

CORPORATIONS, PRIORITIES OF DEBTS
Act of Jun. 15, 1911, P.L. 955, No. 772
AN ACT

Cl. 72

Making State taxes, unpaid bonus, interest, penalties, and all public accounts, a first lien upon the franchise and property of corporations, companies, associations, joint-stock associations, and limited partnerships against which the same may be settled; providing for enforcing the payment thereof, and for the furnishing of certificates as to the existence of such liens upon application thereof; and repealing section four of the act approved April sixteenth, one thousand eight hundred and twenty-seven.

Section 1. Be it enacted, &c., That from and after the passage of this act, all State taxes imposed under the authority of any law of this Commonwealth now existing or that may hereafter be enacted, and unpaid bonus, interest, penalties, and all public accounts settled against any corporation, company, association, joint-stock association, or limited partnership, shall be a first lien upon the franchise and property, both real and personal, of such corporation, company, association, joint-stock association, or limited partnership, from the date when they are settled by the Auditor General and approved by the State Treasurer, or in the cases where the Auditor General alone makes the settlement, from the date when they are so settled by him; and whenever the franchise or property of a corporation, company, association, joint-stock association, or limited partnership shall be sold at a judicial sale, all taxes, interest, bonus, penalties, and public accounts due the Commonwealth, shall first be allowed and paid out of the proceeds of such sale, before any judgment, mortgage, or any other claim or lien against such corporation, company, association, stock association, or limited partnership.

Whenever such taxes, bonus, interest, penalties, and public accounts are not paid within sixty (60) days from the date of their settlement by the Auditor General as approved by the State Treasurer, or, in the cases where the Auditor General alone makes the settlement, sixty (60) days from the date of such settlement by him as aforesaid, and no appeal has been taken from such settlement in the method provided by law, and in all cases of judicial sales, assignments, or bankruptcies, the Auditor General may employ counsel without the approval of the Attorney General to collect the same; and such counsel is authorized and directed to add to such settlements for taxes, bonus, interest, penalties, and public accounts and to collect from such corporation, company, association, joint-stock association, or limited partnership for the purpose of compensating such counsel so employed, a counsels' commission based on the amount of such collection at the following rate, viz: ten per centum on the first five hundred dollars (\$500); five per centum on the next two thousand dollars (\$2,000); and two and one-half per centum on any amount in excess of two

thousand five hundred dollars (\$2,500),--which commissions, together with costs, shall be paid by such corporation, company, association, joint-stock association, or limited partnership, and shall have the same priority and lien as such taxes, bonus, interest, penalties, and public accounts as hereinbefore provided: Provided, That the Auditor General shall not so employ counsel as aforesaid, until after he shall first have given ten (10) days' notice, in writing, of his intention so to do to such corporation, company, association, joint-stock association, or limited partnership: Provided further, however, That when such counsel is employed by the Auditor General as aforesaid, and, in the collection of such taxes, bonus, interest, penalties, and public accounts, any litigation arises or it is necessary to commence any litigation in behalf of the Commonwealth, such litigation shall be under the supervision, direction, and control of the Attorney General of the Commonwealth.

(1 amended Apr. 12, 1923, P.L.63, No.40)