

LEGISLATIVE REFERENCE BUREAU

L.R.B. Form No. 4 (Rev. 3/25/10)

2013D04741DMS:JSL

No. \_\_\_\_\_

AN ACT

LEGISLATIVE REFERENCE BUREAU

Amending the act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law, further providing for county bureau to collect taxes, for system of accounting and distribution, for reimbursement of county and charges and for agent of taxing districts and lien certificates.

INTRODUCED \_\_\_\_\_ 20 \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

See next page for additional co-sponsors.

Referred to Committee on

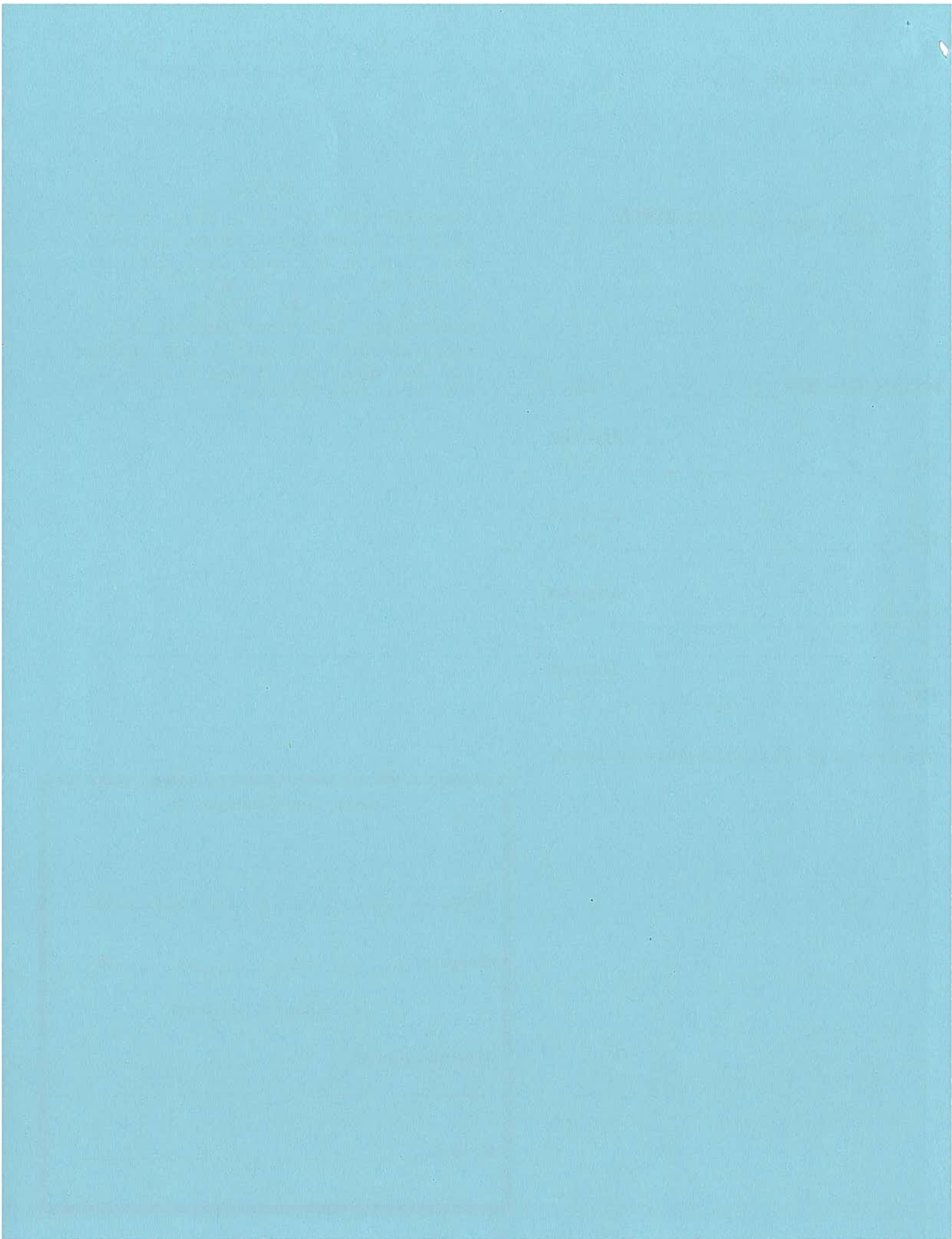
Date \_\_\_\_\_ 20 \_\_\_\_\_

Reported \_\_\_\_\_ 20 \_\_\_\_\_

As Committed-Amended

Recommendation

By Hon. \_\_\_\_\_



## 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 county bureau to  
29 collect taxes, for system of accounting and distribution, for  
30 reimbursement of county and charges and for agent of taxing  
31 districts and lien certificates.

32 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 204 of the act of July 7, 1947 (P.L.1368,  
3 No.542), known as the Real Estate Tax Sale Law, amended July 3,  
4 1986 (P.L.351, No.81), is amended to read:

5 Section 204. County Bureau to Collect Taxes.--

6 (a) Each county bureau shall receive and collect such taxes  
7 and give proper receipt therefor when payment is offered, and to  
8 make distribution of the moneys received as provided by this  
9 act.

10 [(b) (1) All taxes for which returns have been made to the  
11 bureau shall be payable only to the bureau and shall not be  
12 payable to or be accepted by any taxing district or tax  
13 collector.

14 (2) In the event that any such taxes are received or  
15 accepted by any taxing district contrary to the provisions of  
16 this section, the taxing district shall be liable to the bureau  
17 for, and the bureau shall deduct from any distribution to which  
18 the taxing district is entitled under section 205, all charges,  
19 fees, costs, commission and interest to which the bureau would  
20 otherwise have been entitled under the act if payment had been  
21 made directly to the bureau.]

22 Section 2. Section 205 of the act, amended June 29, 1990  
23 (P.L.260, No.61), is amended to read:

24 Section 205. System of Accounting and Distribution.--

25 (a) In each county bureau a system of accounting and  
26 distribution of all moneys collected or received under the  
27 provisions of this act shall be established in the bureau as may  
28 be determined by the county commissioners, the county  
29 controller, if any, and county treasurer.

30 (b) The bureau shall keep an accurate account of all money

1 recovered and received by it under this act and maintain a  
2 separate account for each property.

3 (c) Money received on account of costs, fees and expenses  
4 advanced by any taxing district shall be repaid to the taxing  
5 district making the advance. Other money collected under this  
6 act shall be subject, first, to a commission of five per centum  
7 (5%) of all money collected to be retained by the bureau to  
8 offset costs of the administration of this act. Money received  
9 or collected by taxing districts directly pursuant to alternate  
10 statutory collection schemes shall not be subject to any  
11 commissions imposed under this act. Interest earned on money  
12 held by the bureau prior to distribution shall also be retained  
13 by the bureau for administrative costs.

14 (c.1) It shall then be the duty of the bureau to distribute  
15 the entire remaining balance of the moneys collected, except  
16 moneys collected through any tax sale under the provisions of  
17 this act, to the taxing districts at least once every three (3)  
18 months in proportion to the taxes due each taxing district.

19 (d) It shall be the duty of the bureau to distribute all  
20 moneys collected as the result of any tax sale conducted under  
21 the provisions of this act, less the deductions authorized by  
22 subsection (c), in the following manner and according to the  
23 following priority:

24 (1) First, to the Commonwealth, by payment to the State  
25 Treasurer through the Department of Revenue, for satisfaction of  
26 tax liens of the Commonwealth only if the total amount of such  
27 liens or such portion thereof have been included in the purchase  
28 price and paid by the purchaser or the property is sold at  
29 judicial sale pursuant to this act.

30 (2) Second, to the respective taxing districts in proportion

1 to the taxes due them.

2 (3) Third, to taxing districts or municipal authorities for  
3 satisfaction of municipal claims.

4 (4) Fourth, to mortgagees and other lien holders, in order  
5 of their priority, for satisfaction of mortgages and liens as  
6 they may appear of record, whether or not discharged by the  
7 sale.

8 (5) Fifth, to the owner of the property.

9 (e) Prior to the actual distribution required by subsection  
10 (d), the bureau shall petition the court of common pleas for a  
11 confirmation of distribution. The petition shall set forth a  
12 proposed schedule of distribution for each account and shall  
13 request the court to issue a rule to show cause on each  
14 distributee why the court should not confirm the distribution as  
15 proposed. The rule to show cause and a copy of the petition  
16 shall be served by first class mail upon each distributee and  
17 upon the purchaser, with proof of mailing to the last residence  
18 or place of business of the distributee known to the bureau and  
19 to the purchaser at the address given to the bureau. If the rule  
20 to show cause is not returned by any distributee or purchaser on  
21 or before the time set for its return, the court shall forthwith  
22 confirm the distribution absolutely. If any distributee or  
23 purchaser makes a return of the rule within the time set by the  
24 court, the court shall forthwith hear any objections and  
25 exceptions to the proposed distribution and thereafter adjust  
26 the schedule of distribution as it deems just and equitable  
27 according to law and confirm the distribution absolutely as  
28 adjusted. An absolute confirmation of distribution by the court  
29 shall be final and nonappealable with respect to all  
30 distributees listed in the petition.

1 (f) Whenever no claim for payment of any balance due the  
2 owner of the property is presented by or on behalf of the owner  
3 within a period of three (3) years of the date of the sale, the  
4 balance of the proceeds shall be distributed to the respective  
5 taxing districts pro rata based on the millage imposed by the  
6 respective taxing districts as of the year such property was  
7 sold. Interest earned by the proceeds of the sale during this  
8 three-year period shall be retained by the county.

9 Section 3. Sections 207 and 208 of the act, amended July 3,  
10 1986 (P.L.351, No.81), are amended to read:

11 Section 207. Reimbursement of County; Charges.--(a) In  
12 order to reimburse the county for the actual costs and expenses  
13 of operating the bureau created by this act, the county shall  
14 receive and retain out of all moneys collected or received under  
15 the provisions of [this act] section 205(c), five per centum  
16 (5%) thereof, which percentage shall be deducted by the bureau  
17 before paying over moneys to the respective taxing districts  
18 entitled thereto. This percentage and interest earned under  
19 section 205 shall be paid into the county treasury for the use  
20 of the county. The reimbursement herein provided for shall be in  
21 addition to the costs, fees and expenses advanced by the county,  
22 which, upon recovery, are payable to the county as provided by  
23 the preceding section of this act.

24 (b) In addition to the five per centum (5%) authorized by  
25 subsection (a), and the reimbursement as therein provided,  
26 maximum charges for the following or similar type services are  
27 authorized:

- 28 (1) Entry of Claim, includes ..... \$10.00  
29 (i) audit lien sheets  
30 (ii) enter on property card

- 1 (iii) enter in docket
- 2 (iv) enter in index
- 3 (v) type notice of return
- 4 (vi) mail notice of return
- 5 (2) Satisfaction of Claim, includes ..... \$5.00
- 6 (i) prepare receipt
- 7 (ii) satisfy docket
- 8 (iii) satisfy index
- 9 (iv) post property card
- 10 (v) enter on daily distribution sheet
- 11 (3) Preparation of Sale, includes ..... \$15.00
- 12 (i) prepare cost sheet
- 13 (ii) type notice of sale
- 14 (iii) mail notice of sale
- 15 (iv) prepare advertising copy
- 16 (4) Review of Records, includes ..... \$10.00
- 17 (i) check assessment records
- 18 (ii) check Recorder of Deeds
- 19 (iii) check Register of Wills
- 20 (5) Preparation of Deed..... \$25.00
- 21 (6) Discharge of Tax Claim, Section 501..... \$5.00
- 22 (6.1) Removal from Sale, Section 603..... \$5.00
- 23 (7) Agreement to Stay Sale, Section 603..... \$15.00
- 24 (8) Postage..... Actual cost

25 It is the intent of this act to authorize the bureau to charge  
 26 the costs of its operation against the properties for which a  
 27 delinquent return is made on an equitable and pro-rata basis in  
 28 so far as is possible. The charge made for each service shall  
 29 bear a reasonable relationship to the service rendered.

30 Section 208. Agent of Taxing Districts; Lien Certificates.--



1 The bureau and the director thereof shall, in the administration  
2 of this act, be the agent of the taxing districts whose tax  
3 claims are returned to the bureau for collection and prosecution  
4 under the provisions of this act, and in the management and  
5 disposition of property in accordance with the provisions of  
6 this act.

7 Any taxing district whose tax claims have been returned to  
8 the bureau under the provisions of this act shall have the right  
9 to adopt a resolution advising the bureau that it intends to  
10 collect some or all of its delinquent taxes pursuant to an  
11 alternate tax collection scheme and directing the bureau not to  
12 collect some or all of its delinquent taxes.

13 The bureau shall, upon request of any person, furnish a lien  
14 certificate showing the taxes due on any property as shown by  
15 its records. A fee of not more than five dollars (\$5) shall be  
16 charged for any such certificate and shall be payable to the  
17 county.

18 Section 4. This act shall take effect in 60 days.

