

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 737 Session of
1991

INTRODUCED BY MICHLOVIC, COLAIZZO, DALEY, LESCOVITZ, HALUSKA,
COWELL, GIGLIOTTI, CAPPABIANCA, LAUGHLIN, CIVERA, ITKIN,
BILLOW, TRELLO, PESCI, MIHALICH, PRESTON, CAWLEY AND
LEVANSKY, MARCH 13, 1991

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, JANUARY 28, 1992

AN ACT

1 Amending the act of July 10, 1987 (P.L.246, No.47), entitled "An
2 act empowering the Department of Community Affairs to declare
3 certain municipalities as financially distressed; providing
4 for the restructuring of debt of financially distressed
5 municipalities; limiting the ability of financially
6 distressed municipalities to obtain government funding;
7 authorizing municipalities to participate in Federal debt
8 adjustment actions and bankruptcy actions under certain
9 circumstances; and providing for consolidation or merger of
10 contiguous municipalities to relieve financial distress,"
11 further providing for the jurisdiction of the courts of
12 common pleas relating to distressed municipalities.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 141 of the act of July 10, 1987 (P.L.246,
16 No.47), known as the Financially Distressed Municipalities Act,
17 is amended to read:

18 Section 141. Jurisdiction of court of common pleas.

19 (a) Increases in tax rates.--The court of common pleas of
20 each county shall have jurisdiction to hear a petition filed by
21 a municipality which has adopted a final plan pursuant to

1 Subchapter C of Chapter 2 to increase rates of taxation for
2 earned income, real property, or both, beyond maximum rates
3 provided by law. The court may extend annually the increased
4 taxing powers of the municipality until the termination date of
5 the plan adopted by the municipality pursuant to Chapter 2.

6 (b) Involuntary compromises of delinquent taxes.--The court
7 of common pleas of each county may hear a petition filed by at
8 least two taxing authorities having taxing power over the
9 properties within a municipality WHICH HAS ADOPTED A FINAL PLAN <—
10 PURSUANT TO SUBCHAPTER C OF CHAPTER 2 if the petition requests a
11 compromise of delinquent taxes due on a property in that
12 municipality. The court may order the property to be sold at a
13 sheriff's sale and the proceeds to be divided among all
14 authorities which are owed taxes for the property sold. If the
15 property is sold at sheriff's sale and if the proceeds are
16 insufficient to satisfy tax liens on the property, the court
17 shall order a proration of the sale proceeds among the taxing
18 authorities which fixed the liens.

19 Section 2. This act shall take effect in 60 days.