

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

# HOUSE BILL

No. 459      Session of  
2005

---

INTRODUCED BY GINGRICH, ARMSTRONG, BALDWIN, BARRAR, BROWNE,  
CALTAGIRONE, DENLINGER, J. EVANS, GEIST, GOODMAN, HALUSKA,  
HARPER, HARRIS, HERMAN, HERSHEY, HICKERNELL, KAUFFMAN,  
M. KELLER, MARSICO, R. MILLER, MUNDY, NAILOR, O'NEILL,  
PETRONE, PHILLIPS, READSHAW, RUBLEY, SCAVELLO, STEIL,  
E. Z. TAYLOR, WILT AND YOUNGBLOOD, FEBRUARY 14, 2005

---

SENATOR THOMPSON, APPROPRIATIONS, IN SENATE, RE-REPORTED AS  
AMENDED, JANUARY 23, 2006

---

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 property subject to or

1 exempt from claim and for content of claims entered; and  
2 providing for public record lists and for report of  
3 nonpayment of taxes.

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

6 Section 1. Sections 303 and 309 of the act of July 7, 1947  
7 (P.L.1368, No.542), known as the Real Estate Tax Sale Law,  
8 amended July 3, 1986 (P.L.351, No.81), are amended to read:

9 ~~Section 303. Property Subject to or Exempt from Claim.~~ <—  
10 ~~{All} (a) Except as provided in subsections (b) and (c), all~~  
11 ~~property, by whomsoever owned and for whatsoever purpose used,~~  
12 ~~and all property the owner of which is unknown and has been~~  
13 ~~unknown for a period of not less than five years, shall be~~  
14 ~~subject to claims for taxes[, except such property which is~~  
15 ~~exempt by law from taxation or which is not made subject to~~  
16 ~~taxation by law].~~

17 ~~(b) Property which is exempt by law from taxation or which~~  
18 ~~is not made subject to taxation by law shall be exempt from~~  
19 ~~claims for taxes.~~

20 ~~(c) (1) If the owner of property that is subject to a claim~~  
21 ~~for taxes donates the property to a county, city, borough,~~  
22 ~~incorporated town, township, home rule municipality, optional~~  
23 ~~plan municipality, optional charter municipality, school~~  
24 ~~district or redevelopment authority, pursuant to a joint~~  
25 ~~agreement, the claim for taxes against the property shall be~~  
26 ~~discharged and extinguished.~~

27 ~~(2) Property that has been donated in accordance with this~~  
28 ~~subsection shall be exempt from claims filed by all local taxing~~  
29 ~~authorities for taxes during the time that it remains in the~~  
30 ~~ownership of the county, city, borough, incorporated town,~~  
31 ~~township, home rule municipality, optional plan municipality,~~

~~optional charter municipality, school district or redevelopment authority to which it was donated.~~

~~(3) If an owner of property that is subject to a claim for taxes wishes to donate the property, the owner must do so prior to receiving a notice of sale as required in section 602.~~

~~(4) Nothing in this section shall be construed to require a county, city, borough, incorporated town, township, home rule municipality, optional plan municipality, optional charter municipality, school district or redevelopment authority to accept an offer of property donation.~~

~~(d) Notwithstanding any other provision of law, an owner that donates property in accordance with subsection (c) shall not be personally liable for the amount of claims for taxes exempted or extinguished as a result of the donation.~~

~~(e) For the purpose of this section, the phrase "claims for taxes" shall include all penalties, interest and fees assessed against the property.~~

SECTION 303. PROPERTY SUBJECT TO OR EXEMPT FROM CLAIM.--~~(A)~~ <—  
ALL PROPERTY, BY WHOMSOEVER OWNED AND FOR WHATSOEVER PURPOSE USED, AND ALL PROPERTY THE OWNER OF WHICH IS UNKNOWN AND HAS BEEN UNKNOWN FOR A PERIOD OF NOT LESS THAN FIVE YEARS, SHALL BE SUBJECT TO CLAIMS FOR TAXES, EXCEPT SUCH PROPERTY WHICH IS EXEMPT BY LAW FROM TAXATION OR WHICH IS NOT MADE SUBJECT TO TAXATION BY LAW.

~~(B) NOTWITHSTANDING SUBSECTION (A), A LOCAL TAXING DISTRICT, INCLUDING A MUNICIPAL AUTHORITY OR A SCHOOL DISTRICT IF ACTING PURSUANT TO PARAGRAPH (6), MAY ACCEPT THE DONATION OF A PROPERTY THAT IS SUBJECT TO A CLAIM FOR TAXES UNDER THIS ACT. A LOCAL TAXING DISTRICT SHALL PROVIDE WRITTEN NOTICE TO ALL OTHER LOCAL TAXING DISTRICTS OR THEIR DESIGNEES UNDER PARAGRAPH (5) OF A~~

DONATION PROPOSED BY THE OWNER OF THE PROPERTY. A DONATION UNDER THIS SUBSECTION SHALL NOT BE ACCEPTED LESS THAN THIRTY (30) DAYS AFTER NOTICE TO ALL OTHER LOCAL TAXING DISTRICTS WHICH HAVE A CLAIM FOR TAXES ON THE SUBJECT PROPERTY UNDER THIS ACT. A DONATION UNDER THIS SUBSECTION SHALL DIVEST ALL LIENS AGAINST THE PROPERTY POSSESSED BY THE LOCAL TAXING DISTRICT ACCEPTING THE DONATION, AND ALL OTHER LOCAL TAX LIENS RECORDED PRIOR TO THE DATE OF DONATION, EXCEPT AS PROVIDED IN THIS SUBSECTION.

(1) A LOCAL TAXING DISTRICT WHICH RECEIVES A NOTICE OF PROPOSED DONATION MAY REQUEST TO PARTICIPATE IN NEGOTIATIONS WITH REGARD TO THE DONATION AND EXTINGUISHMENT OF ALL OR PART OF ITS LIENS AND WITH REGARD TO PROPOSALS TO RETURN THE PROPERTY TO THE TAX ROLLS OR TO PRODUCTIVE PUBLIC USE. A LOCAL TAXING DISTRICT WHICH DOES NOT RESPOND IN WRITING TO THE NOTICE WITHIN THIRTY (30) DAYS OF RECEIPT OF THE NOTICE SHALL WAIVE ITS RIGHT TO PARTICIPATE IN THE DONATION NEGOTIATIONS AND ITS LIEN SHALL BE EXTINGUISHED. A LOCAL TAXING DISTRICT PARTICIPATING IN DONATION NEGOTIATIONS MAY AGREE TO EXTINGUISH ALL EXISTING LIENS AGAINST THE PROPERTY IN EXCHANGE FOR FULL OR PARTIAL SATISFACTION OF ITS CLAIMS UPON FUTURE SALE OF THE PROPERTY BY THE LOCAL TAXING DISTRICT ACCEPTING THE DONATION. EVERY NEGOTIATION SHALL CONSIDER THE STRUCTURE OF THE PROPERTY, THE MARKET VALUE OF THE PROPERTY IN ITS CURRENT CONDITION, THE BEST USE OF THE PROPERTY GIVEN THE NEIGHBORHOOD AND LOCAL ORDINANCES AND THE COSTS TO CURE ANY DEFECTS, INCLUDING DEFECTS IN TITLE.

(2) A DONATION UNDER THIS SUBSECTION SHALL BE BY DEED RECORDED, AND REGISTERED WHERE REQUIRED, WITH THE COUNTY RECORDER OF DEEDS. THE DEED SHALL BE ACCOMPANIED BY RECORDED SATISFACTIONS OF ANY AND ALL CLAIMS FOR TAXES WHICH ARE EXTINGUISHED BY VIRTUE OF THE DONATION. IN ALL INSTANCES, THE

1 SATISFACTION FROM THE LOCAL TAXING DISTRICT WHICH IS ACCEPTING  
2 OWNERSHIP OF THE PROPERTY PURSUANT TO THE DONATION SHALL PROVIDE  
3 FOR FULL EXTINGUISHMENT OF ALL CLAIMS UNDER THIS ACT POSSESSED  
4 BY IT. SATISFACTIONS OF LIENS SHALL PROVIDE THAT ALL CLAIMS OF  
5 ALL LOCAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED ARE  
6 DISCHARGED AND EXTINGUISHED, UNLESS TERMS ARE OTHERWISE AGREED  
7 UPON BETWEEN THE OWNER AND THE LOCAL TAXING DISTRICTS  
8 PARTICIPATING IN THE DONATION NEGOTIATIONS.

9 (3) PROPERTY THAT HAS BEEN DONATED IN ACCORDANCE WITH THIS  
10 SUBSECTION SHALL BE EXEMPT FROM CLAIMS FOR TAXES FROM ANY LOCAL  
11 TAXING DISTRICT IN WHICH IT IS LOCATED DURING THE TIME THAT IT  
12 REMAINS IN THE OWNERSHIP OF THE COUNTY, CITY, BOROUGH,  
13 INCORPORATED TOWN, SCHOOL DISTRICT, TOWNSHIP, HOME RULE  
14 MUNICIPALITY, OPTIONAL PLAN MUNICIPALITY, REDEVELOPMENT  
15 AUTHORITY OR OPTIONAL CHARTER MUNICIPALITY TO WHICH IT WAS  
16 DONATED.

17 (4) AN OWNER THAT DONATES PROPERTY IN ACCORDANCE WITH THIS  
18 SUBSECTION SHALL NOT BE PERSONALLY LIABLE FOR THE AMOUNT OF  
19 CLAIMS FOR TAXES EXEMPTED OR EXTINGUISHED AS A RESULT OF THE  
20 DONATION.

21 (5) A LOCAL TAXING DISTRICT POSSESSING A CLAIM UNDER THIS  
22 ACT MAY DESIGNATE ANOTHER LOCAL TAXING DISTRICT, OR THE  
23 REDEVELOPMENT AUTHORITY IN THE COUNTY IN WHICH THE PROPERTY IS  
24 LOCATED, TO ACT AS ITS AGENT WITH REGARD TO A DONATION UNDER  
25 THIS SUBSECTION. A SINGLE LOCAL TAXING DISTRICT OR THE  
26 REDEVELOPMENT AUTHORITY MAY BE SELECTED AS THE AGENT FOR ALL  
27 LOCAL TAXING DISTRICTS HOLDING A TAX CLAIM OR LIEN AGAINST THE  
28 PROPERTY UNDER THIS ACT. IN RETURNING THE PROPERTY TO THE TAX  
29 ROLLS OR TO PRODUCTIVE PUBLIC USE, A REDEVELOPMENT AUTHORITY MAY  
30 SEEK THE ASSISTANCE OF A COMMUNITY DEVELOPMENT CORPORATION

1 SERVING THE AREA WHERE THE PROPERTY IS LOCATED.

2 (6) A SCHOOL DISTRICT OR MUNICIPAL AUTHORITY OTHER THAN A  
3 REDEVELOPMENT AUTHORITY MAY PARTICIPATE IN THE PROVISIONS OF  
4 THIS SUBSECTION ONLY IF THE SCHOOL DISTRICT OR MUNICIPAL  
5 AUTHORITY HAS DESIGNATED AN AGENT IN ACCORDANCE WITH PARAGRAPH  
6 (5). NOTHING IN THIS SUBSECTION SHALL PREVENT A SCHOOL DISTRICT  
7 OR MUNICIPAL AUTHORITY FROM TAKING TITLE TO A DONATED PROPERTY  
8 IF IT IS DETERMINED DURING NEGOTIATIONS THAT THE BEST MANNER TO  
9 RETURN THE PROPERTY TO PRODUCTIVE USE IS TO ALLOW A SCHOOL  
10 DISTRICT OR MUNICIPAL AUTHORITY TO USE THE PROPERTY FOR PURPOSES  
11 DIRECTLY RELATED TO THE MISSION OF THE DISTRICT OR AUTHORITY.

12 (C) IF AN OWNER OF PROPERTY THAT IS SUBJECT TO A CLAIM FOR  
13 TAXES WISHES TO DONATE THE PROPERTY UNDER SUBSECTION (B), THE  
14 OWNER MUST DO SO PRIOR TO RECEIVING A NOTICE OF SALE AS REQUIRED  
15 IN SECTION 602.

16 (D) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REQUIRE A  
17 COUNTY, CITY, BOROUGH, INCORPORATED TOWN, TOWNSHIP, HOME RULE  
18 MUNICIPALITY, OPTIONAL PLAN MUNICIPALITY, OPTIONAL CHARTER  
19 MUNICIPALITY, SCHOOL DISTRICT OR REDEVELOPMENT AUTHORITY TO  
20 ACCEPT AN OFFER OF PROPERTY DONATION.

21 (E) FOR THE PURPOSE OF THIS SECTION, THE PHRASE "CLAIMS FOR  
22 TAXES" SHALL INCLUDE ALL PENALTIES, INTEREST AND FEES ASSESSED  
23 AGAINST THE PROPERTY.

24 Section 309. Contents of Claims Entered.--All claims for  
25 taxes returned, made up as a claim and entered in the claim  
26 docket in the bureau shall set forth:

27 (a) The names of the taxing districts for which filed,

28 (b) Except when the owner of the property is unknown and has  
29 been unknown for a period of not less than five years, the name  
30 of the owner and the owner's last known address, including the

1 zip code by virtue of the knowledge and information possessed by  
2 the bureau, by the tax collector for the taxing district making  
3 the return and by the county office responsible for assessments  
4 and revisions of taxes, of the property against which it is  
5 filed,

6 (c) A description of the property against which the claim is  
7 filed sufficient to identify the same. A description of the  
8 property shall be deemed sufficient if it contains (1) a  
9 reference to a record of a deed or other instrument of  
10 conveyance which describes the property, or (2) a reference to  
11 the number or number and block of the property in a plan,  
12 recorded in the office of the recorder of deeds of the county,  
13 and the record of such plan, or (3) a reference to the number on  
14 any lot and block plan officially adopted by a taxing district,  
15 or (4) a statement of the street and number of the property as  
16 officially designated by public authorities of a taxing district  
17 as of the time the property was assessed, or (5) where the  
18 property is not identified by reference to the record of a deed,  
19 or other instrument of conveyance, and may not be identified by  
20 street and number, or by recorded plan, or by a lot and block  
21 plan, a statement of the approximate acreage of the property and  
22 the name of at least one (1) owner of adjoining property, if  
23 such statement is accompanied by information showing the  
24 character of and use to which the property is devoted, as for  
25 instance "dwelling and lot," "vacant lot," "vacant land" or  
26 "hotel, restaurant, apartment house, office building, bank  
27 building, manufacturing plant, industrial plant and the lands  
28 belonging thereto," or "farm and the buildings thereon," or  
29 "plant nursery and buildings thereon," or "forest or woodland,"  
30 or "wasteland," or "coal, oil or other mineral severed from the

1 surface," etc., or intelligible abbreviations thereof. A  
2 variation in the description of the property given in the claim  
3 filed from that shown on the assessment for tax purposes shall  
4 not constitute an irregularity and shall not invalidate the  
5 claim. The aforesaid description shall not be deemed exclusive.

6 (d) The year or years, period or periods, for which the  
7 respective taxes were levied, and the amount of taxes due for  
8 each year, or period, and the penalties and interest due thereon  
9 at the time of filing.

10 (e) That due notice of the returns of such taxes, the entry  
11 of the claim and that the same would become absolute, if no  
12 exceptions were filed, was given to the owner or posted on the  
13 property in the manner required by law.

14 Said claim shall be entered in the office of the bureau in  
15 the proper claim docket and be signed by or have stamped thereon  
16 a facsimile signature of the director.

17 Section 2. Section 315 of the act, amended September 27,  
18 1973 (P.L.264, No.74) is amended to read:

19 Section 315. Claims; Dockets; Satisfaction[.--] and Public  
20 Record Lists.--(a) Every return made to and every claim made up  
21 by the bureau and the result of every proceeding thereon,  
22 entered in accordance with this act, shall be docketed in  
23 appropriate dockets in the office of the bureau suitably indexed  
24 and when so entered shall continue the lien of the tax against  
25 the property charged with the tax.

26 When a claim is stricken off or reduced or satisfied by  
27 payment or a sale has been held of the property covered by the  
28 claim, the director shall cause a note thereof to be made on  
29 such docket and index and shall authenticate the same.

30 (b) In addition, the bureau shall maintain as a public



1 record a list of all properties against which taxes were levied,  
2 the whole or any part of which were due and payable in a prior  
3 year and which remain unpaid. This list shall describe the  
4 property and identify its location, provide the name and last  
5 known address, including the zip code of the owner of the  
6 property, as determined by the knowledge and information  
7 possessed by the bureau, the tax collector for the taxing  
8 district that made the return, and the county office responsible  
9 for making assessment and revisions of taxes, and the amount of  
10 unpaid taxes, penalties and interest due, for all years other  
11 than the current tax year. If taxes on the list are paid or  
12 another settlement had been agreed to or if a tax sale of the  
13 property is held, this fact shall be noted on the list.

14 (c) The bureau may report any nonpayment of taxes, including  
15 liens, to one or more consumer reporting agencies, as defined by  
16 the Fair Credit Reporting Act (Public Law 91-508, 15 U.S.C. §  
17 1681 et seq.).

18 Section 3. This act shall take effect in 60 days.