
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2358 Session of
2004

INTRODUCED BY D. EVANS, J. TAYLOR, PETRONE, MELIO, PRESTON,
BUXTON, MANDERINO, WALKO, JAMES, BROWNE, ARGALL, PISTELLA,
GOODMAN, CRAHALLA, CURRY, GEORGE, ROEBUCK, OLIVER, BEBKO-
JONES, CIVERA, DeWEESE, MUNDY, MICOZZIE, LEACH, WASHINGTON,
DALEY, FRANKEL, YUDICHAK, SCRIMENTI, THOMAS, TANGRETTI,
YOUNGBLOOD, LEVDANSKY AND NICKOL, FEBRUARY 9, 2004

SENATOR EARLL, FINANCE, IN SENATE, AS AMENDED, NOVEMBER 9, 2004

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," providing for donation of property;
16 and further providing for form of claims, for records of
17 claims and tax liens and for report of nonpayment of taxes.

18 The General Assembly of the Commonwealth of Pennsylvania

19 hereby enacts as follows:

20 Section 1. The act of May 16, 1923 (P.L.207, No.153),
21 referred to as the Municipal Claim and Tax Lien Law, is amended
22 by adding a ~~section~~ SECTIONS to read: <—

23 ~~Section 5.1. Property which is donated by the owner thereof~~ <—

1 ~~to a county, city, borough, incorporated town, township, home~~
2 ~~rule municipality, optional plan municipality, optional charter~~
3 ~~municipality, or to a redevelopment authority thereof, shall be~~
4 ~~exempt from claims for taxes.~~

5 SECTION 5.1. IF THE OWNER OF PROPERTY THAT IS SUBJECT TO A <—
6 CLAIM FOR TAXES DONATES THE PROPERTY TO A CITY, BOROUGH,
7 INCORPORATED TOWN, TOWNSHIP, HOME RULE MUNICIPALITY, OPTIONAL
8 PLAN MUNICIPALITY, OPTIONAL CHARTER MUNICIPALITY OR
9 REDEVELOPMENT AUTHORITY, THE CLAIM FOR TAXES AGAINST THE
10 PROPERTY SHALL BE DISCHARGED AND EXTINGUISHED. PROPERTY THAT HAS
11 BEEN DONATED IN ACCORDANCE WITH THIS SUBSECTION SHALL BE EXEMPT
12 FROM CLAIMS FOR TAXES DURING THE TIME THAT IT REMAINS IN THE
13 OWNERSHIP OF THE CITY, BOROUGH, INCORPORATED TOWN, TOWNSHIP,
14 HOME RULE MUNICIPALITY, OPTIONAL PLAN MUNICIPALITY, OPTIONAL
15 CHARTER MUNICIPALITY OR REDEVELOPMENT AUTHORITY TO WHICH IT WAS
16 DONATED.

17 SECTION 5.2. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN
18 OWNER THAT DONATES PROPERTY IN ACCORDANCE WITH SECTION 5.1 SHALL
19 NOT BE PERSONALLY LIABLE FOR THE AMOUNT OF CLAIMS FOR TAXES
20 EXEMPTED OR EXTINGUISHED AS A RESULT OF THE DONATION.

21 Section 2. Section 9 of the act, amended August 14, 2003
22 (P.L.83, No.20), is amended to read:

23 Section 9. Claims for taxes, water rents or rates, lighting
24 rates, power rates, and sewer rates, must be filed in the court
25 of common pleas of the county in which the property is situated
26 unless the property is situate in the City of Philadelphia and
27 the taxes or rates do not exceed the maximum amount over which
28 the Municipal Court of Philadelphia has original jurisdiction,
29 in which event the claim must be filed in the Municipal Court of
30 Philadelphia. All such claims shall be filed on or before the

1 last day of the third calendar year after that in which the
2 taxes or rates are first payable, except that in cities and
3 school districts of the first class claims for taxes and other
4 municipal claims, which have heretofore become liens pursuant to
5 the provisions of this act or which have been entered of record
6 as liens or which have been liened and revived, shall continue
7 and remain as liens for the period of twenty years from such
8 revival, entry or lien by operation of law, whichever shall have
9 last occurred; and other municipal claims must be filed in said
10 court of common pleas or the Municipal Court of Philadelphia
11 within six months from the time the work was done in front of
12 the particular property, where the charge against the property
13 is assessed or made at the time the work is authorized; within
14 six months after the completion of the improvement, where the
15 assessment is made by the municipality upon all the properties
16 after the completion of the improvement; and within six months
17 after confirmation by the court, where confirmation is required;
18 the certificate of the surveyor, engineer, or other officer
19 supervising the improvement, filed in the proper office, being
20 conclusive of the time of completion thereof, but he being
21 personally liable to anyone injured by any false statement
22 therein. Where a borough lies in more than one county, any such
23 claim filed by such borough may be filed in each of such
24 counties. In case the real estate benefited by the improvement
25 is sold before the municipal claim is filed, the date of
26 completion in said certificate shall determine the liability for
27 the payment of the claim as between buyer and seller, unless
28 otherwise agreed upon or as above set forth. A number of years'
29 taxes or rates of different kinds if payable to the same
30 plaintiff may be included in one claim. Interest as determined

1 by the municipality at a rate not to exceed ten per cent per
2 annum shall be collectible on all municipal claims from the date
3 of the completion of the work after it is filed as a lien, and
4 on claims for taxes, water rents or rates, lighting rates, or
5 sewer rates from the date of the filing of the lien therefor:
6 Provided, however, That after the effective date of this
7 amendatory act where municipal claims are filed arising out of a
8 municipal project which required the municipality to issue bonds
9 to finance the project interest shall be collectible on such
10 claims at the rate of interest of the bond issue or at the rate
11 of twelve per cent per annum, whichever is less. Where the
12 provisions of any other act relating to claims for taxes, water
13 rents or rates, lighting rates, power rates, sewer rents or
14 rates or for any other type of municipal claim or lien utilizes
15 the procedures provided in this act and where the provisions of
16 such other act establishes a different rate of interest for such
17 claims or liens, the maximum rate of interest of ten per cent
18 per annum as provided for in this section shall be applicable to
19 the claims and liens provided for under such other acts:

20 Provided, however, That after the effective date of this
21 amendatory act where municipal claims are filed arising out of a
22 municipal project which required the municipality to issue bonds
23 to finance the project interest shall be collectible on such
24 claims at the rate of interest of the bond issue or at the rate
25 of twelve per cent per annum, whichever is less.

26 Claims for taxes, water rents, or rates, lighting rates,
27 power rates and sewer rates may be in the form of written or
28 typewritten lists showing the names of the taxables, including
29 the name and last known address with its zip code of the owner
30 of each property against which a claim is being filed, and

1 descriptions of the properties against which said claims are
2 filed, together with the amount of the taxes due such
3 municipality. Such lists may be filed on behalf of a single
4 municipality, or they may cover the unpaid taxes due any two or
5 more municipalities whose taxes are collected by the same tax
6 collector, provided the amounts due each municipality are
7 separately shown. All tax claims, water rents, or rates,
8 lighting rates, power rates and sewer rates, heretofore filed in
9 such form, are hereby ratified, confirmed and made valid
10 subsisting liens as of the date of their original filing.

11 A number of years' taxes or rates of different kinds, if
12 payable to the same plaintiff, may be included in one claim.
13 Municipal claims shall likewise be filed within said period,
14 where any appeal is taken from the assessment for the recovery
15 of which such municipal claim is filed. In such case the lien
16 filed shall be in the form hereinafter provided, except that it
17 shall set forth the amount of the claim as an undetermined
18 amount, the amount thereof to be determined by the appeal taken
19 from the assessment upon which such municipal claim is based,
20 pending in a certain court (referring to the court and the
21 proceeding where such appeal is pending). Upon the filing of
22 such municipal claim, the claim shall be indexed by the
23 prothonotary upon the judgment index and upon the locality index
24 of the court, and the amount of the claim set forth therein as
25 an undetermined amount.

26 If final judgment is not obtained upon such appeal within
27 twenty years from the filing of such municipal claim, the
28 claimant in the lien shall, within such period of twenty years,
29 file a suggestion of nonpayment, in the form hereinafter set
30 forth, which shall have the effect of continuing the lien

1 thereof for a further period of twenty years from the date of
2 filing such suggestion, except that with respect to claims for
3 taxes and other municipal claims, in cities and school districts
4 of the first class, if final judgment is not obtained upon such
5 appeal within twenty years from the filing of such municipal
6 claims, the claimant in the lien shall, within such period of
7 twenty years, file a suggestion of nonpayment in the prescribed
8 form which shall have the effect of continuing the lien thereof
9 for a further period of twenty years from the date of filing
10 such suggestion. Such municipal claim shall be revived in a
11 similar manner during each recurring period of twenty years
12 thereafter, until final judgment is entered upon said appeal and
13 the undetermined amount of such municipal claim is fixed in the
14 manner hereinafter provided, except that with respect to claims
15 for taxes and other municipal claims, in cities and school
16 districts of the first class, such municipal claims shall be
17 revived in a similar manner during each recurring period of
18 twenty years thereafter until final judgment is entered upon
19 said appeal and the undetermined amount of such municipal claim
20 is fixed in the manner hereinafter provided.

21 When the final judgment is obtained upon such appeal, the
22 court in which said municipal claim is pending shall, upon the
23 petition of any interested party, make an order fixing the
24 undetermined amount claimed in such claim at the amount
25 determined by the final judgment upon said appeal, which shall
26 bear interest from the date of the verdict upon which final
27 judgment was entered, and thereafter the amount of said claim
28 shall be the sum thus fixed. Proceedings upon said municipal
29 claim thereafter shall be as in other cases.

30 Where, on final judgment upon said appeal, it appears that no

1 amount is due upon the assessment for the recovery of which such
2 claim is filed, the court in which such municipal claim is
3 pending shall, upon the petition of any interested party, make
4 an order striking such municipal claim from the record, and
5 charge the costs upon such claim to the plaintiff in the claim
6 filed.

7 Where such appeal is discontinued, the court in which such
8 municipal claim is pending shall, upon the petition of any
9 interested party, make an order fixing the undetermined amount
10 claimed at the amount of the original assessment, which shall
11 bear interest from the date that such assessment was originally
12 payable, and thereafter the amount of such claim shall be the
13 sum thus fixed.

14 In counties of the second class and municipalities therein,
15 interest at the applicable per annum rate shall accrue monthly
16 on all taxes, tax claims and municipal claims on the first day
17 of the month for the entire month, or part thereof, in which the
18 taxes, tax claims or municipal claims are paid. Interest shall
19 not be paid on a per diem basis. In counties of the second
20 class, all county taxes after the same become delinquent, as
21 provided by law, shall include a penalty of five per centum for
22 such delinquency.

23 In counties of the second class, taxes and tax claims, when
24 collected, shall be paid into the county treasury for the use of
25 the county unless the taxes and tax claims are assigned, in
26 which event there is no requirement that the taxes and tax
27 claims collected by the assignee be paid into the county
28 treasury.

29 In counties of the second class, the county shall not be
30 required to advance or pay any fee to the prothonotary for the

1 filing of paper or electronic filing or performing any services
2 for the second class county relating to the filing,
3 satisfaction, assignment, transfer, revival, amendment,
4 enforcement and collection of taxes, tax claims and tax liens.
5 The prothonotary shall accept filings by or on behalf of the
6 second class county relating to the taxes, tax claims and tax
7 liens and note the cost for such service performed on the
8 docket, and the second class county, its employees,
9 representatives, agents and assigns shall thereafter collect
10 such fee as a cost as part of the taxes, tax claims and tax
11 liens.

12 Section 3. Section 10 of the act, amended January 14, 1952
13 (1951 P.L.2025, No.567), is amended to read:

14 Section 10. Said claim shall set forth:

- 15 1. The name of the municipality by which filed;
- 16 2. The name and last known address including its zip code of
17 the owner of the property against which it is filed;
- 18 3. A description of the property against which it is filed;
- 19 4. The authority under or by virtue of which the tax was
20 levied or the work was done;
- 21 5. The time for which the tax was levied, or the date on
22 which the work was completed in front of the particular property
23 against which the claim is filed; or the date of completion of
24 the improvement, where the assessment is made after completion;
25 or the date of confirmation by the court, where confirmation is
26 required done;
- 27 6. If filed to the use of a contractor, the date of, and
28 parties to, the contract for doing said work; and
- 29 7. In other than tax claims, the kind and character of the
30 work done for which the claim is filed, and, if the work be such

1 as to require previous notice to the owner to do it, when and
2 how such notice was given.

3 Said claim shall be signed by, or have stamped thereon a
4 facsimile signature of, the solicitor or chief executive officer
5 of the claimant, or the chief of its delinquent tax bureau,
6 except that, in counties of the second class, said claim or
7 claims for county taxes, levies or assessments shall be signed
8 by, or have stamped thereon a facsimile signature of, the county
9 controller; and, in the case of a use-plaintiff, must be
10 accompanied by an affidavit that the facts therein set forth are
11 true to the best of his knowledge, information, and belief.

12 Section 4. Section 26 of the act is amended to read:

13 Section 26. (a) It shall be the duty of the prothonotaries
14 of the courts of common pleas to keep a locality index, in which
15 shall be entered all tax or municipal claims hereafter filed,
16 and, upon any written order therefor, they shall give a
17 certificate of search, showing all the claims filed against any
18 property. For so doing they shall receive the sum of twenty-five
19 cents, and five cents additional for each claim certified, and
20 no more.

21 (b) (1) In addition to the requirements of subsection (a),
22 the department or public official responsible for collection
23 of delinquent taxes in a city of the first class or other
24 municipality that utilizes this act for the collection of
25 delinquent taxes, or the county treasurer in a county of the
26 second class shall maintain as a public record a list of all
27 properties against which taxes were levied, the whole or any
28 part of which were due and payable in a prior year and which
29 remain unpaid. This list shall describe the property and
30 identify its location, provide the name and last known

1 address including the zip code of the owner of the property
2 and the amount of unpaid taxes, penalties and interest due,
3 for all years other than the current tax year. If taxes on
4 the list are paid or another settlement had been agreed to or
5 if a tax sale of the property is held, this fact shall be
6 noted on the list.

7 (2) In addition to the requirements of subsection (a),
8 the department or public official responsible for collection
9 of delinquent taxes in a city of the first class or other
10 municipality that utilizes this act for the collection of
11 delinquent taxes, or the county treasurer in a county of the
12 second class, may report any nonpayment of taxes, including
13 liens, to one or more consumer reporting agencies, as defined
14 by the Fair Credit Reporting Act (Public Law 91-508, 15
15 U.S.C. § 1681 et seq.).

16 (3) This subsection shall not apply to a city of the
17 second class situate in a county of the second class.

18 Section 5. This act shall take effect in 60 days.