



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 84

PRINTERS NO. 49

PRIME SPONSOR: Greenleaf

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	\$0

SUMMARY: Amends Sections 5522 and 8103 of the Judicial Code providing for the reenactment of the "Deficiency Judgment Act" following a judicial declaration of unconstitutionality in the legislative procedure by which that Act was originally enacted. It would be effective immediately and apply retroactively to January 24, 2005.

ANALYSIS: Senate Bill 84 reenacts into law the same statutory language that was originally enacted into law as part of Act 152 of 2004. The Pennsylvania Supreme Court held in Commonwealth v. Neiman that Act 152 was enacted in a manner that violated Article III, Section 3 of the Pennsylvania Constitution and struck down as unconstitutional certain parts of that legislation, including the aspect of Act 152 amending the Deficiency Judgment Act. The Supreme Court stayed its decision for 90 days to allow for possible remedial legislation. Senate Bill 84 reenacts those provisions of Act 152 retroactively to when Act 152 took effect.

The bill amends Section 5522 (b) of the Judicial Code by adding a subsection to provide that a petition for redetermination of fair market value upon the sale of a parcel of real property in execution proceedings, where the judgment creditor is the purchaser, must be commenced within six months of the sale. Section 8103 (relating to deficiency judgments) is also amended by adding a subsection to address collateral located in more than one county of the Commonwealth. The new subsection provides that in cases where collateral is located in multiple counties, a judgment creditor may elect to file a valuation petition for all real property with the deficiency court in the county in which the real property collateral of the highest adjusted value is located. The deficiency court would be required to fix the fair market value of all real property collateral on a parcel-by-parcel basis prior to the sale of the real property. Under current law, a judgment creditor must petition the deficiency court in each county where property is located to determine the fair market value of the real property.

The new process would only be available to non-consumer judgment creditors. The deficiency court would not have the power to determine the fair market value of any property outside the Commonwealth and would not be able to take into account the value of the "foreign" collateral when determining whether a deficiency exists.

FISCAL IMPACT: The enactment of this legislation will have no adverse impact on Commonwealth or county costs.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: March 11, 2014

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.