
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 388 Session of
2013

INTRODUCED BY PARKER, BROWNLEE, MCGEEHAN, O'BRIEN, KORTZ, D.
EVANS, KINSEY, J. HARRIS, V. BROWN, COHEN, YOUNGBLOOD,
DONATUCCI, MIRANDA, WATERS, MURT, ROEBUCK, THOMAS, SIMS,
NEILSON, W. KELLER AND TAYLOR, JANUARY 29, 2013

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JANUARY 29, 2013

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," further providing for authorization
16 to municipalities to impose tax liens on any property
17 throughout this Commonwealth and on the funds in certain bank
18 accounts.

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

21 Section 1. Section 2 of the act of May 16, 1923 (P.L.207,
22 No.153), referred to as the Municipal Claim and Tax Lien Law, is
23 amended to read:

24 Section 2. All taxes which may hereafter be lawfully imposed
25 or assessed on any property in this Commonwealth, and all taxes

1 heretofore lawfully imposed or assessed by any municipality on
2 any property in this Commonwealth for the years one thousand
3 nine hundred and twenty-one, one thousand nine hundred and
4 twenty-two, and one thousand nine hundred and twenty-three, in
5 the manner and to the extent hereinafter set forth, shall be and
6 they are hereby declared to be a first lien on said property,
7 together with all charges, expenses, and fees added thereto for
8 failure to pay promptly; and such liens shall have priority to
9 and be fully paid and satisfied out of the proceeds of any
10 judicial sale of said property, before any other obligation,
11 judgment, claim, lien, or estate with which the said property
12 may become charged or for which it may become liable, save and
13 except only the costs of [the] any sale and of the writ upon
14 which [it] such sale is made.

15 Section 2. Section 3(a) and (a.1) of the act, amended August
16 14, 2003 (P.L.83, No.20), are amended to read:

17 Section 3. (a) (1) All municipal claims, municipal liens,
18 taxes, tax claims and tax liens which may hereafter be lawfully
19 imposed or assessed on any property in this Commonwealth, and
20 all such claims heretofore lawfully imposed or assessed within
21 six months before the passage of this act and not yet liened, in
22 the manner and to the extent hereinafter set forth, shall be and
23 they are hereby declared to be a lien on said property, together
24 with all charges, expenses, and fees incurred in the collection
25 of any delinquent account, including reasonable attorney fees
26 under subsection (a.1), added thereto for failure to pay
27 promptly; and municipal claims and municipal liens shall arise
28 when lawfully imposed and assessed and shall have priority to
29 and be fully paid and satisfied out of the proceeds of any
30 judicial sale of said property, before any other obligation,

1 judgment, claim, lien, or estate with which the said property
2 may become charged, or for which it may become liable, save and
3 except only the costs of the sale and of the writ upon which it
4 is made, and the taxes, tax claims and tax liens imposed or
5 assessed upon said property.

6 (2) (i) When any municipal tax on real property becomes
7 delinquent, such tax, together with all charges, expenses and
8 fees, including reasonable attorney fees, added thereto for
9 failure to pay promptly, shall be a lien upon all other real
10 property that is both owned by the delinquent taxpayer and
11 located within this Commonwealth. Provided, however, that with
12 respect to real property located outside the taxing
13 municipality, no lien shall exist against such real property
14 until filed with the prothonotary of the county or counties in
15 which the real property is situated.

16 (ii) A lien under this paragraph shall have the same force
17 and effect as a personal judgment against the delinquent
18 taxpayer and shall be subject to all prior claims, mortgages,
19 ground rents, charges and estates.

20 (iii) The inclusion in a lien under this paragraph of
21 charges, expenses and fees incurred in the collection of any
22 delinquent account, including reasonable attorney fees, shall be
23 subject to the requirements of subsection (a.1).

24 (a.1) It is not the intent of this [subsection] section to
25 require owners to pay, or municipalities to sanction,
26 inappropriate or unreasonable attorney fees, charges or expenses
27 for routine functions. Attorney fees incurred in the collection
28 of any delinquent account, including municipal claims, municipal
29 liens, taxes, tax claims and tax liens, shall be in an amount
30 sufficient to compensate attorneys undertaking collection and

1 representation of a municipality or its assignee in any actions
2 in law or equity involving claims arising under this act. A
3 municipality by ordinance, or by resolution if the municipality
4 is of a class which does not have the power to enact an
5 ordinance, shall adopt the schedule of attorney fees. Where
6 attorney fees are sought to be collected in connection with the
7 collection of a delinquent account, including municipal claims,
8 municipal liens, taxes, tax claims and tax liens, the owner may
9 petition the court of common pleas in the county where the
10 property subject to the municipal claim and lien, tax claim and
11 lien or taxes is located to adjudicate the reasonableness of the
12 attorney fees imposed. In the event that there is a challenge to
13 the reasonableness of the attorney fees imposed in accordance
14 with this section, the court shall consider, but not be limited
15 to, the following:

16 (1) The time and labor required, the novelty and difficulty
17 of the questions involved and the skill requisite to properly
18 undertake collection and representation of a [municipality in
19 actions arising under subsection (a)] municipality.

20 (2) The customary charges of the members of the bar for
21 similar services.

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

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

25 * * *

26 Section 3. Section 4 of the act, amended July 28, 1953
27 (P.L.678, No.212), is amended to read:

28 Section 4. The lien for taxes shall exist in favor of[, and
29 the claim therefor may be filed against the property taxed by,]
30 any municipality to which the tax is payable and the lien may be

1 filed against the property taxed by such municipality, as well
2 as against all other property that is both owned by the person
3 who owns the property subject to the tax and located within this
4 Commonwealth.

5 The lien for the removal of nuisances shall exist in favor
6 of, and the claim therefor may be filed against the property
7 from which it is removed, or by which it is caused, by, any
8 municipality by or for which the nuisance is removed.

9 The lien for grading, guttering, paving, macadamizing, or
10 otherwise improving the cartways of any highways; for grading,
11 curbing, recurbing, paving, repaving, constructing, or repairing
12 the footways thereof; or for laying water pipes, gas pipes,
13 culverts, sewers, branch sewers, or sewer connections in any
14 highway; for assessments for benefits in the opening, widening,
15 or vacation thereof; or in the changing of watercourses or
16 construction of sewers through private lands; or in highways of
17 townships of the first class; or in the acquisition of sewers
18 and drains constructed and owned by individuals or corporations,
19 and of rights in and to use the same; or for water rates,
20 lighting rates, or sewer rates, or rates for any other service
21 furnished by a municipality,--shall exist in favor of, and the
22 claim therefor may be filed against the property thereby
23 benefited by, the municipality extending the benefit; or the
24 city, borough, or township in which the property is located, if
25 the work, material or service forming the basis of such lien was
26 supplied by a municipal authority organized by a city of the
27 second class, by a county of the second class or by a city of
28 the third class and such liens or the claim therefor has been
29 assigned to it.

30 Municipal authorities organized by cities of the second

1 class, by counties of the second class or by cities of the third
2 class are hereby authorized to assign their municipal claims and
3 their liens to the city, borough, or township in which the
4 property subject thereto is located, and cities, boroughs and
5 townships in which such property is located are hereby
6 authorized to purchase the same. Upon such assignment or
7 purchase the city, borough, or township acquiring such municipal
8 claim or lien shall have the same rights thereunder as if it had
9 supplied the work, material or service upon which such municipal
10 claim or lien is based.

11 When the contractor performing the work is to be paid by
12 assessment bills, the lien shall exist for, and the claim shall
13 be filed to, his use, and he shall under no circumstances have
14 recourse to the municipality authorizing the work.

15 Section 4. This act shall take effect in 60 days.