

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 633 Session of 2013

INTRODUCED BY BROWNE, WASHINGTON, ERICKSON, STACK, RAFFERTY,  
FERLO, MENSCH AND SOLOBAY, MARCH 7, 2013

REFERRED TO FINANCE, MARCH 7, 2013

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," changing the date from which, and  
16 the rate of which, interest is charged on certain delinquent  
17 taxes and other municipal claims; providing for the duties of  
18 third-party collectors and for adoption of ordinance for the  
19 exclusive collection of taxes; further providing for locality  
20 index; modernizing the law relating to collection of such  
21 taxes and claims; and providing for severability.

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

24 Section 1. Section 1 of the act of May 16, 1923 (P.L.207,  
25 No.153), referred to as the Municipal Claim and Tax Lien Law,  
26 amended August 14, 2003 (P.L.83, No.20) and July 15, 2004  
27 (P.L.726, No.83), is amended to read:

1 Section 1. Be it enacted, &c., That the word "taxes," as  
2 used in this act, means any county, city, borough, incorporated  
3 town, township, school, bridge, road, or poor taxes, together  
4 with and including all penalties, interest, costs, charges,  
5 expenses and fees, including reasonable attorney fees, as  
6 allowed by this act and all other applicable laws.

7 The word "delinquent," as used in this act, except with  
8 respect to county taxes in counties of the second class, refers  
9 to taxes that remain unpaid on December 31 of the calendar year  
10 in which they became first due and payable, except that if the  
11 taxes are being paid in installments pursuant to and in  
12 accordance with the provisions of any act permitting or  
13 requiring installment payments, the term shall mean that portion  
14 of the taxes that remains unpaid on the first day of the month  
15 following the month that the last required installment payment  
16 was due and payable. For municipal claims, other than tax  
17 claims, the term means ninety days after the date of the initial  
18 billing for the claims.

19 The word "highway," as used in this act, means the whole or  
20 any part of any public street, public road, public lane, public  
21 alley, or other public highway.

22 The words "tax claim," as used in this act, mean the claim  
23 filed to recover taxes.

24 The words "municipal claim," as used in this act, unless  
25 specifically indicated otherwise, mean and include (1) the claim  
26 arising out of, or resulting from, a tax assessed, service  
27 supplied, work done, or improvement authorized and undertaken,  
28 by a municipality, although the amount thereof be not at the  
29 time definitely ascertained by the authority authorized to  
30 determine the same, and a lien therefor be not filed, but

1 becomes filable within the period and in the manner herein  
2 provided, (2) the claim filed to recover for the grading,  
3 guttering, macadamizing, or otherwise improving, the cartways of  
4 any public highway; for grading, curbing, recurbing, paving,  
5 repaving, constructing, or repairing the footways thereof; for  
6 laying water pipes, gas pipes, culverts, sewers, branch sewers,  
7 or sewer connections therein; for assessments for benefits in  
8 the opening, widening or vacation thereof; or in the changing of  
9 water-courses or the construction of sewers through private  
10 lands; or in highways of townships of the first class; or in the  
11 acquisition of sewers and drains constructed and owned by  
12 individuals or corporations, and of rights in and to use the  
13 same; for the removal of nuisances; or for garbage fees,  
14 recycling fees, landlord licensing and inspection fees, water  
15 rates, lighting rates, or sewer rates, and (3) the claim filed  
16 to recover for work, material, and services rendered or  
17 furnished in the construction, improvement, maintenance, and  
18 operation of a project or projects of a body politic or  
19 corporate created as a Municipal Authority pursuant to law. A  
20 municipal claim shall be together with and shall include all  
21 penalties, interest, costs, fines, charges, expenses and fees,  
22 including reasonable attorney fees, as allowed by this act and  
23 all other applicable laws.

24 The word "claimant," as used in this act, means the plaintiff  
25 or use-plaintiff in whose favor the claim is filed as a lien.

26 The word "contractor," as used in this act, means the person  
27 or persons who, under contract with the legal plaintiff,  
28 performed the work for which the lien is given.

29 The word "property," as used in this act, means the real  
30 estate subject to the lien and against which the claim is filed

1 as a lien.

2 The word "owner," as used in this act, means the person or  
3 persons in whose name the property is registered, if registered  
4 according to law, and, in all other cases, means any person or  
5 persons in open, peaceable and notorious possession of the  
6 property, as apparent owner or owners thereof, if any, or the  
7 reputed owner or owners thereof in the neighborhood of such  
8 property.

9 The word "municipality," as used in this act, means any  
10 county, city, borough, incorporated town, township, school  
11 district, or a body politic and corporate created as a Municipal  
12 Authority pursuant to law and any assignees thereof.

13 The words "charges, expenses, and fees," as used in this act,  
14 include all sums paid or incurred by a municipality to file,  
15 preserve and collect unpaid taxes, tax claims, tax liens,  
16 municipal claims and municipal liens, including, but not limited  
17 to, prothonotary and sheriff fees, postage expenses, and title  
18 search expenses. A county, city, borough, incorporated town,  
19 township, school district or municipal authority may also  
20 recover as "charges, expenses, and fees" the charges, expenses,  
21 commissions and fees of third-party collectors retained by the  
22 county, city, borough, incorporated town, township, school  
23 district or municipal authority, provided that the charges,  
24 expenses, commissions and fees of such third-party collectors  
25 are approved by legislative action of the county, city, borough,  
26 incorporated town, township, school district or municipal  
27 authority which levies the unpaid taxes, tax claims, tax liens,  
28 municipal claims and municipal liens.

29 The word "solicitor," as used in this act, means any attorney  
30 engaged by the municipality to collect delinquent tax and

1 municipal claims under this act.

2 Section 2. Section 3 of the act, amended August 14, 2003  
3 (P.L.83, No.20), is amended to read:

4 Section 3. (a) All municipal claims, municipal liens,  
5 taxes, tax claims and tax liens which may hereafter be lawfully  
6 imposed or assessed on any property in this Commonwealth, and  
7 all such claims heretofore lawfully imposed or assessed within  
8 six months before the passage of this act and not yet liened, in  
9 the manner and to the extent hereinafter set forth, shall be and  
10 they are hereby declared to be a lien on said property, together  
11 with all charges, expenses, and fees incurred in the collection  
12 of any delinquent account, including reasonable attorney fees  
13 under subsection (a.1), added thereto for failure to pay  
14 promptly; and municipal claims and municipal liens shall arise  
15 when lawfully imposed and assessed and shall have priority to  
16 and be fully paid and satisfied out of the proceeds of any  
17 judicial sale of said property, before any other obligation,  
18 judgment, claim, lien, or estate with which the said property  
19 may become charged, or for which it may become liable, save and  
20 except only the costs of the sale and of the writ upon which it  
21 is made, and the taxes, tax claims and tax liens imposed or  
22 assessed upon said property.

23 (a.1) [It is not the intent of this subsection to require  
24 owners to pay, or municipalities to sanction, inappropriate or  
25 unreasonable attorney fees, charges or expenses for routine  
26 functions.] Attorney fees incurred in the collection of any  
27 delinquent account, including municipal claims, municipal liens,  
28 taxes, tax claims and tax liens, shall be in an amount  
29 sufficient to compensate attorneys undertaking collection and  
30 representation of a municipality or its assignee in any actions

1 in law or equity involving claims arising under this act. A  
2 municipality by ordinance, or by resolution if the municipality  
3 is of a class which does not have the power to enact an  
4 ordinance, shall adopt the schedule of attorney fees. Where  
5 attorney fees are sought to be collected in connection with the  
6 collection of a delinquent account, including municipal claims,  
7 municipal liens, taxes, tax claims and tax liens, the owner may  
8 individually petition the court of common pleas in the county  
9 where the property subject to the municipal claim and lien, tax  
10 claim and lien or taxes is located to adjudicate the  
11 reasonableness of the attorney fees imposed. In the event that  
12 there is a challenge to the reasonableness of the attorney fees  
13 imposed in accordance with this section, the court shall  
14 consider, but not be limited to, the following:

15 (1) The time and labor required, the novelty and difficulty  
16 of the questions involved and the skill requisite to properly  
17 undertake collection and representation of a municipality in  
18 actions arising under subsection (a).

19 (2) The customary charges of the members of the bar for  
20 similar services.

21 (3) The amount of the delinquent account collected and the  
22 benefit to the municipality from the services.

23 (4) The contingency or the certainty of the compensation.

24 (a.2) Any time attorney fees are awarded pursuant to any  
25 provision of law, the municipality shall not be entitled to  
26 duplicate recovery of attorney fees under this section.

27 (a.3) (1) At least thirty days prior to assessing or  
28 imposing attorney fees in connection with the collection of a  
29 delinquent account, including municipal claims, municipal liens,  
30 taxes, tax claims and tax liens, a municipality shall, by United

1 States certified mail, return receipt requested, postage  
2 prepaid, mail to the owner the notice required by this  
3 subsection. Notwithstanding the provision of this subsection, a  
4 reasonable fee paid or incurred by a municipality to an attorney  
5 or law firm to satisfy the notice requirements of this section  
6 may be assessed without providing prior notice.

7 (2) If within thirty days of mailing the notice in  
8 accordance with clause (1) the certified mail is refused or  
9 unclaimed or the return receipt is not received, then at least  
10 ten days prior to assessing or imposing attorney fees in  
11 connection with the collection of a delinquent account, a  
12 municipality shall, by United States first class mail, mail to  
13 the owner the notice required by this subsection.

14 (3) The notice required by this subsection shall be mailed  
15 to the owner's last known post office address by virtue of the  
16 knowledge and information possessed by the municipality and by  
17 the county office responsible for assessments and revisions of  
18 taxes. It shall be the duty of the municipality to determine the  
19 owner's last post office address known to said collector and  
20 county assessment office.

21 (4) The notice to the owner shall include the following:

22 (i) A statement of the municipality's intent to impose or  
23 assess attorney fees within thirty days of mailing the notice  
24 pursuant to clause (1) or within ten days of the mailing of the  
25 notice pursuant to clause (2).

26 (ii) The manner in which the imposition or assessment of  
27 attorney fees may be avoided by payment of the delinquent  
28 account.

29 (b) With the exception of those claims which have been  
30 assigned, any municipal claim, municipal lien, tax, tax claim or

1 tax lien, including interest, penalty and costs, imposed by a  
2 city of the first class, shall be a judgment only against the  
3 said property when the lien has been docketed by the  
4 prothonotary. The docketing of the lien shall be given the  
5 effect of a judgment against the said property only with respect  
6 to which the claim is filed as a lien. The prothonotary shall  
7 maintain an in rem index, the form and location of which shall  
8 be within the prothonotary's discretion. All tax claims, water  
9 rents or rates, lighting rates, power rates and sewer rates  
10 heretofore filed are hereby ratified, confirmed and made valid  
11 subsisting liens as of the date of their original filing.

12 (c) A writ of execution may issue directly without  
13 prosecution to judgment of a writ of scire facias. Any property  
14 sold in execution shall be sold in compliance with the  
15 provisions of section 31.2.

16 (d) Attorney fees may be imposed and collected in accordance  
17 with this section upon all taxes, tax claims, tax liens,  
18 municipal claims, municipal liens, writs of scire facias,  
19 judgments or executions filed on or after December 19, 1990.

20 Section 3. Section 9 of the act, amended February 21, 2006  
21 (P.L.46, No.18), is amended to read:

22 Section 9. Claims for taxes, water rents or rates, lighting  
23 rates, power rates and sewer rates must be filed in the court of  
24 common pleas of the county in which the property is situated  
25 unless the property is situate in the City of Philadelphia and  
26 the taxes or rates do not exceed the maximum amount over which  
27 the Municipal Court of Philadelphia has original jurisdiction,  
28 in which event the claim must be filed in the Municipal Court of  
29 Philadelphia. All such claims shall be filed on or before the  
30 last day of the third calendar year after that in which the

1 taxes or rates are first payable, except that in cities and  
2 school districts of the first class claims for taxes and other  
3 municipal claims, which have heretofore become liens pursuant to  
4 the provisions of this act or which have been entered of record  
5 as liens or which have been liened and revived, shall continue  
6 and remain as liens for the period of twenty years from such  
7 revival, entry or lien by operation of law, whichever shall have  
8 last occurred; and other municipal claims must be filed in said  
9 court of common pleas or the Municipal Court of Philadelphia  
10 within six months from the time the work was done in front of  
11 the particular property, where the charge against the property  
12 is assessed or made at the time the work is authorized; within  
13 six months after the completion of the improvement, where the  
14 assessment is made by the municipality upon all the properties  
15 after the completion of the improvement; and within six months  
16 after confirmation by the court, where confirmation is required;  
17 the certificate of the surveyor, engineer, or other officer  
18 supervising the improvement, filed in the proper office, being  
19 conclusive of the time of completion thereof, but he being  
20 personally liable to anyone injured by any false statement  
21 therein. Where a borough lies in more than one county, any such  
22 claim filed by such borough may be filed in each of such  
23 counties. In case the real estate benefited by the improvement  
24 is sold before the municipal claim is filed, the date of  
25 completion in said certificate shall determine the liability for  
26 the payment of the claim as between buyer and seller, unless  
27 otherwise agreed upon or as above set forth. A number of years'  
28 taxes or rates of different kinds if payable to the same  
29 plaintiff may be included in one claim. Interest as determined  
30 by the municipality at a rate not to exceed ten per cent per

1 annum shall be collectible on [all] the face and penalty amount  
2 of both taxes and municipal claims from the date [of the  
3 completion of the work after it is filed as a lien, and on  
4 claims for taxes, water rents or rates, lighting rates, or sewer  
5 rates from the date of the filing of the lien therefor] on which  
6 the taxes or municipal claims become delinquent or for counties  
7 of the second class, as otherwise provided by law: Provided,  
8 however, That after the effective date of this amendatory act  
9 where municipal claims are filed arising out of a municipal  
10 project which required the municipality to issue bonds to  
11 finance the project interest shall be collectible on such claims  
12 at the rate of interest of the bond issue or at the rate of  
13 twelve per cent per annum, whichever is less. Where the  
14 provisions of any other act relating to claims for taxes, water  
15 rents or rates, lighting rates, power rates, sewer rents or  
16 rates or for any other type of municipal claim or lien utilizes  
17 the procedures provided in this act and where the provisions of  
18 such other act establishes a different rate of interest for such  
19 claims or liens, the maximum rate of interest of ten per cent  
20 per annum as provided for in this section shall be applicable to  
21 the claims and liens provided for under such other acts:  
22 Provided, however, That after the effective date of this  
23 amendatory act where municipal claims are filed arising out of a  
24 municipal project which required the municipality to issue bonds  
25 to finance the project interest shall be collectible on such  
26 claims at the rate of interest of the bond issue or at the rate  
27 of twelve per cent per annum, whichever is less.

28 Claims for taxes, water rents, or rates, lighting rates,  
29 power rates and sewer rates may be in the form of written or  
30 typewritten lists showing the names of the taxables, including

1 the name and last known address, with its zip code, of the owner  
2 of each property against which a claim is being filed, and  
3 descriptions of the properties against which the claims are  
4 filed, together with the amount of the taxes due such  
5 municipality. Such lists may be filed on behalf of a single  
6 municipality, or they may cover the unpaid taxes due any two or  
7 more municipalities whose taxes are collected by the same tax  
8 collector, provided the amounts due each municipality are  
9 separately shown. All tax claims, water rents, or rates,  
10 lighting rates, power rates and sewer rates, heretofore filed in  
11 such form, are hereby ratified, confirmed and made valid  
12 subsisting liens as of the date of their original filing.

13 A number of years' taxes or rates of different kinds, if  
14 payable to the same plaintiff, may be included in one claim.  
15 Municipal claims shall likewise be filed within said period,  
16 where any appeal is taken from the assessment for the recovery  
17 of which such municipal claim is filed. In such case the lien  
18 filed shall be in the form hereinafter provided, except that it  
19 shall set forth the amount of the claim as an undetermined  
20 amount, the amount thereof to be determined by the appeal taken  
21 from the assessment upon which such municipal claim is based,  
22 pending in a certain court (referring to the court and the  
23 proceeding where such appeal is pending). Upon the filing of  
24 such municipal claim, the claim shall be indexed by the  
25 prothonotary upon the judgment index and upon the locality index  
26 of the court, and the amount of the claim set forth therein as  
27 an undetermined amount.

28 If final judgment is not obtained upon such appeal within  
29 twenty years from the filing of such municipal claim, the  
30 claimant in the lien shall, within such period of twenty years,

1 file a suggestion of nonpayment, in the form hereinafter set  
2 forth, which shall have the effect of continuing the lien  
3 thereof for a further period of twenty years from the date of  
4 filing such suggestion, except that with respect to claims for  
5 taxes and other municipal claims, in cities and school districts  
6 of the first class, if final judgment is not obtained upon such  
7 appeal within twenty years from the filing of such municipal  
8 claims, the claimant in the lien shall, within such period of  
9 twenty years, file a suggestion of nonpayment in the prescribed  
10 form which shall have the effect of continuing the lien thereof  
11 for a further period of twenty years from the date of filing  
12 such suggestion. Such municipal claim shall be revived in a  
13 similar manner during each recurring period of twenty years  
14 thereafter, until final judgment is entered upon said appeal and  
15 the undetermined amount of such municipal claim is fixed in the  
16 manner hereinafter provided, except that with respect to claims  
17 for taxes and other municipal claims, in cities and school  
18 districts of the first class, such municipal claims shall be  
19 revived in a similar manner during each recurring period of  
20 twenty years thereafter until final judgment is entered upon  
21 said appeal and the undetermined amount of such municipal claim  
22 is fixed in the manner hereinafter provided.

23 When the final judgment is obtained upon such appeal, the  
24 court in which said municipal claim is pending shall, upon the  
25 petition of any interested party, make an order fixing the  
26 undetermined amount claimed in such claim at the amount  
27 determined by the final judgment upon said appeal, which shall  
28 bear interest from the date of the verdict upon which final  
29 judgment was entered, and thereafter the amount of said claim  
30 shall be the sum thus fixed. Proceedings upon said municipal

1 claim thereafter shall be as in other cases.

2 Where, on final judgment upon said appeal, it appears that no  
3 amount is due upon the assessment for the recovery of which such  
4 claim is filed, the court in which such municipal claim is  
5 pending shall, upon the petition of any interested party, make  
6 an order striking such municipal claim from the record, and  
7 charge the costs upon such claim to the plaintiff in the claim  
8 filed.

9 Where such appeal is discontinued, the court in which such  
10 municipal claim is pending shall, upon the petition of any  
11 interested party, make an order fixing the undetermined amount  
12 claimed at the amount of the original assessment, which shall  
13 bear interest from the date that such assessment was originally  
14 payable, and thereafter the amount of such claim shall be the  
15 sum thus fixed.

16 In counties of the second class and municipalities therein,  
17 interest at the applicable per annum rate shall accrue monthly  
18 on all taxes, tax claims and municipal claims on the first day  
19 of the month for the entire month, or part thereof, in which the  
20 taxes, tax claims or municipal claims are paid. Interest shall  
21 not be paid on a per diem basis. In counties of the second  
22 class, all county taxes after the same become delinquent, as  
23 provided by law, shall include a penalty of five per centum for  
24 such delinquency.

25 In counties of the second class, taxes and tax claims, when  
26 collected, shall be paid into the county treasury for the use of  
27 the county unless the taxes and tax claims are assigned, in  
28 which event there is no requirement that the taxes and tax  
29 claims collected by the assignee be paid into the county  
30 treasury.

1 In counties of the second class, the county shall not be  
2 required to advance or pay any fee to the prothonotary for the  
3 filing of paper or electronic filing or performing any services  
4 for the second class county relating to the filing,  
5 satisfaction, assignment, transfer, revival, amendment,  
6 enforcement and collection of taxes, tax claims and tax liens.  
7 The prothonotary shall accept filings by or on behalf of the  
8 second class county relating to the taxes, tax claims and tax  
9 liens and note the cost for such service performed on the  
10 docket, and the second class county, its employees,  
11 representatives, agents and assigns shall thereafter collect  
12 such fee as a cost as part of the taxes, tax claims and tax  
13 liens.

14 Section 4. Sections 14 and 18 of the act are amended to  
15 read:

16 Section 14. Any defendant named in the claim, or any person  
17 allowed to intervene and defend [thereagainst] there against,  
18 may, at any stage of the proceedings, present his petition,  
19 under oath or affirmation, setting forth that he has a defense  
20 in whole or in part thereto, and of what it consists; and  
21 praying that a rule be granted upon the claimant to file an  
22 affidavit of the amount claimed by him, and to show cause why  
23 the petitioner should not have leave to pay money into court;  
24 and, in the case of a municipal claim, to enter security in lieu  
25 of the claim; whereupon a rule shall be granted as prayed for.  
26 Upon the pleadings filed, or from the claim and the affidavit of  
27 defense, and without a petition where an affidavit of defense  
28 has been filed, the court shall determine how much of the claim  
29 is admitted or not sufficiently denied; and shall enter a decree  
30 that upon payment by such petitioner to the claimant of the

1 amount thus found to be due, with interest and costs if anything  
2 be found to be due, or upon payment into court, if the claimant  
3 refuses to accept the same, and upon payment into court of a sum  
4 sufficient to cover the balance claimed, with interest and  
5 costs, or upon the entry of approved security in the case of a  
6 municipal claim, that such claim shall be wholly discharged as a  
7 lien against the property described therein, and shall be  
8 stricken from the judgment index. Thereafter the material,  
9 disputed facts, if any, [shall] may be tried by a jury or the  
10 court, without further pleadings, with the same effect as if a  
11 writ of scire facias had duly issued upon said claim, to recover  
12 the balance thereof; but the jury or the court shall be sworn to  
13 try the issues between the claimant and the parties who paid the  
14 fund into court or entered security, and verdict, judgment and  
15 payment, or execution, shall follow as in other cases. The same  
16 course may be pursued, at the instance of any owner, where the  
17 claim has not in fact been filed, and if, in that event, the  
18 petitioner complies with the decree made, the money paid into  
19 court or security entered shall stand in lieu of the claim and  
20 the latter shall not be filed, and if filed shall be stricken  
21 off upon motion.

22 Section 18. The sheriff to whom the scire facias is given  
23 for service shall add to the writ, as parties defendant, all  
24 persons, other than those named therein, who may be found in  
25 possession of the property described, or any part thereof, and  
26 in case no one is found in possession by the sheriff he shall  
27 post a true copy of the writ on the most public part of said  
28 property; and he shall add to the said writ the names of any  
29 persons, not already named therein, whom he may ascertain to  
30 have an interest in the property described, or any part thereof,

1 which writ shall then be further served as follows:

2 (a) By serving, as in the case of a summons, such of those  
3 named in the writ, or added thereto, as may be found in the  
4 county in which the writ issued; and,

5 (b) Where the sheriff has information that those named in  
6 the writ, or added thereto, or any of them, may be found in any  
7 other county of this Commonwealth, the said person shall be  
8 served, as in the case of a summons, by the sheriff of the  
9 county in which the said defendants or any of them may reside,  
10 he being deputized for that purpose by the sheriff of the county  
11 in which the writ issues; and,

12 (c) (1) (i) In case any of those named in the writ, or  
13 added thereto, cannot be found by the sheriff, or their  
14 residences within this Commonwealth are unknown to him, or in  
15 case they reside without the Commonwealth or are deceased, the  
16 said writ [may] shall be served [by advertising a copy thereof,  
17 or a brief notice of the contents of the same, once a week for  
18 three successive weeks, in one newspaper of general circulation  
19 in the county, and in the legal periodical, if any, designated  
20 by the court for that purpose: Provided, however, That any  
21 defendant may accept service of said writ, in person or by  
22 counsel, with the same effect as if duly served therewith by the  
23 sheriff.] in accordance with the Pennsylvania Rules of Civil  
24 Procedure for service in real property actions.

25 (ii) Notwithstanding subclause (i), any defendant may accept  
26 service of said writ, in person or by counsel, with the same  
27 effect as if duly served therewith by the sheriff.

28 (2) Where the said writ[, or the brief notice of the  
29 contents thereof, have been advertised as aforesaid, the same  
30 shall have the same effect as if the writ had been personally

1 served; and all those named therein, or added thereto, as to  
2 whom publication has been made, shall file their affidavit of  
3 defense, as required by the said writ, within fifteen days after  
4 the date of the last weekly advertisement of the said writ;] has  
5 been served under subsection (c)(1)(i), the service shall have  
6 the same effect as if the writ had been personally served; and  
7 all those named therein, or added thereto, shall file their  
8 affidavit of defense, as required by the said writ, within  
9 fifteen days after the date of service of the said writ; and all  
10 those named therein or added thereto, who have been served as in  
11 case of a summons, shall file their affidavit of defense, as  
12 required by said writ, within fifteen days after such service.  
13 Service of any such writ may be made at any time within three  
14 months from the date on which it was issued, but it shall be  
15 served and returned at the earliest date possible, and the  
16 plaintiff may require its return at any time, whether or not it  
17 be actually served.

18 Section 5. Section 26 of the act, amended February 21, 2006  
19 (P.L.46, No.18), is amended to read:

20 Section 26. (a) It shall be the duty of the prothonotaries  
21 of the courts of common pleas to keep a locality index, in which  
22 shall be entered all tax or municipal claims hereafter filed,  
23 and, upon any written order therefor, they shall give a  
24 certificate of search, showing all the claims filed against any  
25 property. For so doing they shall receive the sum of twenty-five  
26 cents, and five cents additional for each claim certified, and  
27 no more.

28 (b) (1) In addition to the requirements of subsection (a),  
29 the department or public official responsible for collection of  
30 delinquent taxes in a city of the first class or other

1 municipality that utilizes this act for the collection of  
2 delinquent taxes, and the county treasurer in a county of the  
3 second class, shall maintain as a public record a list of all  
4 properties against which taxes were levied, the whole or any  
5 part of which were due and payable in a prior year and which  
6 remain unpaid. This list shall describe the property and  
7 identify its location, provide the name and last known address,  
8 including the zip code, of the owner of the property and the  
9 amount of unpaid taxes, penalties and interest due, for all  
10 years other than the current tax year. If taxes on the list are  
11 paid or another settlement had been agreed to or if a tax sale  
12 of the property is held, this fact shall be noted on the list.

13 (2) In addition to the requirements of subsection (a), the  
14 department or public official responsible for collection of  
15 delinquent taxes may report any nonpayment of taxes, including  
16 liens, to one or more consumer reporting agencies, as defined by  
17 the Fair Credit Reporting Act (Public Law 91-508, 15 U.S.C. §  
18 1681 et seq.).

19 Section 6. Section 31 of the act, amended November 29, 2004  
20 (P.L.1299, No.163), is amended to read:

21 Section 31. The lien of a tax or a municipal claim shall not  
22 be divested by any judicial sale of the property liened, where  
23 the amount due is indefinite or undetermined, or where the same  
24 is not due and payable; nor shall the lien of a tax or municipal  
25 claim be divested by any judicial sale of the property liened,  
26 as respects so much thereof as the proceeds of such sale may be  
27 insufficient to discharge; nor, except as hereinafter provided,  
28 shall a judicial sale of the property liened, under a judgment  
29 obtained on a tax or municipal claim, discharge the lien of any  
30 other tax or municipal claim than that upon which said sale is

1 had, except to the extent that the proceeds realized are  
2 sufficient for its payment, obtained on a tax or municipal  
3 claim, discharge the lien of any other tax or municipal claim  
4 than that upon which said sale is had, except to the extent that  
5 the proceeds realized are sufficient for its payment, after  
6 paying the costs, charges and fees, including reasonable  
7 attorney fees, expenses of the sale, and of the writ upon which  
8 it was made, and any other prior tax or municipal claims to  
9 which the fund may first be applicable. On any such sale being  
10 made all tax claims shall be paid out of the proceeds thereof:  
11 first, the oldest tax having priority; and municipal claims  
12 shall be paid next, the oldest in point of lien having priority.  
13 Mortgages, ground-rents, and other charges on or estates in the  
14 property which were recorded, or created where recording is not  
15 required, before any tax other than for the current year accrue,  
16 or before the actual doing of the work in front of or upon the  
17 particular property for which the municipal claim is filed,  
18 shall not be disturbed by such sale unless a prior lien is also  
19 discharged thereby.

20 In case the property be not sold for a sum sufficient to pay  
21 all taxes and municipal claims, together with the costs thereon,  
22 the plaintiff in any such claim may postpone the sale by  
23 announcement to the assembled bidders or as may otherwise be  
24 provided by local rule or conditions of sale, without payment of  
25 costs, and file his petition setting forth that more than one  
26 year has elapsed since the filing of his claim; that he has  
27 exposed the property to sheriff's sale thereunder, and was  
28 unable to obtain a bid sufficient to pay the upset price in  
29 full; and, if the plaintiff is not a municipality as defined in  
30 this act, that he will bid sufficient to pay the upset price,

1 and upon the production of searches or a title insurance policy  
2 showing the state of the record and the ownership of the  
3 property, and of all tax and municipal claims, mortgages,  
4 ground-rents, or other charges on or estates in the land, the  
5 court shall grant a rule upon all parties thus shown to be  
6 interested to appear and show cause why a decree should not be  
7 made that said property be sold, freed, and cleared of their  
8 respective claims, mortgages, charges, and estates. If, upon a  
9 hearing thereafter, the court is satisfied that service has been  
10 made of said rule upon the parties respondent, in the manner  
11 provided in section 39.2, and that the facts stated in the  
12 petition be true, it shall order and decree that said property  
13 be sold at a subsequent sheriff's sale day, to be fixed by the  
14 court without further advertisement, and the court may fix a  
15 common date and place of sale for more than one of said  
16 properties if it deems a joint sale to be advantageous. All  
17 property at sheriff's sale shall be sold, clear of all claims,  
18 liens, mortgages, charges, and estates, to the highest bidder at  
19 such sale; and the proceeds realized therefrom shall be  
20 distributed in accordance with the priority of such claims; and  
21 the purchaser at such sale shall take, and forever thereafter  
22 have, an absolute title to the property sold, free, and  
23 discharged of all tax and municipal claims, liens, mortgages,  
24 charges, and estates of whatsoever kind, subject only to the  
25 right of redemption as provided by law. In counties of the  
26 second class, upon return of the writ upon which the sale was  
27 made and upon the expiration of the statutory right of  
28 redemption and if no petition to set aside the sale is pending,  
29 the prothonotary shall satisfy all tax claims and municipal  
30 claims divested by the judicial sale in accordance with the

1 order of court authorizing such sale.

2 Any person interested may, at any time before the sale, pay  
3 the petitioner the whole of his claim, with interest, costs,  
4 charges, expenses, fees and attorney fees, whereupon the  
5 proceedings on petition shall at once determine.

6 For the purpose of enabling the petitioner in any such  
7 proceedings to give the notice required, he may take the  
8 testimony of the defendant in the claim, or of any other person  
9 whom he may have reason to believe has knowledge of the  
10 whereabouts of any of the parties respondent, either by  
11 deposition, commission, or letters rogatory.

12 Any municipality, being a claimant, shall have the right, and  
13 is hereby empowered, to bid and become the purchaser of the  
14 property at such sale; and while the said property, so  
15 purchased, is held and owned by any county, city, borough,  
16 incorporated town, township, school district or a body politic  
17 and corporate created as a municipal authority pursuant to law,  
18 it shall not be subject to tax claims, unless it be redeemed by  
19 the former owner or other person having the right to redeem, as  
20 provided by law. If, however, a municipality shall become the  
21 purchaser at said sale, the former owner or other person,  
22 desiring to redeem, shall pay all taxes and municipal claims  
23 accrued and chargeable against the property prior to the sale  
24 thereof, together with the costs and interest thereon, and also  
25 all taxes and claims, whether filed or not, which would have  
26 accrued and become chargeable against the property had the same  
27 been purchased at the sale by some party other than the  
28 municipality.

29 Upon the delivery by the sheriff of a deed for any property  
30 sold under a tax or municipal claim, the judgment upon which

1 such sale was had shall thereupon and forever thereafter be  
2 final and conclusive as to all matters of defense which could  
3 have been raised in the proceeding, including payment, and no  
4 error or irregularity in obtaining or entering of such judgment  
5 shall effect the validity thereof.

6 Section 7. Section 39.2 of the act, amended February 7, 1996  
7 (P.L.1, No.1) and August 14, 2003 (P.L.83, No.20), is amended to  
8 read:

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

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

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

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

29 Service of notice pursuant to this section shall be deemed  
30 accomplished on the date of mailing. The city shall file an

1 affidavit of service with the court prior to seeking a decree  
2 ordering the sale of the premises.

3 (a.1) In counties of the second class and municipalities  
4 therein, notice of a rule to show cause why a property should  
5 not be sold free and clear of all liens and encumbrances issued  
6 by a court pursuant to a petition filed by a claimant under  
7 sections [28] 31 and 31.1 of this act shall be served by the  
8 claimant upon owners, mortgagees, holders of ground rents, liens  
9 and charges or estates of whatsoever kind as follows:

10 (1) By posting a true and correct copy of the petition and  
11 rule on the most public part of the property.

12 (2) By reviewing a title search, title insurance policy or  
13 tax information certificate that identifies interested parties  
14 of record, the [county or] municipality shall mail by first  
15 class mail and either by certified mail, return receipt  
16 requested, or by certificate of mailing to such addresses as  
17 appear on the respective records relating to the premises a true  
18 and correct copy of the petition and rule. Notice pursuant to  
19 this section shall be deemed accomplished on the date of  
20 mailing. The [county or] municipality shall file an affidavit of  
21 service with the court prior to seeking a decree ordering the  
22 sale of the premises.

23 (a.2) Except in cities of the first class, counties of the  
24 second class and municipalities located in counties of the  
25 second class, notice of a rule to show cause why a property  
26 should not be sold free and clear of all liens and encumbrances  
27 issued by a court pursuant to a petition filed by a claimant  
28 under section 31 shall be served by the claimant upon owners,  
29 mortgagees, holders of ground rents, liens and charges or  
30 estates of whatsoever kind as follows:

1 (1) By posting a true and correct copy of the petition and  
2 rule on the most public part of the property.

3 (2) By reviewing a title search, title insurance policy or  
4 tax information certificate that identifies interested parties  
5 of record, the municipality shall mail by first class mail and  
6 either by certified mail, return receipt requested, or by  
7 certificate of mailing to the addresses as appear on the  
8 respective records relating to the premises a true and correct  
9 copy of the petition and rule. Notice pursuant to this  
10 subsection shall be deemed accomplished on the date of mailing.  
11 The municipality shall file an affidavit of service with the  
12 court prior to seeking a decree ordering the sale of the  
13 premises which shall include a list of those persons or entities  
14 whose notification under this section was returned by the post  
15 office as undeliverable.

16 (b) No party whose interest did not appear on a title  
17 search, title insurance policy or tax information certificate or  
18 who failed to accurately register his interest and address  
19 pursuant to section 39.1 of this act shall have standing to  
20 complain of improper notice if the city shall have complied with  
21 subsection (a) of this section. This provision shall not apply  
22 if the mortgage or interest was otherwise properly recorded in  
23 the Office of the Recorder of Deeds and the document contains a  
24 current address sufficient to satisfy the notice requirements of  
25 this section. Notwithstanding any other requirement set forth in  
26 this act or any other law to the contrary, the notice required  
27 by subsection (a) of this section shall constitute the only  
28 notice required before a court may enter a decree ordering a tax  
29 sale.

30 (b.1) No party whose interest did not appear on a title

1 search or title insurance policy, because of the party's failure  
2 to record or properly record its interest, shall have standing  
3 to complain of improper notice if the county or municipality  
4 shall have complied with subsection (a.1). This provision shall  
5 not apply if the mortgage or interest was otherwise properly  
6 recorded in the Office of the Recorder of Deeds and the document  
7 contains a current address sufficient to satisfy the notice  
8 requirements of this section. Notwithstanding any other  
9 requirement set forth by subsection (a.1), notice thereunder  
10 shall constitute the only notice required before a court may  
11 enter a decree ordering a tax sale free and clear of liens.

12 (b.2) If the municipality shall have complied with  
13 subsection (a.2), no party whose interest did not appear on a  
14 title search or title insurance policy because of the party's  
15 failure to record or properly record its interest shall have  
16 standing to complain of improper notice. This subsection shall  
17 not apply if the mortgage or interest was otherwise properly  
18 recorded in the Office of the Recorder of Deeds and the document  
19 contains a current address sufficient to satisfy the notice  
20 requirements of this section. Notwithstanding any other  
21 requirement of subsection (a.2), notice thereunder shall  
22 constitute the only notice required before a court may enter a  
23 decree ordering a tax sale free and clear of liens.

24 (c) Notice of the court's decree ordering a tax sale,  
25 together with the time, place and date of the sale, shall be  
26 served by first class mail on all parties served with the  
27 petition and rule, on any parties whose interest appeared of  
28 record after the filing of the petition but before the court's  
29 decree and on any creditor who has obtained judgment against the  
30 owner of the premises prior to the date of the decree. The city

1 shall file an affidavit of service of these notices prior to the  
2 date of the sale.

3 (d) Except in cities of the first class, in sales pursuant  
4 to a petition filed by a claimant under section 31 or 31.1,  
5 notice of the court's decree ordering a tax sale, together with  
6 the time, place and date of the sale, shall be served along with  
7 the notice of sheriff's sale and shall be provided to all  
8 parties entitled to receive notice pursuant to Pa.R.C.P.  
9 No.3129.1 (relating to sale of real property; notice;  
10 affidavit).

11 (e) Except in cities of the first class, in sales pursuant  
12 to a petition filed by a claimant under section 28 or 31, notice  
13 of the court's decree ordering a sale, together with the time,  
14 place and date of the sale, shall be served by first class mail  
15 upon all parties who receive notice pursuant to Pa.R.C.P.  
16 No.3129.1 prior to the initial sale. Notice under this section  
17 shall be provided no later than seven days prior to the  
18 continued sale.

19 Section 8. The act is amended by adding sections to read:

20 Section 42. Notwithstanding any other provision of law, any  
21 taxing district in this Commonwealth may adopt a resolution to  
22 collect taxes under this act exclusively and independently of  
23 any other statute governing the collection of taxes, including  
24 the act of July 7, 1947 (P.L.1368, No.542), known as the "Real  
25 Estate Tax Sale Law," and independent of any county tax claim  
26 bureau. Any taxing district which adopts an ordinance or  
27 resolution to collect taxes under this section shall not be  
28 required to comply with any of the procedures or provisions of  
29 the "Real Estate Tax Sale Law," including the obligation to make  
30 annual returns to any county tax claim bureau nor to pay any

1 fees or commissions under the "Real Estate Tax Sale Law." For  
2 the purposes of this section, the term "taxing district" shall  
3 have the same meaning as given to it under section 102 of the  
4 "Real Estate Tax Sale Law."

5 Section 43. If any provision of this act or its application  
6 to any person or circumstance is held invalid or unenforceable,  
7 the remainder of this act or the application of the provisions  
8 to other persons or circumstances shall not be affected.

9 Section 9. All acts and parts of acts are repealed insofar  
10 as they are inconsistent with this act.

11 Section 10. This act shall take effect in 60 days.