

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 777 Session of
2007

INTRODUCED BY BROWNE, BOSCOLA, ERICKSON, RAFFERTY, COSTA,
KASUNIC, FERLO, LOGAN, O'PAKE AND ORIE, APRIL 23, 2007

REFERRED TO FINANCE, APRIL 23, 2007

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," changing the date from which, and
16 the rate of which, interest is charged on certain delinquent
17 taxes and other municipal claims; providing for the duties of
18 third-party collectors and for adoption of ordinance for the
19 exclusive collection of taxes; further providing for locality
20 index; and modernizing the law relating to collection of such
21 taxes and claims.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 Section 1. Section 1 of the act of May 16, 1923 (P.L.207,
25 No.153), referred to as the Municipal Claim and Tax Lien Law,
26 amended August 14, 2003 (P.L.83, No.20) and July 15, 2004
27 (P.L.726, No.83), is amended to read:

1 Section 1. Be it enacted, &c., That the word "taxes," as
2 used in this act, means any county, city, borough, incorporated
3 town, township, school, bridge, road, or poor taxes, together
4 with and including all penalties, interest, costs, charges,
5 expenses and fees, including reasonable attorney fees, as
6 allowed by this act and all other applicable laws.

7 Except with respect to counties of the second class, the word
8 "delinquent," as used in this act, refers to taxes that remain
9 unpaid on December 31 of the calendar year in which they were
10 assessed; and municipal claims, other than tax claims, that
11 remain unpaid ninety days after the date of billing for such
12 claims.

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

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

18 The words "municipal claim," as used in this act, unless
19 specifically indicated otherwise, mean and include (1) the claim
20 arising out of, or resulting from, a tax assessed, service
21 supplied, work done, or improvement authorized and undertaken,
22 by a municipality, although the amount thereof be not at the
23 time definitely ascertained by the authority authorized to
24 determine the same, and a lien therefor be not filed, but
25 becomes filable within the period and in the manner herein
26 provided, (2) the claim filed to recover for the grading,
27 guttering, macadamizing, or otherwise improving, the cartways of
28 any public highway; for grading, curbing, recurbing, paving,
29 repaving, constructing, or repairing the footways thereof; for
30 laying water pipes, gas pipes, culverts, sewers, branch sewers,

1 or sewer connections therein; for assessments for benefits in
2 the opening, widening or vacation thereof; or in the changing of
3 water-courses or the construction of sewers through private
4 lands; or in highways of townships of the first class; or in the
5 acquisition of sewers and drains constructed and owned by
6 individuals or corporations, and of rights in and to use the
7 same; for the removal of nuisances; or for garbage fees,
8 recycling fees, landlord licensing and inspection fees, water
9 rates, lighting rates, or sewer rates, and (3) the claim filed
10 to recover for work, material, and services rendered or
11 furnished in the construction, improvement, maintenance, and
12 operation of a project or projects of a body politic or
13 corporate created as a Municipal Authority pursuant to law. A
14 municipal claim shall be together with and shall include all
15 penalties, interest, costs, fines, charges, expenses and fees,
16 including reasonable attorney fees, as allowed by this act and
17 all other applicable laws.

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

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

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

26 The word "owner," as used in this act, means the person or
27 persons in whose name the property is registered, if registered
28 according to law, and, in all other cases, means any person or
29 persons in open, peaceable and notorious possession of the
30 property, as apparent owner or owners thereof, if any, or the

1 reputed owner or owners thereof in the neighborhood of such
2 property.

3 The word "municipality," as used in this act, means any
4 county, city, borough, incorporated town, township, school
5 district, or a body politic and corporate created as a Municipal
6 Authority pursuant to law and any assignees thereof.

7 The words "charges, expenses, and fees," as used in this act,
8 include all sums paid or incurred by a municipality to file,
9 preserve and collect unpaid taxes, tax claims, tax liens,
10 municipal claims and municipal liens, including, but not limited
11 to, prothonotary and sheriff fees, postage expenses, [and] title
12 search expenses and title insurance fees. A county, city,
13 borough, incorporated town, township, school district or
14 municipal authority may also recover as "charges, expenses, and
15 fees" the charges, expenses, commissions and fees of third-party
16 collectors retained by the county, city, borough, incorporated
17 town, township, school district or municipal authority, provided
18 that the charges, expenses, commissions and fees of such third-
19 party collectors are approved by legislative action of the
20 county, city, borough, incorporated town, township, school
21 district or municipal authority which levies the unpaid taxes,
22 tax claims, tax liens, municipal claims and municipal liens.

23 Section 2. Section 3 of the act, amended August 14, 2003
24 (P.L.83, No.20), is amended to read:

25 Section 3. (a) All municipal claims, municipal liens,
26 taxes, tax claims and tax liens which may hereafter be lawfully
27 imposed or assessed on any property in this Commonwealth, and
28 all such claims heretofore lawfully imposed or assessed within
29 six months before the passage of this act and not yet liened, in
30 the manner and to the extent hereinafter set forth, shall be and

1 they are hereby declared to be a lien on said property, together
2 with all charges, expenses, and fees incurred in the collection
3 of any delinquent account, including reasonable attorney fees
4 under subsection (a.1), added thereto for failure to pay
5 promptly; and municipal claims and municipal liens shall arise
6 when lawfully imposed and assessed and shall have priority to
7 and be fully paid and satisfied out of the proceeds of any
8 judicial sale of said property, before any other obligation,
9 judgment, claim, lien, or estate with which the said property
10 may become charged, or for which it may become liable, save and
11 except only the costs of the sale and of the writ upon which it
12 is made, and the taxes, tax claims and tax liens imposed or
13 assessed upon said property.

14 (a.1) [It is not the intent of this subsection to require
15 owners to pay, or municipalities to sanction, inappropriate or
16 unreasonable attorney fees, charges or expenses for routine
17 functions.] Attorney fees incurred in the collection of any
18 delinquent account, including municipal claims, municipal liens,
19 taxes, tax claims and tax liens, shall be in an amount
20 sufficient to compensate attorneys undertaking collection and
21 representation of a municipality or its assignee in any actions
22 in law or equity involving claims arising under this act. A
23 municipality by ordinance, or by resolution if the municipality
24 is of a class which does not have the power to enact an
25 ordinance, shall adopt the schedule of attorney fees. Where
26 attorney fees are sought to be collected in connection with the
27 collection of a delinquent account, including municipal claims,
28 municipal liens, taxes, tax claims and tax liens, the owner may
29 petition the court of common pleas in the county where the
30 property subject to the municipal claim and lien, tax claim and

1 lien or taxes is located to adjudicate the reasonableness of the
2 attorney fees imposed. In the event that there is a challenge to
3 the reasonableness of the attorney fees imposed in accordance
4 with this section, the court shall consider, but not be limited
5 to, the following:

6 (1) The time and labor required, the novelty and difficulty
7 of the questions involved and the skill requisite to properly
8 undertake collection and representation of a municipality in
9 actions arising under subsection (a).

10 (2) The customary charges of the members of the bar for
11 similar services.

12 (3) The [amount of the delinquent account collected and the]
13 benefit to the municipality from the services.

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

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

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

25 (2) If within thirty days of mailing the notice in
26 accordance with clause (1) the certified mail is refused or
27 unclaimed or the return receipt is not received, then at least
28 ten days prior to assessing or imposing attorney fees in
29 connection with the collection of a delinquent account, a
30 municipality shall, by United States first class mail, mail to

1 the owner the notice required by this subsection.

2 (3) The notice required by this subsection shall be mailed
3 to the owner's last known post office address by virtue of the
4 knowledge and information possessed by the municipality and by
5 the county office responsible for assessments and revisions of
6 taxes. It shall be the duty of the municipality to determine the
7 owner's last post office address known to said collector and
8 county assessment office.

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

10 (i) A statement of the municipality's intent to impose or
11 assess attorney fees within thirty days of mailing the notice
12 pursuant to clause (1) or within ten days of the mailing of the
13 notice pursuant to clause (2).

14 (ii) The manner in which the imposition or assessment of
15 attorney fees may be avoided by payment of the delinquent
16 account.

17 (b) With the exception of those claims which have been
18 assigned, any municipal claim, municipal lien, tax, tax claim or
19 tax lien, including interest, penalty and costs, imposed by a
20 city of the first class, shall be a judgment only against the
21 said property when the lien has been docketed by the
22 prothonotary. The docketing of the lien shall be given the
23 effect of a judgment against the said property only with respect
24 to which the claim is filed as a lien. The prothonotary shall
25 maintain an in rem index, the form and location of which shall
26 be within the prothonotary's discretion. All tax claims, water
27 rents or rates, lighting rates, power rates and sewer rates
28 heretofore filed are hereby ratified, confirmed and made valid
29 subsisting liens as of the date of their original filing.

30 (c) A writ of execution may issue directly without

1 prosecution to judgment of a writ of scire facias. Any property
2 sold in execution shall be sold in compliance with the
3 provisions of section 31.2.

4 (d) Attorney fees may be imposed and collected in accordance
5 with this section upon all taxes, tax claims, tax liens,
6 municipal claims, municipal liens, writs of scire facias,
7 judgments or executions filed on or after December 19, 1990.

8 Section 3. Section 9 of the act, amended February 21, 2006
9 (P.L.46, No.18), is amended to read:

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

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

1 the provisions of any other act relating to claims for taxes,
2 water rents or rates, lighting rates, power rates, sewer rents
3 or rates or for any other type of municipal claim or lien
4 utilizes the procedures provided in this act and where the
5 provisions of such other act establishes a different rate of
6 interest for such claims or liens, the maximum rate of interest
7 of ten per cent per annum as provided for in this section shall
8 be applicable to the claims and liens provided for under such
9 other acts: Provided, however, That after the effective date of
10 this amendatory act where municipal claims are filed arising out
11 of a municipal project which required the municipality to issue
12 bonds to finance the project interest shall be collectible on
13 such claims at the rate of interest of the bond issue or at the
14 rate of twelve per cent per annum, whichever is less.

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

30 A number of years' taxes or rates of different kinds, if

1 payable to the same plaintiff, may be included in one claim.
2 Municipal claims shall likewise be filed within said period,
3 where any appeal is taken from the assessment for the recovery
4 of which such municipal claim is filed. In such case the lien
5 filed shall be in the form hereinafter provided, except that it
6 shall set forth the amount of the claim as an undetermined
7 amount, the amount thereof to be determined by the appeal taken
8 from the assessment upon which such municipal claim is based,
9 pending in a certain court (referring to the court and the
10 proceeding where such appeal is pending). Upon the filing of
11 such municipal claim, the claim shall be indexed by the
12 prothonotary upon the judgment index and upon the locality index
13 of the court, and the amount of the claim set forth therein as
14 an undetermined amount.

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

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

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

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

26 Where such appeal is discontinued, the court in which such
27 municipal claim is pending shall, upon the petition of any
28 interested party, make an order fixing the undetermined amount
29 claimed at the amount of the original assessment, which shall
30 bear interest from the date that such assessment was originally

1 payable, and thereafter the amount of such claim shall be the
2 sum thus fixed.

3 In counties of the second class and municipalities therein,
4 interest at the applicable per annum rate shall accrue monthly
5 on all taxes, tax claims and municipal claims on the first day
6 of the month for the entire month, or part thereof, in which the
7 taxes, tax claims or municipal claims are paid. Interest shall
8 not be paid on a per diem basis. In counties of the second
9 class, all county taxes after the same become delinquent, as
10 provided by law, shall include a penalty of five per centum for
11 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 fee 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
27 docket, and the second class county, its employees,
28 representatives, agents and assigns shall thereafter collect
29 such fee as a cost as part of the taxes, tax claims and tax
30 liens.

1 Section 4. Sections 14 and 18 of the act are amended to
2 read:

3 Section 14. Any defendant named in the claim, or any person
4 allowed to intervene and defend thereagainst, may, at any stage
5 of the proceedings, present his petition, under oath or
6 affirmation, setting forth that he has a defense in whole or in
7 part thereto, and of what it consists; and praying that a rule
8 be granted upon the claimant to file an affidavit of the amount
9 claimed by him, and to show cause why the petitioner should not
10 have leave to pay money into court; and, in the case of a
11 municipal claim, to enter security in lieu of the claim;
12 whereupon a rule shall be granted as prayed for. Upon the
13 pleadings filed, or from the claim and the affidavit of defense,
14 and without a petition where an affidavit of defense has been
15 filed, the court shall determine how much of the claim is
16 admitted or not sufficiently denied; and shall enter a decree
17 that upon payment by such petitioner to the claimant of the
18 amount thus found to be due, with interest and costs if anything
19 be found to be due, or upon payment into court, if the claimant
20 refuses to accept the same, and upon payment into court of a sum
21 sufficient to cover the balance claimed, with interest and
22 costs, or upon the entry of approved security in the case of a
23 municipal claim, that such claim shall be wholly discharged as a
24 lien against the property described therein, and shall be
25 stricken from the judgment index. Thereafter the material,
26 disputed facts, if any, [shall] may be tried by a jury or the
27 court, without further pleadings, with the same effect as if a
28 writ of scire facias had duly issued upon said claim, to recover
29 the balance thereof; but the jury or the court shall be sworn to
30 try the issues between the claimant and the parties who paid the

1 fund into court or entered security, and verdict, judgment and
2 payment, or execution, shall follow as in other cases. The same
3 course may be pursued, at the instance of any owner, where the
4 claim has not in fact been filed, and if, in that event, the
5 petitioner complies with the decree made, the money paid into
6 court or security entered shall stand in lieu of the claim and
7 the latter shall not be filed, and if filed shall be stricken
8 off upon motion.

9 Section 18. The sheriff to whom the scire facias is given
10 for service shall add to the writ, as parties defendant, all
11 persons, other than those named therein, who may be found in
12 possession of the property described, or any part thereof, and
13 in case no one is found in possession by the sheriff he shall
14 post a true copy of the writ on the most public part of said
15 property; and he shall add to the said writ the names of any
16 persons, not already named therein, whom he may ascertain to
17 have an interest in the property described, or any part thereof,
18 which writ shall then be further served as follows:

19 (a) By serving, as in the case of a summons, such of those
20 named in the writ, or added thereto, as may be found in the
21 county in which the writ issued; and,

22 (b) Where the sheriff has information that those named in
23 the writ, or added thereto, or any of them, may be found in any
24 other county of this Commonwealth, the said person shall be
25 served, as in the case of a summons, by the sheriff of the
26 county in which the said defendants or any of them may reside,
27 he being deputized for that purpose by the sheriff of the county
28 in which the writ issues; and,

29 (c) (1) (i) In case any of those named in the writ, or
30 added thereto, cannot be found by the sheriff, or their

1 residences within this Commonwealth are unknown to him, or in
2 case they reside without the Commonwealth or are deceased, the
3 said writ may be served [by advertising a copy thereof, or a
4 brief notice of the contents of the same, once a week for three
5 successive weeks, in one newspaper of general circulation in the
6 county, and in the legal periodical, if any, designated by the
7 court for that purpose: Provided, however, That any defendant
8 may accept service of said writ, in person or by counsel, with
9 the same effect as if duly served therewith by the sheriff.] as
10 follows:

11 (A) advertising a copy thereof, or a brief notice of the
12 contents of the same, once a week for three successive weeks, in
13 one newspaper of general circulation in the county, and in the
14 legal periodical, if any, designated by the court for that
15 purpose. If service is authorized by advertising upon the heirs
16 and assigns of a deceased defendant, service may be made by
17 advertising against the heirs or assigns generally if their
18 identity is unknown; or

19 (B) in the alternative, service may be made in accordance
20 with Pa.R.C.P. No.410 (relating to real property actions) for
21 service in real property actions.

22 (ii) Notwithstanding subparagraph (i), any defendant may
23 accept service of said writ, in person or by counsel, with the
24 same effect as if duly served therewith by the sheriff.

25 (2) Where the said writ, or the brief notice of the contents
26 thereof, have been advertised as aforesaid, the same shall have
27 the same effect as if the writ had been personally served; and
28 all those named therein, or added thereto, as to whom
29 publication has been made, shall file their affidavit of
30 defense, as required by the said writ, within fifteen days after

1 the date of the last weekly advertisement of the said writ; and
2 all those named therein or added thereto, who have been served
3 as in case of a summons, shall file their affidavit of defense,
4 as required by said writ, within fifteen days after such
5 service. Service of any such writ may be made at any time within
6 three months from the date on which it was issued, but it shall
7 be served and returned at the earliest date possible, and the
8 plaintiff may require its return at any time, whether or not it
9 be actually served.

10 Section 5. Section 26 of the act, amended February 21, 2006
11 (P.L.46, No.18), is amended to read:

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

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

1 the name and last known address, including the zip code, of the
2 owner of the property and the amount of unpaid taxes, penalties
3 and interest due, for all years other than the current tax year.
4 If taxes on the list are paid or another settlement had been
5 agreed to or if a tax sale of the property is held, this fact
6 shall be noted on the list.] In a city of the first class, the
7 public record shall be maintained by the department or public
8 official responsible for collection of delinquent taxes. In a
9 county of the second class, the public record shall be
10 maintained by the county treasurer. The record shall be
11 considered to be a public record under the act of June 21, 1957
12 (P.L.390, No.212), referred to as the Right-to-Know Law, and
13 shall contain all of the following for each property:

14 (i) Its location.

15 (ii) The property owner's name.

16 (iii) The last known address, including the zip code of the
17 owner, if available.

18 (iv) The amount of unpaid taxes, penalties and interest due
19 for all years other than the current tax year.

20 (2) In addition to the requirements of subsection (a), the
21 department or public official responsible for collection of
22 delinquent taxes may report any nonpayment of taxes, including
23 liens, to one or more consumer reporting agencies, as defined by
24 the Fair Credit Reporting Act (Public Law 91-508, 15 U.S.C. §
25 1681 et seq.).

26 (3) Unless otherwise provided for by the municipality, a
27 third-party collector responsible for a given year's taxes shall
28 comply with all requirements of clause (1). A municipality and
29 third-party collector may agree to delegate the municipality's
30 requirements under clause (1) to the third-party collector.

1 Absent such delegation, the municipality shall be the custodian
2 of the list in clause (1). This requirement may be met by
3 publishing the information electronically or by paper lists.

4 (4) Certifications of taxes due and taxes paid, in a form
5 acceptable to the county, city, borough, incorporated town,
6 township or school district, may be issued by the municipality
7 and third-party collector at the request of any person or
8 entity. A reasonable fee for preparing and issuing
9 certifications of taxes due and taxes paid shall be chargeable
10 by the municipality and third-party collector to the person or
11 entity requesting the certification if the fee is approved by
12 legislative action of the county, city, borough, incorporated
13 town, township or school district. A certification issued by a
14 third-party collector under this act shall be deemed as if it
15 were issued by the county, city, borough, incorporated town,
16 township or school district. Any person or entity that relies
17 upon a certification issued by a municipality or a third-party
18 collector in accordance with this act shall not be liable for
19 any claim or action for damages or monetary loss caused by the
20 inaccuracy of the certification.

21 (5) The term "third-party collector," as used in this
22 subsection, means any entity appointed by the municipality and
23 delegated the responsibility of collecting delinquent taxes on
24 behalf of the municipality under this act.

25 Section 6. Section 31 of the act, amended November 29, 2004
26 (P.L.1299, No.163), is amended to read:

27 Section 31. The lien of a tax or a municipal claim shall not
28 be divested by any judicial sale of the property lienied, where
29 the amount due is indefinite or undetermined, or where the same
30 is not due and payable; nor shall the lien of a tax or municipal

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

22 In case the property be not sold for a sum sufficient to pay
23 all taxes and municipal claims, together with the costs thereon,
24 the plaintiff in any such claim may postpone the sale by
25 announcement to the assembled bidders or as may otherwise be
26 provided by local rule or conditions of sale, without payment of
27 costs, and file his petition setting forth that more than one
28 year has elapsed since the filing of his claim; that he has
29 exposed the property to sheriff's sale thereunder, and was
30 unable to obtain a bid sufficient to pay the upset price in

1 full; and, if the plaintiff is not a municipality as defined in
2 this act, that he will bid sufficient to pay the upset price,
3 and upon the production of searches or a title insurance policy
4 showing the state of the record and the ownership of the
5 property, and of all tax and municipal claims, mortgages,
6 ground-rents, or other charges on or estates in the land, the
7 court shall grant a rule upon all parties thus shown to be
8 interested to appear and show cause why a decree should not be
9 made that said property be sold, freed, and cleared of their
10 respective claims, mortgages, charges, and estates. If, upon a
11 hearing thereafter, the court is satisfied that service has been
12 made of said rule upon the parties respondent, in the manner
13 provided in section 39.2, and that the facts stated in the
14 petition be true, it shall order and decree that said property
15 be sold at a subsequent sheriff's sale day, to be fixed by the
16 court without further advertisement, and the court may fix a
17 common date and place of sale for more than one of said
18 properties if it deems a joint sale to be advantageous. All
19 property at sheriff's sale shall be sold, clear of all claims,
20 liens, mortgages, charges, and estates, to the highest bidder at
21 such sale; and the proceeds realized therefrom shall be
22 distributed in accordance with the priority of such claims; and
23 the purchaser at such sale shall take, and forever thereafter
24 have, an absolute title to the property sold, free, and
25 discharged of all tax and municipal claims, liens, mortgages,
26 charges, and estates of whatsoever kind, subject only to the
27 right of redemption as provided by law. In counties of the
28 second class, upon return of the writ upon which the sale was
29 made and upon the expiration of the statutory right of
30 redemption and if no petition to set aside the sale is pending,

1 the prothonotary shall satisfy all tax claims and municipal
2 claims divested by the judicial sale in accordance with the
3 order of court authorizing such sale.

4 Any person interested may, at any time before the sale, pay
5 the petitioner the whole of his claim, with interest, costs,
6 charges, expenses, fees and attorney fees, whereupon the
7 proceedings on petition shall at once determine.

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

14 Any municipality, being a claimant, shall have the right, and
15 is hereby empowered, to bid and become the purchaser of the
16 property at such sale; and while the said property, so
17 purchased, is held and owned by any county, city, borough,
18 incorporated town, township, school district or a body politic
19 and corporate created as a municipal authority pursuant to law,
20 it shall not be subject to tax claims, unless it be redeemed by
21 the former owner or other person having the right to redeem, as
22 provided by law. If, however, a municipality shall become the
23 purchaser at said sale, the former owner or other person,
24 desiring to redeem, shall pay all taxes and municipal claims
25 accrued and chargeable against the property prior to the sale
26 thereof, together with the costs and interest thereon, and also
27 all taxes and claims, whether filed or not, which would have
28 accrued and become chargeable against the property had the same
29 been purchased at the sale by some party other than the
30 municipality.

1 Upon the delivery by the sheriff of a deed for any property
2 sold under a tax or municipal claim, the judgment upon which
3 such sale was had shall thereupon and forever thereafter be
4 final and conclusive as to all matters of defense which could
5 have been raised in the proceeding, including payment, and no
6 error or irregularity in obtaining or entering of such judgment
7 shall effect the validity thereof.

8 Section 7. Section 39.2 of the act, amended February 7, 1996
9 (P.L.1, No.1) and August 14, 2003 (P.L.83, No.20), is amended to
10 read:

11 Section 39.2. (a) In cities of the first class, notice of a
12 rule to show cause why a property should not be sold free and
13 clear of all encumbrances issued by a court pursuant to a
14 petition filed by a claimant under section 31.2 of this act
15 shall be served by the claimant upon owners, mortgagees, holders
16 of ground rents, liens and charges or estates of whatsoever kind
17 as follows:

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

20 (2) By mailing by first class mail to the address registered
21 by any interested party pursuant to section 39.1 of this act a
22 true and correct copy of the petition and rule; and

23 (3) By reviewing a title search, title insurance policy or
24 tax information certificate that identifies interested parties
25 of record who have not registered their addresses pursuant to
26 section 39.1 of this act, the city shall mail by first class
27 mail and either by certified mail, return receipt requested, or
28 by registered mail to such addresses as appear on the respective
29 records relating to the premises a true and correct copy of the
30 petition and rule.

1 Service of notice pursuant to this section shall be deemed
2 accomplished on the date of mailing. The city shall file an
3 affidavit of service with the court prior to seeking a decree
4 ordering the sale of the premises.

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

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

14 (2) By reviewing a title search, title insurance policy or
15 tax information certificate that identifies interested parties
16 of record, the county or municipality shall mail by first class
17 mail and either by certified mail, return receipt requested, or
18 by certificate of mailing to such addresses as appear on the
19 respective records relating to the premises a true and correct
20 copy of the petition and rule. Notice pursuant to this section
21 shall be deemed accomplished on the date of mailing. The county
22 or municipality shall file an affidavit of service with the
23 court prior to seeking a decree ordering the sale of the
24 premises.

25 (a.2) Except in cities of the first class, counties of the
26 second class and municipalities located in counties of the
27 second class, notice of a rule to show cause why a property
28 should not be sold free and clear of all liens and encumbrances
29 issued by a court pursuant to a petition filed by a claimant
30 under section 31 shall be served by the claimant upon owners,

1 mortgagees, holders of ground rents, liens and charges or
2 estates of whatsoever kind as follows:

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

5 (2) By reviewing a title search, title insurance policy or
6 tax information certificate that identifies interested parties
7 of record, the county or municipality shall mail by first class
8 mail and either by certified mail, return receipt requested, or
9 by certificate of mailing to such addresses as appear on the
10 respective records relating to the premises a true and correct
11 copy of the petition and rule. Notice pursuant to this
12 subsection shall be deemed accomplished on the date of mailing.
13 The county or municipality shall file an affidavit of service
14 with the court prior to seeking a decree ordering the sale of
15 the premises.

16 (b) No party whose interest did not appear on a title
17 search, title insurance policy or tax information certificate or
18 who failed to accurately register his interest and address
19 pursuant to section 39.1 of this act shall have standing to
20 complain of improper notice if the city shall have complied with
21 subsection (a) of this section. This provision shall not apply
22 if the mortgage or interest was otherwise properly recorded in
23 the Office of the Recorder of Deeds and the document contains a
24 current address sufficient to satisfy the notice requirements of
25 this section. Notwithstanding any other requirement set forth in
26 this act or any other law to the contrary, the notice required
27 by subsection (a) of this section shall constitute the only
28 notice required before a court may enter a decree ordering a tax
29 sale.

30 (b.1) No party whose interest did not appear on a title

1 search or title insurance policy, because of the party's failure
2 to record or properly record its interest, shall have standing
3 to complain of improper notice if the county or municipality
4 shall have complied with subsection (a.1). This provision shall
5 not apply if the mortgage or interest was otherwise properly
6 recorded in the Office of the Recorder of Deeds and the document
7 contains a current address sufficient to satisfy the notice
8 requirements of this section. Notwithstanding any other
9 requirement set forth by subsection (a.1), notice thereunder
10 shall constitute the only notice required before a court may
11 enter a decree ordering a tax sale free and clear of liens.

12 (b.2) If the county or municipality shall have complied with
13 subsection (a.2), no party whose interest did not appear on a
14 title search or title insurance policy because of the party's
15 failure to record or properly record its interest shall have
16 standing to complain of improper notice. This provision shall
17 not apply if the mortgage or interest was otherwise properly
18 recorded in the Office of the Recorder of Deeds and the document
19 contains a current address sufficient to satisfy the notice
20 requirements of this section. Notwithstanding any other
21 requirement of subsection (a.2), notice thereunder shall
22 constitute the only notice required before a court may enter a
23 decree ordering a tax sale free and clear of liens.

24 (c) Notice of the court's decree ordering a tax sale,
25 together with the time, place and date of the sale, shall be
26 served by first class mail on all parties served with the
27 petition and rule, on any parties whose interest appeared of
28 record after the filing of the petition but before the court's
29 decree and on any creditor who has obtained judgment against the
30 owner of the premises prior to the date of the decree. The city

1 shall file an affidavit of service of these notices prior to the
2 date of the sale.

3 (d) Except in cities of the first class, in sales pursuant
4 to a petition filed by a claimant under section 31 or 31.1,
5 notice of the court's decree ordering a tax sale, together with
6 the time, place and date of the sale, shall be served along with
7 the notice of sheriff's sale and shall be provided to all
8 parties entitled to receive notice pursuant to Pa.R.C.P.
9 No.3129.1 (relating to sale of real property; notice;
10 affidavit).

11 (e) Except in cities of the first class, in sales pursuant
12 to a petition filed by a claimant under section 28 or 31, notice
13 of the court's decree ordering a sale, together with the time,
14 place and date of the sale, shall be served by first class mail
15 upon all parties who receive notice pursuant to Pa.R.C.P.
16 No.3129.1 prior to the initial sale. Notice under this section
17 shall be provided no later than seven days prior to the
18 continued sale.

19 Section 8. The act is amended by adding a section to read:

20 Section 42. Notwithstanding any other provision of law, any
21 taxing district in this Commonwealth may adopt an ordinance or a
22 resolution if the taxing district is of a class which does not
23 have the power to enact an ordinance to collect taxes under this
24 act exclusively and independently of any other statute governing
25 the collection of taxes, including the act of July 7, 1947
26 (P.L.1368, No.542), known as the "Real Estate Tax Sale Law" and
27 independent of any county tax claim bureau. Any taxing district
28 which adopts an ordinance or resolution to collect taxes under
29 this section shall not be required to comply with any of the
30 procedures or provisions of the "Real Estate Tax Sale Law,"

1 including the obligation to make annual returns to any county
2 tax claim bureau. For the purposes of this section, the term
3 "taxing district" shall have the same meaning as given to it
4 under section 102 of the "Real Estate Tax Sale Law".

5 Section 9. This act shall apply as follows:

6 (1) The amendment of section 3 of the act shall apply
7 retroactively to January 1, 1996.

8 (2) The addition of section 42 of the act shall apply
9 retroactively to January 1, 2005.

10 Section 10. This act shall take effect in 60 days.