

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1336 Session of 2013

INTRODUCED BY DUNBAR, BOBACK, R. BROWN, CLYMER, COHEN,
 DENLINGER, FREEMAN, GINGRICH, GOODMAN, GROVE, HARHART,
 MACKENZIE, MILLARD, MILLER, QUINN, ROCK, ROZZI, SCHLOSSBERG,
 SIMMONS, SWANGER, TOEPEL, VEREB AND MARSHALL, MAY 8, 2013

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MAY 8, 2013

AN ACT

1 Amending the act of July 7, 1947 (P.L.1368, No.542), entitled,
 2 as amended, "An act amending, revising and consolidating the
 3 laws relating to delinquent county, city, except of the first
 4 and second class and second class A, borough, town, township,
 5 school district, except of the first class and school
 6 districts within cities of the second class A, and
 7 institution district taxes, providing when, how and upon what
 8 property, and to what extent liens shall be allowed for such
 9 taxes, the return and entering of claims therefor; the
 10 collection and adjudication of such claims, sales of real
 11 property, including seated and unseated lands, subject to the
 12 lien of such tax claims; the disposition of the proceeds
 13 thereof, including State taxes and municipal claims recovered
 14 and the redemption of property; providing for the discharge
 15 and divestiture by certain tax sales of all estates in
 16 property and of mortgages and liens on such property, and the
 17 proceedings therefor; creating a Tax Claim Bureau in each
 18 county, except counties of the first and second class, to act
 19 as agent for taxing districts; defining its powers and
 20 duties, including sales of property, the management of
 21 property taken in sequestration, and the management, sale and
 22 disposition of property heretofore sold to the county
 23 commissioners, taxing districts and trustees at tax sales;
 24 providing a method for the service of process and notices;
 25 imposing duties on taxing districts and their officers and on
 26 tax collectors, and certain expenses on counties and for
 27 their reimbursement by taxing districts; and repealing
 28 existing laws," further providing for county bureau to
 29 collect taxes, for system of accounting and distribution, for
 30 reimbursement of county and charges and for agent of taxing
 31 districts and lien certificates.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

3 Section 1. Section 204 of the act of July 7, 1947 (P.L.1368,
4 No.542), known as the Real Estate Tax Sale Law, amended July 3,
5 1986 (P.L.351, No.81), is amended to read:

6 Section 204. County Bureau to Collect Taxes.--

7 (a) Each county bureau shall receive and collect such taxes
8 and give proper receipt therefor when payment is offered, and to
9 make distribution of the moneys received as provided by this
10 act.

11 [(b) (1) All taxes for which returns have been made to the
12 bureau shall be payable only to the bureau and shall not be
13 payable to or be accepted by any taxing district or tax
14 collector.

15 (2) In the event that any such taxes are received or
16 accepted by any taxing district contrary to the provisions of
17 this section, the taxing district shall be liable to the bureau
18 for, and the bureau shall deduct from any distribution to which
19 the taxing district is entitled under section 205, all charges,
20 fees, costs, commission and interest to which the bureau would
21 otherwise have been entitled under the act if payment had been
22 made directly to the bureau.]

23 Section 2. Section 205 of the act, amended June 29, 1990
24 (P.L.260, No.61), is amended to read:

25 Section 205. System of Accounting and Distribution.--

26 (a) In each county bureau a system of accounting and
27 distribution of all moneys collected or received under the
28 provisions of this act shall be established in the bureau as may
29 be determined by the county commissioners, the county
30 controller, if any, and county treasurer.

1 (b) The bureau shall keep an accurate account of all money
2 recovered and received by it under this act and maintain a
3 separate account for each property.

4 (c) Money received on account of costs, fees and expenses
5 advanced by any taxing district shall be repaid to the taxing
6 district making the advance. Other money collected under this
7 act shall be subject, first, to a commission of five per centum
8 (5%) of all money collected to be retained by the bureau to
9 offset costs of the administration of this act. Money received
10 or collected by taxing districts directly pursuant to alternate
11 statutory collection schemes shall not be subject to any
12 commissions imposed under this act. Interest earned on money
13 held by the bureau prior to distribution shall also be retained
14 by the bureau for administrative costs.

15 (c.1) It shall then be the duty of the bureau to distribute
16 the entire remaining balance of the moneys collected, except
17 moneys collected through any tax sale under the provisions of
18 this act, to the taxing districts at least once every three (3)
19 months in proportion to the taxes due each taxing district.

20 (d) It shall be the duty of the bureau to distribute all
21 moneys collected as the result of any tax sale conducted under
22 the provisions of this act, less the deductions authorized by
23 subsection (c), in the following manner and according to the
24 following priority:

25 (1) First, to the Commonwealth, by payment to the State
26 Treasurer through the Department of Revenue, for satisfaction of
27 tax liens of the Commonwealth only if the total amount of such
28 liens or such portion thereof have been included in the purchase
29 price and paid by the purchaser or the property is sold at
30 judicial sale pursuant to this act.

1 (2) Second, to the respective taxing districts in proportion
2 to the taxes due them.

3 (3) Third, to taxing districts or municipal authorities for
4 satisfaction of municipal claims.

5 (4) Fourth, to mortgagees and other lien holders, in order
6 of their priority, for satisfaction of mortgages and liens as
7 they may appear of record, whether or not discharged by the
8 sale.

9 (5) Fifth, to the owner of the property.

10 (e) Prior to the actual distribution required by subsection
11 (d), the bureau shall petition the court of common pleas for a
12 confirmation of distribution. The petition shall set forth a
13 proposed schedule of distribution for each account and shall
14 request the court to issue a rule to show cause on each
15 distributee why the court should not confirm the distribution as
16 proposed. The rule to show cause and a copy of the petition
17 shall be served by first class mail upon each distributee and
18 upon the purchaser, with proof of mailing to the last residence
19 or place of business of the distributee known to the bureau and
20 to the purchaser at the address given to the bureau. If the rule
21 to show cause is not returned by any distributee or purchaser on
22 or before the time set for its return, the court shall forthwith
23 confirm the distribution absolutely. If any distributee or
24 purchaser makes a return of the rule within the time set by the
25 court, the court shall forthwith hear any objections and
26 exceptions to the proposed distribution and thereafter adjust
27 the schedule of distribution as it deems just and equitable
28 according to law and confirm the distribution absolutely as
29 adjusted. An absolute confirmation of distribution by the court
30 shall be final and nonappealable with respect to all

1 distributees listed in the petition.

2 (f) Whenever no claim for payment of any balance due the
3 owner of the property is presented by or on behalf of the owner
4 within a period of three (3) years of the date of the sale, the
5 balance of the proceeds shall be distributed to the respective
6 taxing districts pro rata based on the millage imposed by the
7 respective taxing districts as of the year such property was
8 sold. Interest earned by the proceeds of the sale during this
9 three-year period shall be retained by the county.

10 Section 3. Sections 207 and 208 of the act, amended July 3,
11 1986 (P.L.351, No.81), are amended to read:

12 Section 207. Reimbursement of County; Charges.--(a) In
13 order to reimburse the county for the actual costs and expenses
14 of operating the bureau created by this act, the county shall
15 receive and retain out of all moneys collected or received under
16 the provisions of [this act] section 205(c), five per centum
17 (5%) thereof, which percentage shall be deducted by the bureau
18 before paying over moneys to the respective taxing districts
19 entitled thereto. This percentage and interest earned under
20 section 205 shall be paid into the county treasury for the use
21 of the county. The reimbursement herein provided for shall be in
22 addition to the costs, fees and expenses advanced by the county,
23 which, upon recovery, are payable to the county as provided by
24 the preceding section of this act.

25 (b) In addition to the five per centum (5%) authorized by
26 subsection (a), and the reimbursement as therein provided,
27 maximum charges for the following or similar type services are
28 authorized:

- 29 (1) Entry of Claim, includes \$10.00
- 30 (i) audit lien sheets

1	(ii) enter on property card	
2	(iii) enter in docket	
3	(iv) enter in index	
4	(v) type notice of return	
5	(vi) mail notice of return	
6	(2) Satisfaction of Claim, includes	\$5.00
7	(i) prepare receipt	
8	(ii) satisfy docket	
9	(iii) satisfy index	
10	(iv) post property card	
11	(v) enter on daily distribution sheet	
12	(3) Preparation of Sale, includes	\$15.00
13	(i) prepare cost sheet	
14	(ii) type notice of sale	
15	(iii) mail notice of sale	
16	(iv) prepare advertising copy	
17	(4) Review of Records, includes	\$10.00
18	(i) check assessment records	
19	(ii) check Recorder of Deeds	
20	(iii) check Register of Wills	
21	(5) Preparation of Deed.....	\$25.00
22	(6) Discharge of Tax Claim, Section 501.....	\$5.00
23	(6.1) Removal from Sale, Section 603.....	\$5.00
24	(7) Agreement to Stay Sale, Section 603.....	\$15.00
25	(8) Postage.....	Actual cost

26 It is the intent of this act to authorize the bureau to charge
27 the costs of its operation against the properties for which a
28 delinquent return is made on an equitable and pro-rata basis in
29 so far as is possible. The charge made for each service shall
30 bear a reasonable relationship to the service rendered.

1 Section 208. Agent of Taxing Districts; Lien Certificates.--
2 The bureau and the director thereof shall, in the administration
3 of this act, be the agent of the taxing districts whose tax
4 claims are returned to the bureau for collection and prosecution
5 under the provisions of this act, and in the management and
6 disposition of property in accordance with the provisions of
7 this act.

8 Any taxing district whose tax claims have been returned to
9 the bureau under the provisions of this act shall have the right
10 to adopt a resolution advising the bureau that it intends to
11 collect some or all of its delinquent taxes pursuant to an
12 alternate tax collection scheme and directing the bureau not to
13 collect some or all of its delinquent taxes.

14 The bureau shall, upon request of any person, furnish a lien
15 certificate showing the taxes due on any property as shown by
16 its records. A fee of not more than five dollars (\$5) shall be
17 charged for any such certificate and shall be payable to the
18 county.

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