



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 264

PRINTERS NO. 1003

PRIME SPONSOR: Heffley

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	\$0	\$0

SUMMARY: House Bill 264, Printer's Number 1003, amends the Real Estate Tax Sale Law adding provisions relating to bidder registration before sale and further providing for date of sale, for repurchase by owner, for restrictions on purchases and for sale of property in repository.

ANALYSIS: This legislation adds Article V-A (Bidder Registration Before Sale) requiring that potential bidders at a scheduled upset sale or judicial sale must pre-register at the tax claim bureau no less than 10 days prior to the sale at which they intend to bid. Counties may establish a fee for filing an application to register under this article. A bureau shall provide a list of completed applications filed to all municipalities within the county at least 5 days prior to the upset sale or judicial sale.

In order to register, an application must be submitted with the following information: (1) the individual's name, address and phone number; or (2) the applicant's business name, including the name of all officers, business address and phone number; or (3) the names, business addresses and phone numbers of all members, managers and any other persons with any ownership interest or right in the limited liability company. Additionally, an affidavit must be filed stating the applicant (1) is not delinquent in paying real estate taxes and has no municipal utility bills more than one year outstanding; (2) is not bidding for or acting as an agent for a person who is barred from participating in the sale; and (3) has not engaged in or permitted an uncorrected housing code violation, failed to maintain property in a reasonable manner such that the property posed a threat to health, safety or property, or permitted the use of property in an unsafe, illegal or unsanitary manner such that the property posed a threat to health, safety or property.

A person who signs a bidder registration knowing that it contains a false statement shall be subject to prosecution for the commission of a misdemeanor of the second degree (relating to unsworn falsification to authorities).

Furthermore, language is added to the sale of property in repository, providing that the bureau may, with written consent of all taxing districts where the property is located, establish a minimum purchase price and accept an offer of any price equal to or greater than the minimum

price. The bureau shall require, as condition of sale, that the purchaser provide an affidavit including the information specified under the new Article V-A (Bidders Registration Before Tax Sale). Any taxing district that does not give consent to the sale of the property within 60 days shall be deemed to have given consent to the sale.

The act shall take effect in 60 days.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds. While the legislation requires potential bidders to pre-register with the taxing bureau, counties may establish a fee for filing the application to cover any additional costs.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: April 5, 2021

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