

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 510 Session of
1997

INTRODUCED BY ULIANA, FEBRUARY 14, 1997

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
OCTOBER 5, 1998

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," defining "delinquent" taxes; FURTHER
29 PROVIDING FOR DISCHARGE OF TAX CLAIMS; and requiring
30 successful bidders of property subject to sale to provide a
31 certification that they do not have delinquent real estate

<—

1 taxes or municipal utility bills that are more than one year
2 outstanding.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Section 102 of the act of July 7, 1947 (P.L.1368,
6 No.542), known as the Real Estate Tax Sale Law, is amended by
7 adding a definition to read:

8 Section 102. Definitions.--As used in this act, the
9 following words shall be construed as herein defined, unless the
10 context clearly indicates otherwise:

11 * * *

12 "Delinquent," taxes shall be considered delinquent thirty <—
13 (30) days after the final deadline for payment of such taxes for
14 the current tax year. ON DECEMBER 31 OF EACH CALENDAR YEAR FOR <—
15 ALL TAXING DISTRICTS.

16 * * *

17 SECTION 2. SECTION 501 OF THE ACT, AMENDED JANUARY 29, 1998 <—
18 (P.L.24, NO.5), IS AMENDED TO READ:

19 SECTION 501. DISCHARGE OF TAX CLAIMS.--

20 (A) ANY OWNER, HIS HEIRS OR LEGAL REPRESENTATIVES, OR ANY
21 LIEN CREDITOR, HIS HEIRS, ASSIGNS OR LEGAL REPRESENTATIVE, OR
22 OTHER INTERESTED PERSON OR, WITH THE APPROVAL OF THE LIENHOLDING
23 POLITICAL SUBDIVISION, [NONINTERESTED] DISINTERESTED PERSON MAY
24 CAUSE THE DISCHARGE OF TAX CLAIMS AND LIENS ENTERED AGAINST THE
25 PROPERTY BY PAYMENT TO THE BUREAU OF THE AMOUNT OF THE AFORESAID
26 CLAIM AND INTEREST THEREON, THE AMOUNT OF ANY OTHER TAX CLAIM OR
27 TAX JUDGMENT DUE ON SUCH PROPERTY AND INTEREST THEREON, AND THE
28 AMOUNT OF ALL ACCRUED TAXES WHICH HAVE BEEN RETURNED AND REMAIN
29 UNPAID, THE RECORD COSTS, INCLUDING PRO RATA COSTS OF THE NOTICE
30 OR NOTICES GIVEN IN CONNECTION WITH THE RETURNS OR CLAIMS

1 CALCULATED UNDER PARAGRAPH (1) [OR] (2) OR (3). THE SUBJECT
2 PROPERTY SHALL BE REMOVED FROM EXPOSURE TO SALE AND SHALL NOT BE
3 LISTED IN ANY ADVERTISEMENT RELATING TO SALE OF PROPERTY FOR
4 DELINQUENT TAXES IF, PRIOR TO JULY 1 OF THE YEAR FOLLOWING THE
5 NOTICE OF CLAIM, PAYMENT IS MADE IN [EITHER] ANY OF THE
6 FOLLOWING AMOUNTS:

7 (1) AN AMOUNT EQUAL TO THE SUM OF:

8 (I) THE OUTSTANDING TAXES ENTERED ON NOTICE OF CLAIM AND
9 INTEREST DUE ON THOSE TAXES;

10 (II) THE AMOUNT OF ANY OTHER TAX CLAIM ON OR TAX JUDGMENT
11 AGAINST SUCH PROPERTY AND INTEREST ON THAT CLAIM OR JUDGMENT;

12 (III) THE AMOUNT OF ALL ACCRUED TAXES WHICH HAVE BEEN
13 RETURNED AND REMAIN UNPAID; AND

14 (IV) THE RECORD COSTS, INCLUDING PRO RATA COSTS OF NOTICE
15 GIVEN IN CONNECTION WITH RETURNS AND CLAIMS.

16 (2) AN AMOUNT LESS THAN THE TOTAL AMOUNT DUE UNDER PARAGRAPH

17 (1) IF THE POLITICAL SUBDIVISION AGREES TO ACCEPT THAT AMOUNT.

18 [IN NO EVENT SHALL A PROPERTY BE DISCHARGED UNDER THIS PARAGRAPH
19 FOR AN AMOUNT LESS THAN FIFTY PER CENTUM (50%) OF THE AMOUNT
20 SPECIFIED IN PARAGRAPH (1).] IF PAYMENT IS MADE AFTER JULY 1 OF
21 THE YEAR FOLLOWING THE NOTICE OF CLAIM, BUT BEFORE THE ACTUAL
22 SALE OF THE PROPERTY, THE PROPERTY SHALL NOT BE SOLD, BUT THE
23 PROPERTY AND NAME OF OWNER MAY APPEAR IN AN ADVERTISEMENT
24 RELATING TO THE SALE OF PROPERTY FOR DELINQUENT TAXES.

25 (3) WITH RESPECT TO TWO (2) OR MORE CLAIMS OR JUDGMENTS
26 TRANSFERRED BY A POLITICAL SUBDIVISION TO A PERSON, AN AMOUNT
27 LESS THAN THE AGGREGATE AMOUNT DUE FOR SUCH CLAIMS OR JUDGMENTS
28 UNDER PARAGRAPH (1) IF THE POLITICAL SUBDIVISION AGREES TO
29 ACCEPT THAT AMOUNT.

30 (A.1) UPON RECEIPT OF PAYMENT OR UPON CERTIFICATION TO THE

1 BUREAU THAT PAYMENT OF ALL TAXES AND OTHER CHARGES OTHERWISE
2 PAYABLE TO THE BUREAU UNDER THIS ACT HAS BEEN MADE TO A TAXING
3 DISTRICT, THE BUREAU SHALL ISSUE WRITTEN ACKNOWLEDGEMENT OF
4 RECEIPT AND A CERTIFICATE OF DISCHARGE AND SHALL ENTER
5 SATISFACTION ON THE RECORD. ALL PAYMENTS RECEIVED SHALL BE
6 DISTRIBUTED TO THE TAXING DISTRICT ENTITLED THERETO NOT LESS
7 THAN ONCE EVERY THREE (3) MONTHS.

8 (B) WHEN ANY PROPERTY IS DISCHARGED FROM TAX CLAIM BY
9 PAYMENT BY A LIEN CREDITOR, OR HIS HEIRS, ASSIGNS OR LEGAL
10 REPRESENTATIVES, OR BY ANY PERSON, WHETHER INTERESTED OR
11 [NONINTERESTED] DISINTERESTED, THE CERTIFICATE SHALL BE ISSUED
12 TO THE PERSON MAKING THE PAYMENT AND SHALL STATE THE FACT OF THE
13 DISCHARGE, A BRIEF DESCRIPTION OF THE PROPERTY DISCHARGED AND
14 THE AMOUNT OF THE DISCHARGE PAYMENT. THIS CERTIFICATE MAY BE
15 ENTERED IN THE OFFICE OF THE PROTHONOTARY AS A JUDGMENT AGAINST
16 THE OWNER OF THE PROPERTY FOR THE ENTIRE AMOUNT DUE TO THE
17 POLITICAL SUBDIVISION, REGARDLESS OF WHETHER THE PROPERTY WAS
18 DISCHARGED FROM TAX CLAIM BY PAYMENT UNDER SUBSECTION (A)(1)
19 [OR], (2) OR (3). THE LIEN OF ANY SUCH JUDGMENT SHALL HAVE
20 PRIORITY OVER ALL OTHER LIENS AGAINST SUCH PROPERTY IN THE SAME
21 MANNER AND TO THE SAME EXTENT AS THE TAXES INVOLVED IN THE
22 DISCHARGE.

23 (B.1) IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW, A
24 CERTIFICATE UNDER SUBSECTION (B) ENABLES THE PERSON FOR WHOSE
25 BENEFIT JUDGMENT WAS ENTERED TO PROCEED BY ACTION IN ASSUMPSIT
26 AND RECOVER THE AMOUNT OF TAX DUE BY AN OWNER AND TO RECOVER
27 RELATED ATTORNEY FEES AND COURT COSTS AND REASONABLE COLLECTION
28 COSTS RELATED THERETO. AN ACTION UNDER THIS SUBSECTION MUST BE
29 COMMENCED WITHIN SIX (6) YEARS AFTER THE TAXES FIRST BECAME DUE.

30 (C) THERE SHALL BE NO REDEMPTION OF ANY PROPERTY AFTER THE

1 ACTUAL SALE THEREOF.

2 (D) NOTHING IN THIS SECTION SHALL PRECLUDE THE BUREAU FROM
3 RETAINING THE FIVE PER CENTUM (5%) COMMISSION ON ALL MONEY
4 COLLECTED BY THE BUREAU AND ANY INTEREST EARNED ON MONEY HELD BY
5 THE BUREAU AS PROVIDED IN SECTION 205(C).

6 (E) IF ANY INTERESTED OR DISINTERESTED PERSON HOLDING A
7 JUDGMENT CERTIFICATE SELLS REAL OR PERSONAL PROPERTY SUBJECT TO
8 A JUDGMENT CERTIFICATE AT A JUDICIAL OR A PRIVATE SALE AND THE
9 PROCEEDS OF THE SALE ARE LESS THAN THE AMOUNT OF THE JUDGMENT
10 CERTIFICATE AND ANY MUNICIPAL OR OTHER CLAIM WITH LIENS ON THE
11 PROPERTY THAT ARE COEQUAL OR SENIOR TO THE LIEN OF THE PERSON
12 HOLDING THE JUDGMENT CERTIFICATE, THE PROCEEDS OF THE SALE SHALL
13 BE DISTRIBUTED IN THE FOLLOWING ORDER OF PRIORITY:

14 (1) FIRST TO THE COSTS OF ENFORCEMENT AND SALE, INCLUDING
15 ATTORNEY FEES OR COMMISSIONS, INCURRED BY THE PERSON HOLDING THE
16 JUDGMENT CERTIFICATE IN ENFORCING ITS RIGHTS AGAINST THE
17 PROPERTY;

18 (2) TO ANY AND ALL CLAIMS SENIOR IN PRIORITY TO THAT OF THE
19 HOLDER OF THE JUDGMENT CERTIFICATE IN PROPORTION TO SUCH CLAIMS;
20 AND

21 (3) THE BALANCE TO ALL MUNICIPAL CLAIMS COEQUAL IN LIEN
22 PRIORITY WITH THE JUDGMENT CERTIFICATE, INCLUDING THE CLAIM TO
23 WHICH THE JUDGMENT CERTIFICATE RELATES, IN PROPORTION TO SUCH
24 CLAIMS.

25 Section 2 3. The act is amended by adding a section to read: <—

26 ~~Section 619. Restrictions on Purchases~~ SECTION 619.1. <—

27 ADDITIONAL RESTRICTIONS.--(a) Within twenty (20) days following
28 any sale under this act, a successful bidder shall be required
29 to provide certification to the bureau that, within the <—
30 municipal jurisdiction, the person is not delinquent in paying

1 real estate taxes TO ANY OF THE TAXING DISTRICTS WHERE THE <—
2 PROPERTY IS LOCATED and that the person has no municipal utility
3 bills that are more than one year outstanding.

4 (b) As used in this section, the following terms shall have
5 the following meanings:

6 "Certification," shall mean proof via receipts of paid real
7 estate taxes and municipal utility bills within the
8 jurisdiction, or a notarized affidavit by the bidder evidencing
9 payment of such real estate taxes and municipal utility bills.

10 "MUNICIPAL UTILITY BILLS," SHALL MEAN BILLS FOR SERVICES <—
11 PROVIDED BY A UTILITY WHICH IS WHOLLY OWNED AND OPERATED BY A
12 MUNICIPALITY OR MUNICIPAL AUTHORITY. THE TERM SHALL INCLUDE, BUT
13 NOT BE LIMITED TO, WATER, SEWER AND SOLID-WASTE DISPOSAL UTILITY
14 BILLS.

15 ~~"Municipal,"~~ "MUNICIPALITY," refers to any county, city, <—
16 borough, incorporated town, township, home rule municipality,
17 optional plan municipality, optional charter municipality or any
18 similar general purpose unit of government which may be
19 authorized by statute.

20 "Person," includes a corporation; partnership; limited
21 liability company; business trust; other association; government
22 entity, other than the Commonwealth; estate; trust; foundation
23 or natural person.

24 Section 3 4. This act shall apply to all sales conducted on <—
25 or after the effective date of this act.

26 Section 4 5. This act shall take effect in 60 days. <—