

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2316 Session of 2020

INTRODUCED BY RYAN, GLEIM, O'NEAL, ROWE, ROTHMAN, MOUL AND
KEEFER, APRIL 3, 2020

REFERRED TO COMMITTEE ON FINANCE, APRIL 3, 2020

AN ACT

1 Amending the act of July 7, 1947 (P.L.1368, No.542), entitled
 2 "An act amending, revising and consolidating the laws
 3 relating to delinquent county, city, except of the first and
 4 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," in tax claim bureau, further providing for
 29 system of accounting and distribution; in lieu of taxes,
 30 filing of tax returns and adjudication, further providing for
 31 taxes, a first lien; and making inconsistent repeals.

32 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Sections 205(d) and 301 of the act of July 7,
3 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law,
4 are amended to read:

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

6 * * *

7 (d) It shall be the duty of the bureau to distribute all
8 moneys collected as the result of any tax sale conducted under
9 the provisions of this act, less the deductions authorized by
10 subsection (c), in the following manner and according to the
11 following priority:

12 (1) First, to the following in order of their priority in
13 time of filing:

14 (i) To the Commonwealth, by payment to the State Treasurer
15 through the Department of Revenue, for satisfaction of tax liens
16 of the Commonwealth only if the total amount of such liens or
17 such portion thereof have been included in the purchase price
18 and paid by the purchaser or the property is sold at judicial
19 sale pursuant to this act.

20 [(2) Second, to] (ii) To the respective taxing districts in
21 proportion to the taxes due them.

22 [(3) Third, to] (iii) To taxing districts or municipal
23 authorities for satisfaction of municipal claims.

24 [(4) Fourth, to] (iv) To mortgagees and other lien holders,
25 in order of their priority, for satisfaction of mortgages and
26 liens as they may appear of record, whether or not discharged by
27 the sale.

28 [(5) Fifth,] (2) Second, to the owner of the property.

29 * * *

30 Section 301. Taxes, a [First] Lien.--All taxes which may

1 hereafter be lawfully levied on property in this Commonwealth by
2 any taxing district, and all taxes heretofore lawfully levied by
3 any taxing district on any property, the lien of which has not
4 been lost under existing laws (whether or not a claim has been
5 filed, or return thereof has been made to the county
6 commissioners) shall be and are hereby declared to be a [first]
7 lien on said property. Such liens shall [have priority to and be
8 fully] be paid and satisfied out of the proceeds of any sale of
9 said property held under the provisions of this act [before any
10 mortgage, ground rent, obligation, judgment claim, lien or
11 estate with which the said property may have or shall become
12 charged, or for which it may become liable, save and except only
13 the costs of the sale and of the proceedings upon which it is
14 made, and such tax liens of the Commonwealth of Pennsylvania]
15 and given priority of payment as provided by section 205 of this
16 act. The only exceptions are costs of the sale and of the
17 proceedings upon which it is made, which shall have priority
18 over any other claim against the property.

19 Section 2. The following acts and parts of acts are repealed
20 insofar as they are inconsistent with the amendment of sections
21 205(d) and 301 of the act:

22 (1) The act of May 22, 1895 (P.L.111, No.84), relating
23 to land sold at tax sales cleared of tax liens.

24 (2) Section 1401 of the act of April 9, 1929 (P.L.343,
25 No.176), known as The Fiscal Code.

26 (3) Section 4 of the act of May 29, 1931 (P.L.280,
27 No.132), referred to as the Local Delinquent Tax Return Law.

28 (4) Section 3 of the act of May 25, 1933 (P.L.1019,
29 No.230), relating to tax sales of lands purchased by
30 counties.

1 (5) Section 4 of the act of June 26, 1939 (P.L.1100,
2 No.386), relating to sales of realty for tax claim judgment.

3 (6) The act of March 21, 1945 (P.L.47, No.24), relating
4 to local tax liens.

5 Section 3. The amendment of sections 205(d) and 301 of the
6 act shall apply only to claims for which the right to file a
7 lien accrues after the effective date of this section.

8 Section 4. The Secretary of the Commonwealth shall submit to
9 the Legislative Reference Bureau a notice for publication in the
10 Pennsylvania Bulletin when the General Assembly has enacted all
11 of the following:

12 (1) This act.

13 (2) An act amending the act of October 11, 1984
14 (P.L.876, No.171), known as the Second Class City Treasurer's
15 Sale and Collection Act, to provide that tax and municipal
16 claims and other claims against a property, including
17 mortgages, judgment claims, liens or other obligations with
18 which the property is charged, shall have priority of payment
19 in order of their priority in time of filing.

20 (3) An act amending the act of May 16, 1923 (P.L.207,
21 No.153), referred to as the Municipal Claim and Tax Lien Law,
22 to provide that tax and municipal claims and other claims
23 against a property, including mortgages, judgment claims,
24 liens or other obligations with which the property is
25 charged, shall have priority of payment in order of their
26 priority in time of filing.

27 Section 5. This act shall take effect as follows:

28 (1) Section 4 of this act and this section shall take
29 effect immediately.

30 (2) The remainder of this act shall take effect upon

1 publication of the notice under section 4 of this act.