

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 250 Session of
1989INTRODUCED BY CALTAGIRONE, TRELLO, VAN HORNE, LaGROTTA, HALUSKA
AND F. TAYLOR, FEBRUARY 6, 1989AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, MARCH 6, 1989

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," authorizing counties to extend the time for
29 certain unpaid taxes and to defer certain unpaid taxes.

30 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. The act of July 7, 1947 (P.L.1368, No.542), known
3 as the Real Estate Tax Sale Law, is amended by adding a section
4 to read:

5 Section 504. Extension for Elderly.--(a) The county
6 commissioners may enact legislation which provides that, if the
7 county commissioners, acting through the bureau, determine or
8 have reason to believe that a tax claim or tax claims relate to
9 residential real estate which is owned and occupied solely by a
10 person sixty-five (65) years of age or older or is owned and
11 occupied jointly by persons all of whom are sixty-five (65)
12 years of age or older, and there is a possibility that such
13 owner is not fully informed as to the tax claim or claims and
14 the effect of the impending sale, or otherwise needs assistance
15 to prevent the property from going to sale, the period for
16 discharge of the tax claim or claims may be extended or payment
17 of the tax claim or claims may be deferred to a later time. TO <—
18 BE ELIGIBLE FOR A DEFERRAL OF TAX, AN APPLICANT'S HOUSEHOLD
19 INCOME MUST BE EQUAL TO OR LESS THAN THE MAXIMUM HOUSEHOLD
20 INCOME NECESSARY TO QUALIFY FOR A PROPERTY TAX OR RENT REBATE
21 UNDER THE ACT OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN AS THE
22 "SENIOR CITIZENS REBATE AND ASSISTANCE ACT."

23 (b) Legislation enacted as authorized by subsection (a) may
24 authorize the bureau, either through its own action or in
25 cooperation with the Area Agency on Aging or any other
26 organization, group or individuals, to examine documents of
27 record, REQUIRE DOCUMENTATION OF HOUSEHOLD INCOME, conduct <—
28 inquiries or take any other action to determine if the owner of
29 the property to which the tax claim relates is sixty-five (65)
30 years of age or older. If it is determined that the owner is

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sixty-five (65) years of age or older MEETS THE INCOME
REQUIREMENTS OF SUBSECTION (A) and otherwise qualifies for
special consideration under this section, such legislation may
authorize any of the following insofar as such action will not
ultimately result in loss to the bureau or the taxing district:

(1) Extend the period for discharge of the tax claim or
claims for up to three (3) additional months if it appears to
the bureau that suitable arrangement for payment of the tax
claim or claims can be made within that period.

(2) If it is determined that the owner desires to continue
to reside in the residence and cannot afford to pay the tax
claim or claims and continue to live in a comfortable lifestyle,
stay the tax sale and defer payment of the tax claim or claims
until such time as title to the property is transferred or the
owner is no longer the sole occupant of the property. Any such
tax deferral program shall include requirements relating to THE
income limitations SET FORTH IN SUBSECTION (A), value of the
property, owner's equity in the property, insurance of the
property and other requirements deemed necessary for entitlement
to the deferral and for protection of the tax claim or claims.

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All taxes so deferred shall constitute a prior lien on the
property in favor of the taxing district, and shall attach as of
the date and in the same manner and shall be collected as other
liens for taxes, but the taxes shall be due and payable only
when title to the property is transferred or the eligible owner
is no longer the sole occupant.

(3) If it is determined that the owner does not desire to
continue to reside in the residence, or that a deferral of tax
pursuant to paragraph (2) would jeopardize ultimate recovery of
the tax claim or claims in full, and it appears that the owner

1 has equity in the residence which would be lost at a regular tax
2 sale, a special sale of the residence can be arranged. At least
3 two independent appraisals of the residence shall be obtained,
4 and the residence shall be placed on the market at a price
5 midway between such appraisals for a period not to exceed eleven
6 (11) months from the date the property was initially scheduled
7 for sale. If the property is sold within that period, the
8 proceeds shall be distributed in the priority stated in section
9 205(d) and confirmed as provided in section 205(e). Cost of the
10 appraisals and seller's costs of the sale shall be borne by the
11 owner. If the property is not sold within that period, the
12 property shall be sold at the next regularly scheduled tax sale,
13 and costs incurred shall be recouped by the bureau at the sale.

14 (C) ALL TAXES THAT ARE DEFERRED UNDER THIS ACT SHALL BEAR <—
15 SIMPLE INTEREST FROM THE DATE THEY BECOME DUE AND PAYABLE UNTIL
16 THE DATE THEY ARE PAID. THE INTEREST RATE PER ANNUM FOR EACH
17 CALENDAR YEAR SHALL BE THE RATE ESTABLISHED BY SECTION 306 OF
18 THIS ACT.

19 ~~(e)~~ (D) The procedures set forth in this section are not <—
20 intended to be exclusive, but are intended to express the intent
21 of the General Assembly to permit county commissioners to enact
22 whatever legislation they may deem beneficial to senior citizens
23 to prevent them from losing their residences, or losing equity
24 in their residences, as a result of unpaid real estate taxes, to
25 the extent that such measures may be enacted pursuant to section
26 2(b)(ii) of Article VIII of the Constitution of Pennsylvania,
27 but subject to the condition that such legislation does not
28 jeopardize the ultimate receipt in full of taxes imposed by the
29 taxing districts.

30 Section 2. This act shall take effect in 60 days.