

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 291 Session of 2023

INTRODUCED BY KRAJEWSKI, CEPHAS, SOLOMON, ISAACSON, SMITH-WADE-EL, HOHENSTEIN, GUENST, SCHLOSSBERG, MADDEN, RABB, HILL-EVANS, SANCHEZ, GALLOWAY, D. WILLIAMS, FIEDLER, PARKER, FLEMING, NEILSON, KINKEAD, OTTEN, N. NELSON, WAXMAN, STURLA, PASHINSKI, T. DAVIS AND WEBSTER, MARCH 28, 2023

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 22, 2023

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 municipal lien
16 priority.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 Section 1. Section 3(a)(1) of the act of May 16, 1923
20 (P.L.207, No.153), referred to as the Municipal Claim and Tax
21 Lien Law, is amended to read:

22 Section 3. (a) (1) All municipal claims, municipal liens,
23 taxes, tax claims and tax liens which may hereafter be lawfully

1 imposed or assessed on any property in this Commonwealth, and
2 all such claims heretofore lawfully imposed or assessed within
3 six months before the passage of this act and not yet liened, in
4 the manner and to the extent hereinafter set forth, shall be and
5 they are hereby declared to be a lien on said property, together
6 with all charges, expenses, and fees incurred in the collection
7 of any delinquent account, including reasonable attorney fees
8 under subsection (a.1), added thereto for failure to pay
9 promptly; and municipal claims and municipal liens shall arise
10 when lawfully imposed and assessed and shall have priority to
11 and be fully paid and satisfied out of the proceeds of any
12 judicial sale of said property, before any other obligation,
13 judgment, claim, lien, or estate with which the said property
14 may become charged, or for which it may become liable, save and
15 except only the costs of the sale and of the writ upon which it
16 is made, and the taxes, tax claims and tax liens imposed or
17 assessed upon said property. Modifications of purchase money
18 mortgages as provided under 42 Pa.C.S. § 8141 (relating to time
19 from which liens have priority) that are insured, guaranteed,
20 administered or securitized by a Federal agency listed under 15
21 U.S.C. § 1639c(b) (3) (B) (ii) (I), (II), (III) and (IV) (relating
22 to minimum standards for residential mortgage loans) or by an
23 enterprise as defined under ~~section 4502(10) of the Federal~~ <--
24 Housing Enterprises Financial Safety and Soundness Act of 1992
25 (Public Law 102-550, 106 Stat. 3941) 12 U.S.C. § 4502(10) <--
26 (RELATING TO DEFINITIONS) shall retain priority from the date on
27 which the purchase money mortgage was first delivered as
28 provided under 42 Pa.C.S. § 8141 over any municipal claims and
29 municipal liens that are ~~imposed, assessed or liened thereafter,~~ <--
30 regardless of the date such modification agreement evidencing

1 ~~the mortgage modification is delivered for recording.~~ IMPOSED OR <--
2 ASSESSED PRIOR TO THE MORTGAGE MODIFICATION BEING DELIVERED FOR
3 RECORDING. ANY MUNICIPAL CLAIMS OR MUNICIPAL LIENS FILED AFTER
4 THE MORTGAGE MODIFICATION HAS BEEN RECORDED SHALL BE GIVEN
5 PRIORITY AS DETERMINED BY THIS ACT.

6 * * *

7 Section 2. This act shall take effect immediately.