

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 437** Session of
1993

INTRODUCED BY LAUGHLIN, FARGO, HENNESSEY, VAN HORNE, STABACK,
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MARCH 15, 1993

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, MAY 24, 1993

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," further providing for the entry, extension
29 and discharge of tax claims; and making repeals.

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

3 Section 1. Section 308 of the act of July 7, 1947 (P.L.1368,
4 No.542), known as the Real Estate Tax Sale Law, reenacted
5 October 31, 1989 (P.L.587, No.63) and amended August 5, 1991
6 (P.L.309, No.27), is amended to read:

7 Section 308. Notice of Filing of Returns and Entry of
8 Claim.--(a) Not later than the thirty-first day of July of each
9 year, the bureau shall give only one notice of the return of
10 said taxes and the entry of such claim in one envelope for each
11 delinquent taxable property, by United States registered mail or
12 United States certified mail, return receipt requested, postage
13 prepaid, addressed to the owners at the same address listed on
14 the form returned by the tax collector for taxes that are
15 delinquent. In the case of property owned by joint tenants,
16 tenants in common, or husband and wife as tenants by the
17 entirety, the bureau may give the notice required by this
18 section by forwarding only one notice addressed to such joint
19 tenants, tenants in common or husband and wife at the same post
20 office address. If the owner of the property is unknown and has
21 been unknown for a period of not less than five years, such
22 notice shall be given only by posting on the property affected.
23 If no post office address of the owner is known or if a notice
24 mailed to an owner at such last known post office address is not
25 delivered by the postal authorities, then notice as herein
26 provided shall be posted on the property affected. If the
27 property owner has entered into an agreement with the bureau for
28 the payment of the delinquent taxes, the posting is not
29 necessary. Each mailed and posted notice shall, (1) show all the
30 information shown on the claim entered, (2) state that if

1 payment of the amount due the several taxing districts for said
2 taxes is not made to the bureau on or before the thirty-first
3 day of December next following, and no exceptions thereto are
4 filed, the said claim shall become absolute, (3) state that on
5 July first of the year in which such notice is given a one (1)
6 year period for discharge of tax claim shall commence or has
7 commenced to run, and that if full payment of taxes is not made
8 during that period as provided by this act, the property shall
9 be advertised for and exposed to sale under this act, and (4)
10 state that there shall be no redemption after the actual sale.

11 [(a.1) (1) In addition to the requirements of subsection
12 (a)(1), (2), (3) and (4), each mailed and posted notice shall
13 state that the owner of any owner-occupied real estate can apply
14 for an extension of the period for discharge of tax claim for up
15 to twelve (12) additional months under and subject to the
16 provisions of sections 505 and 506.

17 (2) This subsection shall expire January 1, 1993.]

18 ~~(a.2)~~ (A.1) In addition to the requirements of subsection ←
19 (a)(1), (2), (3) and (4), each mailed and posted notice shall
20 state that the owner of any owner-occupied real estate can apply
21 for an extension of the period for discharge of tax claim for up
22 to twelve (12) additional months under and subject to the
23 provisions of sections 502.1 and 503.1.

24 (b) Notice given in the manner provided by this section
25 shall constitute proper service on the owner. A statement in the
26 claim entered that due notice of the same was given shall be
27 conclusive evidence that notice was given as required by law.
28 The notice given in the manner provided by this section shall
29 contain the following provision which shall be conspicuously
30 placed upon said notice and set in at least 10-point type in a

1 box as follows:

2 WARNING

3 "IF YOU FAIL TO PAY THIS TAX CLAIM OR FAIL TO TAKE LEGAL
4 ACTION TO CHALLENGE THIS TAX CLAIM, YOUR PROPERTY WILL BE
5 SOLD WITHOUT YOUR CONSENT AS PAYMENT FOR THESE TAXES. YOUR
6 PROPERTY MAY BE SOLD FOR A SMALL FRACTION OF ITS FAIR MARKET
7 VALUE. If YOU PAY THIS TAX CLAIM BEFORE JULY 1, 19 , YOUR
8 PROPERTY WILL NOT BE SOLD. IF YOU PAY THIS CLAIM AFTER JULY
9 1, 19 , BUT BEFORE ACTUAL SALE, YOUR PROPERTY WILL NOT BE
10 SOLD BUT WILL BE LISTED ON ADVERTISEMENTS FOR SUCH SALE. IF
11 YOU HAVE ANY QUESTIONS, PLEASE CALL YOUR ATTORNEY, THE TAX
12 CLAIM BUREAU AT THE FOLLOWING TELEPHONE NUMBER _____,
13 OR THE COUNTY LAWYER REFERRAL SERVICE."

14 (c) The costs of such mailed and posted notices shall be
15 part of the costs of the proceedings and shall be paid by the
16 owner the same as other costs.

17 Section 2. Section 502 of the act is repealed.

18 Section 3. The act is amended by adding a section to read:

19 Section 502.1. Option of County to Extend Period for
20 Discharge of Tax Claim.--A county may at the option of its
21 commissioners enact legislation extending the period for
22 discharge of tax claim for real estate taxes for taxpayers for
23 up to twelve (12) additional months.

24 Section 4. Section 503 of the act is repealed.

25 Section 5. The act is amended by adding a section to read:

26 Section 503.1. Extension of Period for Discharge of Tax
27 Claim.--(a) If the county commissioners of the county enact
28 legislation pursuant to section 502.1, then the county
29 commissioners, acting through the county tax claim bureau
30 determine that a tax claim or tax claims constitute severe

1 hardship to the taxpayer and that extenuating circumstances
2 beyond the taxpayer's control have caused the tax claim or
3 claims to be filed or remain unpaid and there is a reasonable
4 probability that the taxpayer will be able to meet the
5 indebtedness if granted an extension of the period for discharge
6 of tax claim for up to twelve (12) additional months, they shall
7 have the authority in the event of an application for extension
8 submitted by the taxpayer to:

9 (1) Extend the period for discharge of tax claim for owner-
10 occupied real estate for up to twelve (12) additional months:
11 Provided, That the taxpayer enters into an equitable apportioned
12 payment schedule consistent therewith.

13 (2) Abate, suspend, continue or stay the tax sale
14 proceedings pending with respect to the owner-occupied
15 residential real estate.

16 (b) The payment schedule authorized under subsection (a)
17 shall permit the taxpayer to make payment of the amount due in
18 at least four (4) separate payments, spaced at least thirty (30)
19 days apart, and shall require the initial payment to be not more
20 than twenty-five per centum (25%) of the total indebtedness
21 calculated to be due under the schedule. However, the provisions
22 of this subsection and of section 603 notwithstanding, the
23 county commissioners may, in their discretion, in special
24 hardship cases, establish payment schedules specifically suited
25 to the capabilities of the particular affected taxpayer.

26 (c) The application for extension authorized in clause (1)
27 of subsection (a) shall be made in a form as shall be provided
28 by the bureau. Within thirty (30) days of receipt of the
29 application, the director of the bureau shall either allow or
30 disallow the extension. If the extension is allowed, the bureau

1 shall set the length of the extension. Any taxpayer aggrieved by
2 the decision of the bureau may, within fifteen (15) days after
3 notice thereof, appeal to the county court of common pleas for
4 de novo review of the application.

5 (d) For the purpose of this section the phrase "extenuating
6 circumstances" means:

7 (1) Serious physical illness or injury or a combination of
8 the illness or injury with a state of prolonged unemployment if:
9 (i) the taxpayer is a permanent resident of the Commonwealth,
10 (ii) the illness or injury, or combination thereof, occurred or
11 persisted during any of the tax years for which the delinquent
12 taxes were assessed or during the year immediately preceding any
13 such delinquency, and (iii) the illness or injury, or
14 combination thereof, has been a substantial cause of the
15 taxpayer's failure to pay any such delinquent tax or taxes to
16 the date of application for relief under this section.

17 (2) Unemployment if: (i) the taxpayer is a permanent
18 resident of the Commonwealth, (ii) the unemployment occurred or
19 persisted during any of the tax years for which the delinquent
20 taxes were assessed or during the year immediately preceding any
21 such delinquency, and (iii) the unemployment has been a
22 substantial cause of the taxpayer's failure to pay any such
23 delinquent tax or taxes to the date of application for relief
24 under this section.

25 (e) For the purpose of this section, an extension of the
26 period for discharge of tax claim shall only apply to one (1)
27 owner-occupied property per taxpayer.

28 Section 6. Sections 505 and 506 of the act are repealed.

29 Section 7. This act shall be retroactive to January 1, 1993.

30 Section 8. This act shall take effect immediately.