

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1218 Session of
2003

INTRODUCED BY TURZAI, CREIGHTON, KELLER, READSHAW, SAINATO,
T. STEVENSON AND MARKOSEK, APRIL 21, 2003

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 21, 2003

AN ACT

1 Amending the act of May 16, 1923 (P.L.207, No.153), entitled "An
2 act providing when, how, upon what property, and to what
3 extent, liens shall be allowed for taxes and for municipal
4 improvements, for the removal of nuisances, and for water
5 rents or rates, sewer rates, and lighting rates; for the
6 procedure upon claims filed therefor; the methods for
7 preserving such liens and enforcing payment of such claims;
8 the effect of judicial sales of the properties liened; the
9 distribution of the proceeds of such sales, and the
10 redemption of the property therefrom; for the lien and
11 collection of certain taxes heretofore assessed, and of
12 claims for municipal improvements made and nuisances removed,
13 within six months before the passage of this act; and for the
14 procedure on tax and municipal claims filed under other and
15 prior acts of Assembly," amending definitions; further
16 providing for municipal claims and liens, for judicial sales,
17 for recovery of judgment and sale free from claims, for
18 assignment of claims and for notice requirements; and making
19 a repeal.

20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:

22 Section 1. Section 1 of the act of May 16, 1923 (P.L.207,
23 No.153), referred to as the Municipal Claim and Tax Lien Law,
24 amended April 17, 1945 (P.L.248, No.110), is amended to read:

25 Section 1. Be it enacted, &c., That the word "taxes," as
26 used in this act, means any county, city, borough, incorporated

1 town, township, school, bridge, road, or poor taxes, together
2 with and including all penalties, interest, costs, charges,
3 expenses and fees, including reasonable attorney fees, as
4 allowed by this act and all other applicable laws.

5 The word "highway," as used in this act, means the whole or
6 any part of any public street, public road, public lane, public
7 alley, or other public highway.

8 The words "tax claim," as used in this act, mean the claim
9 filed to recover taxes.

10 The words "municipal claim," as used in this act, unless
11 specifically indicated otherwise, mean and include [both] (1)
12 the claim arising out of, or resulting from, a tax assessed,
13 service supplied, work done, or improvement authorized and
14 undertaken, by a municipality, although the amount thereof be
15 not at the time definitely ascertained by the authority
16 authorized to determine the same, and a lien therefor be not
17 filed, but becomes filable within the period and in the manner
18 herein provided, (2) the claim filed to recover for the grading,
19 guttering, macadamizing, or otherwise improving, the cartways of
20 any public highway; for grading, curbing, recurbing, paving,
21 repaving, constructing, or repairing the footways thereof; for
22 laying water pipes, gas pipes, culverts, sewers, branch sewers,
23 or sewer connections therein; for assessments for benefits in
24 the opening, widening or vacation thereof; or in the changing of
25 water-courses or the construction of sewers through private
26 lands; or in highways of townships of the first class; or in the
27 acquisition of sewers and drains constructed and owned by
28 individuals or corporations, and of rights in and to use the
29 same; for the removal of nuisances; or for water rates, lighting
30 rates, or sewer rates, and (3) the claim filed to recover for

1 work, material, and services rendered or furnished in the
2 construction, improvement, maintenance, and operation of a
3 project or projects of a body politic or corporate created as a
4 Municipal Authority pursuant to law. A municipal claim shall be
5 together with and shall include all penalties, interest, costs,
6 finances, charges, expenses and fees, including reasonable attorney
7 fees, as allowed by this act and all other applicable laws.

8 The word "claimant," as used in this act, means the plaintiff
9 or use-plaintiff in whose favor the claim is filed as a lien.

10 The word "contractor," as used in this act, means the person
11 or persons who, under contract with the legal plaintiff,
12 performed the work for which the lien is given.

13 The word "property," as used in this act, means the real
14 estate subject to the lien and against which the claim is filed
15 as a lien.

16 The word "owner," as used in this act, means the person or
17 persons in whose name the property is registered, if registered
18 according to law, and, in all other cases, means any person or
19 persons in open, peaceable and notorious possession of the
20 property, as apparent owner or owners thereof, if any, or the
21 reputed owner or owners thereof in the neighborhood of such
22 property.

23 The word "municipality," as used in this act, means any
24 county, city, borough, incorporated town, township, school
25 district, [county institution district, and] or a body politic
26 and corporate created as a Municipal Authority pursuant to law
27 and any assignees thereof.

28 Section 2. Section 3 of the act, amended December 19, 1990
29 (P.L.1092, No.199) and February 7, 1996 (P.L.1, No.1), is
30 amended to read:

1 Section 3. (a) All municipal claims, municipal liens,
2 taxes, tax claims and tax liens which may hereafter be lawfully
3 imposed or assessed on any property in this Commonwealth, and
4 all such claims heretofore lawfully imposed or assessed within
5 six months before the passage of this act and not yet liened, in
6 the manner and to the extent hereinafter set forth, shall be and
7 they are hereby declared to be a lien on said property, together
8 with all charges, expenses, and fees incurred in the collection
9 of any delinquent account, including reasonable attorney fees
10 under subsection (a.1), added thereto for failure to pay
11 promptly; and [said] municipal claims and municipal liens shall
12 arise when lawfully imposed and assessed and shall have priority
13 to and be fully paid and satisfied out of the proceeds of any
14 judicial sale of said property, before any other obligation,
15 judgment, claim, lien, or estate with which the said property
16 may become charged, or for which it may become liable, save and
17 except only the costs of the sale and of the writ upon which it
18 is made, and the taxes, tax claims and tax liens imposed or
19 assessed upon said property.

20 (a.1) It is not the intent of this subsection to require
21 owners to pay, or municipalities to sanction, inappropriate or
22 unreasonable attorney fees, charges or expenses for routine
23 functions. Attorney fees incurred in the collection of any
24 delinquent account, including municipal claims, municipal liens,
25 taxes, tax claims and tax liens, shall be in an amount
26 sufficient to compensate attorneys undertaking collection and
27 representation of a municipality or its assignee in [actions]
28 any actions in law or equity involving claims arising under this
29 act. A municipality by ordinance, or by resolution if the
30 municipality is of a class which does not have the power to

1 enact an ordinance, shall adopt the schedule of attorney fees.
2 Where attorney fees are sought to be collected in connection
3 with the collection of a delinquent account, including municipal
4 claims, municipal liens, taxes, tax claims and tax liens, the
5 owner may petition the court of common pleas in the county where
6 the property subject to the municipal claim and lien, tax claim
7 and lien or taxes is located to adjudicate the reasonableness of
8 the attorney fees imposed. In the event that there is a
9 challenge to the reasonableness of the attorney fees imposed in
10 accordance with this section, the court shall consider, but not
11 be limited to, the following:

12 (1) The time and labor required, the novelty and difficulty
13 of the questions involved and the skill requisite to properly
14 undertake collection and representation of a municipality in
15 actions arising under subsection (a).

16 (2) The customary charges of the members of the bar for
17 similar services.

18 (3) The amount of the delinquent account collected and the
19 benefit to the municipality from the services.

20 (4) The contingency or the certainty of the compensation.

21 (a.2) Any time attorney fees are awarded pursuant to any
22 provision of law, the municipality shall not be entitled to
23 duplicate recovery of attorney fees under this section.

24 (a.3) (1) At least thirty days prior to assessing or
25 imposing attorney fees in connection with the collection of a
26 delinquent account, including municipal claims, municipal liens,
27 taxes, tax claims and tax liens, a municipality shall, by United
28 States certified mail, return receipt requested, postage
29 prepaid, mail to the owner the notice required by this
30 subsection.

1 (2) If within thirty days of mailing the notice in
2 accordance with clause (1) the certified mail is refused or
3 unclaimed or the return receipt is not received, then at least
4 ten days prior to assessing or imposing attorney fees in
5 connection with the collection of a delinquent account, a
6 municipality shall, by United States first class mail, mail to
7 the owner the notice required by this subsection.

8 (3) The notice required by this subsection shall be mailed
9 to the owner's last known post office address by virtue of the
10 knowledge and information possessed by the municipality and by
11 the county office responsible for assessments and revisions of
12 taxes. It shall be the duty of the municipality to determine the
13 owner's last post office address known to said collector and
14 county assessment office.

15 (4) The notice to the owner shall include the following:

16 (i) A statement of the municipality's intent to impose or
17 assess attorney fees within thirty days of mailing the notice
18 pursuant to clause (1) or within ten days of the mailing of the
19 notice pursuant to clause (2).

20 (ii) The manner in which the imposition or assessment of
21 attorney fees may be avoided by payment of the delinquent
22 account.

23 (b) With the exception of those claims which have been
24 assigned, any municipal claim, including interest, penalty and
25 costs, imposed by a city of the first class, shall be a judgment
26 only against the said property when the lien has been docketed
27 by the prothonotary. The docketing of the lien shall be given
28 the effect of a judgment against the said property only with
29 respect to which the claim is filed as a lien. The prothonotary
30 shall maintain an in rem index, the form and location of which

1 shall be within the prothonotary's discretion. All tax claims,
2 water rents or rates, lighting rates, power rates and sewer
3 rates heretofore filed are hereby ratified, confirmed and made
4 valid subsisting liens as of the date of their original filing.

5 (c) A writ of execution may issue directly without
6 prosecution to judgment of a writ of scire facias. Any property
7 sold in execution shall be sold in compliance with the
8 provisions of section 31.2.

9 Section 3. Section 9 of the act, amended December 13, 1982
10 (P.L.1196, No.274), is amended to read:

11 Section 9. Claims for taxes, water rents or rates, lighting
12 rates, power rates, and sewer rates, must be filed in the court
13 of common pleas of the county in which the property is situated
14 unless the property is situate in the City of Philadelphia and
15 the taxes or rates do not exceed the maximum amount over which
16 the Municipal Court of Philadelphia has original jurisdiction,
17 in which event the claim must be filed in the Municipal Court of
18 Philadelphia. All such claims shall be filed on or before the
19 last day of the third calendar year after that in which the
20 taxes or rates are first payable, except that in cities and
21 school districts of the first class claims for taxes and other
22 municipal claims, which have heretofore become liens pursuant to
23 the provisions of this act or which have been entered of record
24 as liens or which have been liened and revived, shall continue
25 and remain as liens for the period of twenty years from such
26 revival, entry or lien by operation of law, whichever shall have
27 last occurred; and other municipal claims must be filed in said
28 court of common pleas or the Municipal Court of Philadelphia
29 within six months from the time the work was done in front of
30 the particular property, where the charge against the property

1 is assessed or made at the time the work is authorized; within
2 six months after the completion of the improvement, where the
3 assessment is made by the municipality upon all the properties
4 after the completion of the improvement; and within six months
5 after confirmation by the court, where confirmation is required;
6 the certificate of the surveyor, engineer, or other officer
7 supervising the improvement, filed in the proper office, being
8 conclusive of the time of completion thereof, but he being
9 personally liable to anyone injured by any false statement
10 therein. Where a borough lies in more than one county, any such
11 claim filed by such borough may be filed in each of such
12 counties. In case the real estate benefited by the improvement
13 is sold before the municipal claim is filed, the date of
14 completion in said certificate shall determine the liability for
15 the payment of the claim as between buyer and seller, unless
16 otherwise agreed upon or as above set forth. A number of years'
17 taxes or rates of different kinds if payable to the same
18 plaintiff may be included in one claim. Interest as determined
19 by the municipality at a rate not to exceed ten per cent per
20 annum shall be collectible on all municipal claims from the date
21 of the completion of the work after it is filed as a lien, and
22 on claims for taxes, water rents or rates, lighting rates, or
23 sewer rates from the date of the filing of the lien therefor:
24 Provided, however, That after the effective date of this
25 amendatory act where municipal claims are filed arising out of a
26 municipal project which required the municipality to issue bonds
27 to finance the project interest shall be collectible on such
28 claims at the rate of interest of the bond issue or at the rate
29 of twelve per cent per annum, whichever is less. Where the
30 provisions of any other act relating to claims for taxes, water

1 rents or rates, lighting rates, power rates, sewer rents or
2 rates or for any other type of municipal claim or lien utilizes
3 the procedures provided in this act and where the provisions of
4 such other act establishes a different rate of interest for such
5 claims or liens, the maximum rate of interest of ten per cent
6 per annum as provided for in this section shall be applicable to
7 the claims and liens provided for under such other acts:

8 Provided, however, That after the effective date of this
9 amendatory act where municipal claims are filed arising out of a
10 municipal project which required the municipality to issue bonds
11 to finance the project interest shall be collectible on such
12 claims at the rate of interest of the bond issue or at the rate
13 of twelve per cent per annum, whichever is less.

14 Claims for taxes, water rents, or rates, lighting rates,
15 power rates and sewer rates may be in the form of written or
16 typewritten lists showing the names of the taxables and
17 descriptions of the properties against which said claims are
18 filed, together with the amount of the taxes due such
19 municipality. Such lists may be filed on behalf of a single
20 municipality, or they may cover the unpaid taxes due any two or
21 more municipalities whose taxes are collected by the same tax
22 collector, provided the amounts due each municipality are
23 separately shown. All tax claims, water rents, or rates,
24 lighting rates, power rates and sewer rates, heretofore filed in
25 such form, are hereby ratified, confirmed and made valid
26 subsisting liens as of the date of their original filing.

27 A number of years' taxes or rates of different kinds, if
28 payable to the same plaintiff, may be included in one claim.
29 Municipal claims shall likewise be filed within said period,
30 where any appeal is taken from the assessment for the recovery

1 of which such municipal claim is filed. In such case the lien
2 filed shall be in the form hereinafter provided, except that it
3 shall set forth the amount of the claim as an undetermined
4 amount, the amount thereof to be determined by the appeal taken
5 from the assessment upon which such municipal claim is based,
6 pending in a certain court (referring to the court and the
7 proceeding where such appeal is pending). Upon the filing of
8 such municipal claim, the claim shall be indexed by the
9 prothonotary upon the judgment index and upon the locality index
10 of the court, and the amount of the claim set forth therein as
11 an undetermined amount.

12 If final judgment is not obtained upon such appeal within
13 twenty years from the filing of such municipal claim, the
14 claimant in the lien shall, within such period of twenty years,
15 file a suggestion of nonpayment, in the form hereinafter set
16 forth, which shall have the effect of continuing the lien
17 thereof for a further period of twenty years from the date of
18 filing such suggestion, except that with respect to claims for
19 taxes and other municipal claims, in cities and school districts
20 of the first class, if final judgment is not obtained upon such
21 appeal within twenty years from the filing of such municipal
22 claims, the claimant in the lien shall, within such period of
23 twenty years, file a suggestion of nonpayment in the prescribed
24 form which shall have the effect of continuing the lien thereof
25 for a further period of twenty years from the date of filing
26 such suggestion. Such municipal claim shall be revived in a
27 similar manner during each recurring period of twenty years
28 thereafter, until final judgment is entered upon said appeal and
29 the undetermined amount of such municipal claim is fixed in the
30 manner hereinafter provided, except that with respect to claims

1 for taxes and other municipal claims, in cities and school
2 districts of the first class, such municipal claims shall be
3 revived in a similar manner during each recurring period of
4 twenty years thereafter until final judgment is entered upon
5 said appeal and the undetermined amount of such municipal claim
6 is fixed in the manner hereinafter provided.

7 When the final judgment is obtained upon such appeal, the
8 court in which said municipal claim is pending shall, upon the
9 petition of any interested party, make an order fixing the
10 undetermined amount claimed in such claim at the amount
11 determined by the final judgment upon said appeal, which shall
12 bear interest from the date of the verdict upon which final
13 judgment was entered, and thereafter the amount of said claim
14 shall be the sum thus fixed. Proceedings upon said municipal
15 claim thereafter shall be as in other cases.

16 Where, on final judgment upon said appeal, it appears that no
17 amount is due upon the assessment for the recovery of which such
18 claim is filed, the court in which such municipal claim is
19 pending shall, upon the petition of any interested party, make
20 an order striking such municipal claim from the record, and
21 charge the costs upon such claim to the plaintiff in the claim
22 filed.

23 Where such appeal is discontinued, the court in which such
24 municipal claim is pending shall, upon the petition of any
25 interested party, make an order fixing the undetermined amount
26 claimed at the amount of the original assessment, which shall
27 bear interest from the date that such assessment was originally
28 payable, and thereafter the amount of such claim shall be the
29 sum thus fixed.

30 In counties of the second class, all county taxes after the

1 same become delinquent, as now provided by law, shall bear
2 interest from the time said taxes become delinquent at a rate
3 determined by the county not to exceed twelve per centum per
4 annum until paid, regardless whether said taxes are filed as tax
5 claims or liens. Interest shall be charged a rate of one per
6 centum per month or part thereof beginning the first day of each
7 month until the end of the month that said taxes are paid.
8 Interest shall not be paid on a per diem basis. In counties of
9 the second class, all county taxes after the same become
10 delinquent, as provided by law, shall include a penalty of five
11 per centum for such delinquency.

12 In counties of the second class, taxes and tax claims, when
13 collected, shall be paid into the county treasury for the use of
14 the county, unless the taxes and tax claims are assigned, in
15 which event there is no requirement that the taxes and tax
16 claims collected by the assignee be paid into the county
17 treasury.

18 In counties of the second class, the county shall not be
19 required to advance or pay any funds to the prothonotary for the
20 filing of paper or electronic filing or performing any services
21 for the second class county relating to the filing,
22 satisfaction, assignment, transfer, revival, amendment,
23 enforcement and collection of taxes, tax claims and tax liens.
24 The prothonotary shall accept filings by or on behalf of the
25 second class county relating to the taxes, tax claims and tax
26 liens and note the cost for such service performed on the docket
27 as though the cost had been advanced by or on behalf of the
28 second class county. The second class county, its employees,
29 representatives, agents and assigns shall thereafter collect
30 such fee as a cost as if the full amount of such fee had been

1 advanced by the second class county.

2 Section 4. Section 31 of the act is amended to read:

3 Section 31. The lien of a tax or a municipal claim shall not
4 be divested by any judicial sale of the property liened, where
5 the amount due is indefinite or undetermined, or where the same
6 is not due and payable; nor shall the lien of a tax or municipal
7 claim be divested by any judicial sale of the property liened,
8 as respects so much thereof as the proceeds of such sale may be
9 insufficient to discharge; nor, except as hereinafter provided,
10 shall a judicial sale of the property liened, under a judgment
11 obtained on a tax or municipal claim, discharge the lien of any
12 other tax or municipal claim than that upon which said sale is
13 had, except to the extent that the proceeds realized are
14 sufficient for its payment, after paying the costs [and],
15 charges and fees, including reasonable attorney fees, expenses
16 of the sale, and of the writ upon which it was made, and any
17 other prior tax or municipal claims to which the fund may first
18 be applicable. On any such sale being made all tax claims shall
19 be paid out of the proceeds thereof: first, the oldest tax
20 having priority; and municipal claims shall be paid next, the
21 oldest in point of lien having priority. Mortgages, ground-
22 rents, and other charges on or estates in the property which
23 were recorded, or created where recording is not required,
24 before any tax other than for the current year accrue, or before
25 the actual doing of the work in front of or upon the particular
26 property for which the municipal claim is filed, shall not be
27 disturbed by such sale unless a prior lien is also discharged
28 thereby.

29 In case the property be not sold for a sum sufficient to pay
30 all taxes and municipal claims, together with the costs thereon,

1 the plaintiff in any such claim may postpone the sale, without
2 payment of costs, and file his petition setting forth that more
3 than one year has elapsed since the filing of his claim; that he
4 has exposed the property to sheriff's sale thereunder, and was
5 unable to obtain a bid sufficient to pay the upset price in
6 full; and[, if a municipal claimant other than a municipality]
7 if the plaintiff is not a municipality as defined in this act,
8 that he will bid sufficient to pay the upset price, and upon the
9 production of searches or a title insurance policy showing the
10 state of the record and the ownership of the property, and of
11 all tax and municipal claims, mortgages, ground-rents, or other
12 charges on or estates in the land, the court shall grant a rule
13 upon all parties thus shown to be interested to appear and show
14 cause why a decree should not be made that said property be
15 sold, freed, and cleared of their respective claims, mortgages,
16 charges, and estates. If, upon a hearing thereafter, the court
17 is satisfied that service has been made of said rule upon the
18 parties respondent, in the manner provided in [this act for the
19 service of writs of scire facias to obtain judgments upon tax
20 and municipal claims] section 39.2, and that the facts stated in
21 the petition be true, it shall order and decree that said
22 property be sold at a subsequent sheriff's sale day, to be fixed
23 by the court without further advertisement, clear of all claims,
24 liens, mortgages, charges, and estates, to the highest bidder at
25 such sale; and the proceeds realized therefrom shall be
26 distributed in accordance with the priority of such claims; and
27 the purchaser at such sale shall take, and forever thereafter
28 have, an absolute title to the property sold, free, and
29 discharged of all tax and municipal claims, liens, mortgages,
30 charges, and estates of whatsoever kind, subject only to the

1 right of redemption as provided by law. In counties of the
2 second class, upon return of the writ upon which the sale was
3 made and upon the expiration of the statutory right of
4 redemption and if no petition to set aside the sale is pending,
5 the prothonotary shall satisfy all tax claims and municipal
6 claims divested by the judicial sale in accordance with the
7 order of court authorizing such sale.

8 Any person interested may, at any time before the sale, pay
9 the petitioner the whole of his claim, with interest [and],
10 costs, charges, expenses, fees and attorney fees, whereupon the
11 proceedings on petition shall at once determine.

12 For the purpose of enabling the petitioner in any such
13 proceedings to give the notice required, he may take the
14 testimony of the defendant in the claim, or of any other person
15 whom he may have reason to believe has knowledge of the
16 whereabouts of any of the parties respondent, either by
17 deposition, commission, or letters rogatory.

18 Any [county,] municipality[, township, or school district],
19 being a claimant, shall have the right, and is hereby empowered,
20 to bid and become the purchaser of the property at such sale;
21 and while the said property, so purchased, is held and owned by
22 [either a county or a municipality, township, or school
23 district] any county, city, borough, incorporated town,
24 township, school district or a body politic and corporate
25 created as a municipal authority pursuant to law, it shall not
26 be subject to tax claims, unless it be redeemed by the former
27 owner or other person having the right to redeem, as provided by
28 law. If, however, a [county,] municipality[, township, or school
29 district] shall become the purchaser at said sale, the former
30 owner or other person, desiring to redeem, shall pay all taxes

1 and municipal claims accrued and chargeable against the property
2 prior to the sale thereof, together with the costs and interest
3 thereon, and also all taxes and claims, whether filed or not,
4 which would have accrued and become chargeable against the
5 property had the same been purchased at the sale by some party
6 other than the [county, city, or other municipal division]
7 municipality.

8 Upon the delivery by the sheriff of a deed for any property
9 sold under a tax or municipal claim, the judgment upon which
10 such sale was had shall thereupon and forever thereafter be
11 final and conclusive as to all matters of defense which could
12 have been raised in the proceeding, including payment, and no
13 error or irregularity in obtaining or entering of such judgment
14 shall effect the validity thereof.

15 Section 5. Section 31.1 of the act, added May 22, 1945
16 (P.L.844, No.342), is amended to read:

17 Section 31.1. In addition to the remedy prescribed in
18 sections twenty-eight and thirty-one of this act, whenever a
19 claimant in any county of the first class has obtained a
20 judgment upon its tax or municipal claim, it may file its
21 petition in the court in which the proceeding is pending,
22 setting forth the facts necessary to show the right to sell,
23 together with searches or a title insurance policy, showing the
24 state of the record and the ownership of the property, and of
25 all tax and municipal claims, mortgages, ground rents, or other
26 charges on, or estates in, the land, as shown by the official
27 records of the county, or the political subdivision in which the
28 real estate is situate, and thereupon the court shall grant a
29 rule upon all parties thus shown to be interested, to appear and
30 show cause why a decree should not be made that said property be

1 sold, freed and cleared of their respective claims, mortgages,
2 ground rents, charges and estates, and without any right of
3 redemption after such sale. If upon a hearing, thereafter the
4 court is satisfied that service has been made of said rule upon
5 the parties respondent in the manner provided in this act for
6 the service of writs of scire facias to obtain judgments upon
7 tax and municipal claims, and that contemporaneously with the
8 service of the rule on the parties respondent notice of the rule
9 has been published by the claimant in at least one newspaper of
10 general circulation in the county, and in a legal periodical
11 published therein, if any, and that the facts stated in the
12 petition be true, it shall order and decree that said property
13 be sold at a subsequent sheriff's sale at a time to be fixed
14 thereafter by the claimant, at least one year after the date of
15 the decree, clear of all claims, liens, mortgages, ground rents,
16 charges and estates to the highest bidder at such sale, and the
17 proceeds realized therefrom, shall be distributed in accordance
18 with the priority of such claims, liens, mortgages, ground
19 rents, charges and estates, and the purchaser at such sale shall
20 take and forever thereafter have an absolute title to the
21 property sold, free and discharged of all tax and municipal
22 claims, liens, mortgages, ground rents, charges and estates of
23 whatsoever kind, and not thereafter subject to any right of
24 redemption. Advertisement of such sale shall be made and the
25 deed to the purchaser shall be executed, acknowledged and
26 delivered as in other real estate sales by the sheriff:
27 Provided, however, That any person interested may at any time
28 prior to the proposed sale pay all the costs of the proceedings,
29 including a reasonable fee for the necessary title search or
30 title insurance policy to be fixed by the court, and all tax and

1 municipal claims, penalties and interest thereon, charged
2 against the property; whereupon the proceedings on petition
3 shall at once determine, notice of this proviso shall be
4 included with each service and in each publication of the
5 aforesaid rule.

6 In addition to the remedy prescribed in section 28, whenever
7 a municipality in any county of the second class has obtained a
8 judgment on a tax or municipal claim, it may file its petition
9 in the court in which the proceeding is pending. The petition
10 shall set forth the facts necessary to show the right to sell; a
11 title search or a title insurance policy showing the state of
12 the record and the ownership of the property; and all tax and
13 municipal claims, mortgages, ground-rents or other charges on,
14 or estates in, the land as shown by the official records of the
15 county or the political subdivision in which the real estate is
16 situate. The court shall issue a rule upon all parties named in
17 the petition to appear and show cause why a decree shall not be
18 made to sell the property free and clear of all claims,
19 mortgages, ground-rents, charges and estates and without any
20 right of redemption after such sale. If upon a hearing
21 thereafter, the court is satisfied that proper service has been
22 made of said rule on all interested parties in accordance with
23 section 39.2, and that the facts stated in the petition are
24 true, it shall order and decree that the property be sold at a
25 subsequent sheriff's sale at a time fixed by the claimant, clear
26 of all claims, liens, mortgages, ground-rents, charges and
27 estates, to the highest bidder at such sale, and the proceeds
28 realized therefrom, shall be distributed in accordance with the
29 priority of such claims, liens, mortgages, ground-rents, charges
30 and estates, and the purchaser shall take and forever thereafter

1 have, an absolute title to the property sold, free and
2 discharged of all tax and municipal claims, liens, mortgages,
3 ground-rents, charges and estates of whatsoever kind, and not
4 thereafter subject to any right of redemption. Advertisement of
5 such sale shall be made and the deed to the purchaser shall be
6 executed, acknowledged and delivered as in other real estate
7 sales by the sheriff. An interested person may, at any time
8 prior to the proposed sale, pay all the costs, charges, expenses
9 and fees and attorney fees of the proceedings, including the
10 cost for the title search or title insurance policy, and all tax
11 and municipal claims charged against the property, whereupon the
12 sale proceedings shall at once terminate. Notice of this
13 provision shall be included with each service of the aforesaid
14 rule. In counties of the second class, upon return of the writ
15 upon which the sale was made and if no petition to set aside the
16 sale is pending, the prothonotary shall satisfy all tax claims
17 and municipal claims divested by the judicial sale.

18 For the purpose of enabling the petitioner in any such
19 proceedings to give the notice required, it may take the
20 testimony of the defendant in the claim, or of any other person
21 whom it may have reason to believe has knowledge of the
22 whereabouts of any of the parties respondent, either by
23 deposition, commission or letters rogatory.

24 Any claimant shall have the right, and is hereby empowered,
25 to bid and become the purchaser of the property at such sale,
26 and if such purchaser shall be a taxing authority within the
27 county, such property, while held and owned by such taxing
28 authority, shall not be subject to tax claims.

29 Upon the delivery by the sheriff of a deed for any property
30 sold under the provisions of this section, the judgment upon

1 which such sale was had shall thereupon and forever thereafter
2 be final and conclusive, and the validity thereof shall not be
3 questioned for any cause whatsoever.

4 Section 6. Section 33 of the act is amended to read:

5 Section 33. Any tax or municipal claim filed or to be filed,
6 under the provisions of this act, and any judgment recovered
7 thereon, may be assigned or transferred to a third party, either
8 absolutely or as collateral security[, and such assignee shall
9 have all the rights of the original holder thereof.] for an
10 amount to be determined by the municipality or other assignor.
11 The lien of such tax or municipal claim assigned shall continue
12 as a tax or municipal claim in favor of the assignee. An
13 assignee, upon assignment or reassignment of such tax or
14 municipal claim, not originating as a use-plaintiff claim of a
15 nonmunicipality, shall have and enjoy the same rights,
16 privileges and remedies as were held by the assigning
17 municipality to enforce and collect the assigned tax or
18 municipal claim under the provisions of this act or any other
19 laws applicable to the collection and enforcement of tax or
20 municipal claims. A third party, upon assignment or reassignment
21 of a use-plaintiff municipal claim originating with a
22 nonmunicipality, shall have and enjoy the same rights,
23 privileges and remedies as the original holder thereof to
24 enforce and collect the assigned use-plaintiff municipal claim
25 under the provisions of this act and any other laws applicable
26 to the collection and enforcement of use-plaintiff municipal
27 claims. A defendant, upon the assignment or reassignment of such
28 tax, municipal claim or use-plaintiff municipal claim to a third
29 party, shall have and enjoy the same rights and defenses under
30 the provisions of this act and any other laws applicable to the

collection and enforcement of taxes, tax claims, municipal claims and use-plaintiff municipal claims, against the assignee, that the defendant held against the assignor.

Where the tax or municipal claim has been paid in full by one of several defendants therein, whether originally named as such or allowed to intervene and defend, it shall be satisfied of record as to him, and marked to his use as against the other defendants, pro rata, according to their respective interests in the property bound by the claim.

Section 7. Section 39.2 of the act is amended by adding subsections to read:

Section 39.2. * * *

(a.1) In counties of the second class and municipalities therein, notice of a rule to show cause why a property should not be sold free and clear of all liens and encumbrances issued by a court pursuant to a petition filed by a claimant under sections 28 and 31.1 of this act shall be served by the claimant upon owners, mortgagees, holders of ground rents, liens and charges or estates of whatsoever kind as follows:

(1) By posting a true and correct copy of the petition and rule on the most public part of the property.

(2) By reviewing a title search, title insurance policy or tax information certificate that identifies interested parties of record, the county or municipality shall mail by first class mail and either by certified mail, return receipt requested, or by certificate of mailing to such addresses as appear on the respective records relating to the premises a true and correct copy of the petition and rule. Notice pursuant to this section shall be deemed accomplished on the date of mailing. The county or municipality shall file an affidavit of service with the

1 court prior to seeking a decree ordering the sale of the
2 premises.

3 * * *

4 (b.1) No party whose interest did not appear on a title
5 search or title insurance policy, because of the party's failure
6 to record or properly record its interest, shall have standing
7 to complain of improper notice if the county or municipality
8 shall have complied with subsection (a.1). This provision shall
9 not apply if the mortgage or interest was otherwise properly
10 recorded in the Office of the Recorder of Deeds and the document
11 contains a current address sufficient to satisfy the notice
12 requirements of this section. Notwithstanding any other
13 requirement set forth by subsection (a.1) notice thereunder
14 shall constitute the only notice required before a court may
15 enter a decree ordering a tax sale free and clear of liens.

16 * * *

17 (d) Except in cities of the first class, in sales pursuant
18 to a petition filed by a claimant under section 31.1, notice of
19 the court's decree ordering a tax sale, together with the time,
20 place and date of the sale, shall be served along with the
21 notice of sheriff's sale and shall be provided to all parties
22 entitled to receive notice pursuant to Pa.R.C.P. No.3129.1
23 (relating to sale of real property. notice. affidavit).

24 (e) Except in cities of the first class, in sales pursuant
25 to a petition filed by a claimant under section 28, notice of
26 the court's decree ordering a sale, together with the time,
27 place and date of the sale, shall be served by first class mail
28 upon all parties who receive notice pursuant to Pa.R.C.P.
29 No.3129.1 prior to the initial sale. Notice under this section
30 shall be provided no later than five days prior to the continued

1 sale.

2 Section 8. The act of May 31, 1933 (P.L.1135, No.280),
3 entitled "An act relating to the collection of delinquent county
4 taxes in counties of the second class; repealing all acts or
5 parts of acts, general, local or special, inconsistent
6 herewith," is repealed.

7 Section 9. The amendment of sections 1, 3, 9, 31, 31.1, 33
8 and 39.2 of the act shall be retroactive to January 1, 1996.

9 Section 10. This act shall take effect immediately.