the lien of the person
23 holding the judgment certificate, the proceeds of the sale shall
24 be distributed in the following order of priority:

25 (1) first to the costs of enforcement and sale, including
26 attorney fees or commissions, incurred by the person holding the
27 judgment certificate in enforcing its rights against the
28 property;

29 (2) to any and all claims senior in priority to that of the
30 holder of the judgment certificate in proportion to such claims;

1 and

2 (3) the balance to all municipal claims coequal in lien
3 priority with the judgment certificate, including the claim to
4 which the judgment certificate relates, in proportion to such
5 claims.

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

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

9 (d) No individual whose landlord license ~~or certificate of~~ <—
10 ~~occupancy~~ has been revoked ~~or suspended~~, as determined by local <—
11 ordinance, may purchase property at a tax sale under this
12 section. Every person bidding for property IN THE COUNTY IN <—
13 WHICH THE LOCAL MUNICIPALITY IS LOCATED to be sold at a tax sale
14 under this section must certify that they are not bidding for or
15 acting as an agent for a person who is barred from participating
16 in a sale under this subsection. Pursuant to this subsection,
17 the local municipality shall, WITHIN FORTY-EIGHT (48) HOURS OF A <—
18 TAX SALE, furnish to the county IN WHICH THE LOCAL MUNICIPALITY <—
19 IS LOCATED documentation relating to landlord license ~~and~~ <—
20 ~~certificate of occupancy~~ revocations, as determined by local
21 ordinance.

22 Section 5. This act shall take effect in 60 days.