

No. 74

AN ACT

SB 20

Amending the act of July 7, 1947 (P.L.1368, No.542), entitled "An act amending, revising and consolidating the laws relating to delinquent county, city, except of the first and second class and second class A, borough, town, township, school district, except of the first class and school districts within cities of the second class A, and institution district taxes, providing when, how and upon what property, and to what extent liens shall be allowed for such taxes, the return and entering of claims therefor; the collection and adjudication of such claims, sales of real property, including seated and unseated lands, subject to the lien of such tax claims; the disposition of the proceeds thereof, including State taxes and municipal claims recovered and the redemption of property; providing for the discharge and divestiture by certain tax sales of all estates in property and of mortgages and liens on such property, and the proceedings therefor; creating a Tax Claim Bureau in each county, except a county of the first class, to act as agent for taxing districts; defining its powers and duties, including sales of property, the management of property taken in sequestration, and the management, sale and disposition of property heretofore sold to the county commissioners, taxing districts and trustees at tax sales; providing a method for the service of process and notices; imposing duties on taxing districts and their officers and on tax collectors, and certain expenses on counties and for their reimbursement by taxing districts; and repealing existing laws," clarifying certain conflicting prior amendments providing for accounting system and payment over, purchase of property by county commissioners, and sale of certain properties by the bureau, and further regulating costs of bureau operation, priority of liens, certain returns, docketing of claims and certain sale notices.

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

Section 1. Section 205, act of July 7, 1947 (P.L.1368, No.542), known as the "Real Estate Tax Sale Law," amended June 30, 1951 (P.L.991, No.204) and January 18, 1952 (P.L.2098, No.595), is reenacted and amended to read:

Section 205. System of Accounting and Payment Over.—In each county bureau a system of accounting and payment over of all moneys collected or received under the provisions of this act shall be established in the bureau as may be determined by the county commissioners, the county controller, if any, and county treasurer.

All taxes and municipal claims recovered in full by the bureau under the provisions of this act, whether by payment by the owner before sale, payment by a purchaser who has bid the upset price at a sale, by redemption or through sequestration shall be paid over to the taxing districts entitled thereto. **[When, through sequestration, less than the full amount of taxes is recovered, the net amount so recovered shall be paid over to the respective taxing districts in proportion to the taxes due them.]** In all other cases, including net moneys received through *sequestration or from* the management or through public or private sale of property, the moneys

received shall be paid over, first, to the respective taxing ¹districts in proportion to the taxes [and] *due them; second, the* municipal claims against such property [owing to such districts; second] *due any taxing district; third,* mortgages and other liens in order of their priority; and [third] *fourth* except in cases of property purchased by a taxing district prior to the effective date of this act and turned over to the bureau for sale, the balance remaining shall be paid to the owner of the property sold. Such payments shall in all cases be less ²the percentage to which the county is entitled in accordance with this act: Provided, however, That where by the sale or redemption of property, tax liens of the Commonwealth are recovered, payment shall first be made of the tax liens of the Commonwealth to the State Treasurer through the Department of Revenue, and in the case of the public or private sale of property by the bureau after the continuance of a former sale, because of insufficient bid, the purchase price received shall first be applied to the satisfaction of the tax liens of the Commonwealth and shall be paid over in like manner.

Moneys recovered on account of costs, fees and expenses advanced by the county or any other taxing district shall be repaid to the taxing district making the advance.

The bureau shall keep an accurate account of all moneys received by it under the provisions of this act and a separate account for each property.

All payments, out of moneys recovered, shall be made by the bureau at stated intervals, but not less frequently than once every three (3) months.

Section 2. Section 207 of the act, amended July 13, 1953 (P.L.439, No98), is amended to read:

Section 207. Reimbursement of County; *Charges.—(a)* In order to reimburse the county for the actual costs and expenses of operating the bureau created by this act, the county shall receive and retain out of all moneys collected or received under the provisions of this act, [~~four per centum (4%)~~] *five per centum (5%)* thereof, which percentage shall be deducted by the bureau before paying over moneys to the respective taxing districts entitled thereto, and shall be paid into the county treasury for the use of the county. The reimbursement herein provided for shall be in addition to the costs, fees and expenses advanced by the county, which, upon recovery, are payable to the county as provided by the preceding section of this act.

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

- (1) Entry of Claim, includes \$5.00*
- (i) audit lien sheets*
- (ii) enter on property card*

¹“district” in original.

²“than” in original.

- (iii) enter in docket*
 - (iv) enter in index*
 - (v) type notice of return*
 - (vi) mail notice of return*
 - (2) Satisfaction of Claim, includes \$5.00*
 - (i) prepare receipt*
 - (ii) satisfy docket*
 - (iii) satisfy index*
 - (iv) post property card*
 - (v) enter on daily distribution sheet*
 - (3) Preparation of Sale, includes \$5.00*
 - (i) prepare cost sheet*
 - (ii) type notice of sale*
 - (iii) mail notice of sale*
 - (iv) prepare advertising copy*
 - (4) Title Search, includes \$7.00*
 - (i) check assessment records*
 - (ii) check Recorder of Deeds*
 - (iii) check Register of Wills*
 - (5) Preparation of Deed \$15.00*
 - (6) Redemption by Lien Creditor, Section 501 (b) \$5.00*
 - (7) Quarterly Payment Agreement \$5.00*
- It is the intent of this act to authorize the bureau to charge the costs of its operation against the properties for which a delinquent return is made on an equitable and pro-rata basis in so far as is possible. The charge made for each service shall bear a reasonable relationship to the service rendered.*

Section 3. Section 301 of the act, amended June 30, 1951 (P.L.991, No.204), is amended to read:

Section 301. Taxes, a First Lien.—All taxes which may hereafter be lawfully levied on property in this Commonwealth by any taxing district, and all taxes heretofore lawfully levied by any taxing district on any property, the lien of which has not been lost under existing laws (whether or not a claim has been filed, or return thereof has been made to the county commissioners) shall be and are hereby declared to be a first lien on said property. Such liens shall have priority to and be fully paid and satisfied out of the proceeds of any public sale of said property held under the provisions of this act before any mortgage, obligation, judgment claim, lien or estate with which the said property may have or shall become charged, or for which it may become liable, save and except only [(1)] the costs of the sale and of the proceedings upon which it is made, and tax liens in favor of the Commonwealth of Pennsylvania, which shall have priority to such tax liens. [and (2) municipal claims, which shall have equal priority with such tax liens]

Section 4. Section 304 of the act, amended May 6, 1955 (P.L.40, No.15), is amended to read:

Section 304. Tax Liens and Municipal Claims Divested by Sale.—The lien of all taxes and municipal claims now or hereafter imposed, levied or assessed against any property shall be divested by any public sale of such property under the provisions of this act, if the amount of the purchase money shall be at least equal to the amount of prior tax liens of the Commonwealth, the amount of all taxes and municipal claims due on such property, and costs of sale.

It is hereby made the duty of the bureau and of any other officer having claims or judgments for taxes and municipal claims for collection against any property, advertised to be sold at public sale under the provisions of this act, to give notice to the officer or person selling any such property of the amount of tax liens of the Commonwealth, and of the amount of all taxes and municipal claims against the same, and the bureau selling such property shall, through the county treasurer, pay out the proceeds arising from such sale in the order of their priority, first, the costs of sale and the proceedings upon which it is made; second, the tax liens of the Commonwealth; third, taxes and **[municipal claims and]** costs due thereon; **[and]** fourth, *municipal claims and costs due thereon*; **fifth** lien holders in the order of their priority; and **[fifth] sixth**, any balance remaining to the real owner at the time of sale.

Section 5. ¹Section 306 and ²the first paragraph of section 315 of the act are amended to read:

Section 306. Return of Property and Delinquent Taxes; Interest; Settlements by Tax Collectors.—

(a) It shall be the duty of **[(1) the county commissioners of each county of the third, fourth, fifth, sixth, seventh and eighth classes as to county and institution district taxes, and of the corporate authorities of each taxing district within any such county as to its taxes, and of the county treasurer as to any unseated land taxes in his hands for collection, (2) the county treasurer of each county of the second class as to county and county institution district taxes, and of the corporate authorities of each taxing district within any such county as to its taxes, to]** *each receiver or collector of any county, city, borough, town, township, school district or institution district taxes, to make a return to the county bureau on or before the first Monday of May of each year, a list of all properties against which taxes were levied, the whole or any part of which were due and payable in the calendar year immediately preceding which remain unpaid, giving the description of each such property, as it appears in the tax duplicate, together with the amount of such unpaid taxes, penalties and interest due to but not including the first Monday of May of the year of return. Interest shall be charged on taxes so returned from and after the first Monday of May of the year of return at the rate of six per centum (6%) per annum.*

¹“Sections” in original.

²“the first paragraph of section” omitted in original.

(b) The first return made by a **[taxing district] tax collector** under the provisions of this act shall also include all taxes for any year or years preceding the year provided for by this section, if the lien of such taxes has continued under existing law, but a claim for such taxes has not been reduced to judgment; and for such purpose, the lien of such taxes shall be further continued for the purpose of making return of such taxes, and the making of the claim therefor absolute under the provisions of this act.

(c) No taxes shall be returned by any **[taxing district] tax collector** where the owner is paying his delinquent taxes under the provisions of any act of Assembly abating penalties, interest and costs, unless there has been a default in payment by the owner, in which case or at any time when a yearly return is being made after any such default, return shall be made of the balance due as fixed by the act of Assembly abating penalties, interest and costs, or either. The lien of all such taxes shall be continued for the purpose of making a return thereof and collecting the same under the provisions of this act.

(d) The taxing district shall have power to require its tax collector to adjust his duplicate from time to time, as may be required by the taxing district, and to finally settle and adjust the tax duplicate in his possession within such time as will enable **[it] him** to make the return, herein provided for, within the time required. All laws providing for the adjustment and settlement of duplicates prior to the time fixed by the taxing districts, as herein provided, are hereby repealed insofar as they apply to the time fixed for the settlement of duplicates.

Section 315. **[Entry and Indexing of] Claims; Dockets; Satisfaction.**—Every return made to and every claim made up by the bureau and the result of every proceeding thereon, entered in accordance with this act, shall be docketed in appropriate dockets in the office of the bureau **[and entered in suitable indexes,] suitably indexed** and when so entered shall continue the lien of the tax against the property charged with the tax.

* * *

Section 6. Section 602 of the act, amended September 15, 1961 (P.L.1334, No.589), is amended to read:

Section 602. Notice of Sale.—Prior to any scheduled sale the bureau shall give notice thereof, once a week for three (3) consecutive weeks in two (2) newspapers of general circulation in the county, if so many are published therein, and once in the legal journal, if any, designated by the court for the publication of legal notices. Such notice shall set forth (a) the purposes of such sale, (b) the time of such sale, (c) the place of such sale, (d) the terms of the sale including the approximate upset price, (e) the descriptions of the properties to be sold as stated in the claims entered, each description commencing with

“
 Name of Owner
”
 description

Where the owner is unknown and has been unknown for a period of not less than ten years, the name of the owner need not be included in such description.

The description may be given intelligible abbreviations.

Such published notice shall be addressed to the “owners of properties described in this notice and to all persons having tax liens, tax judgments or municipal claims against such properties.”

In addition to such publications, similar notice of the sale shall also be given by the bureau, at least ten (10) days before the date of the sale, by United States [registered] certified mail, personal addressee only, return receipt requested, postage prepaid, to each owner as defined by this act and by posting on the property.

The published notice, the mail notice and the posted notice shall each state that the sale of any property may, at the option of the bureau, be stayed if the owner thereof or any lien creditor of the owner on or before the date of sale enters into an agreement with the bureau to pay the taxes in instalments, in the manner provided by this act, and the agreement entered into.

In case the property of any corporation, limited partnership or joint-stock association is advertised for sale, the bureau shall give to the Department of Revenue the notice required by section one thousand four hundred two of the Fiscal Code of the ninth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws 343).

No sale shall be defeated and no title to property sold shall be invalidated because of proof that mail notice as herein required was not received by the owner, provided such notice was given as prescribed by this section.

The costs of such advertisement and notices shall be taxed as part of the costs of such proceedings and shall be paid by the owner the same as other costs.

Section 7. Section 612.1 of the act, amended May 16, 1951 (P.L.308, No.64) and January 18, 1952 (P.L.2098, No.595) is reenacted and amended to read:

Section 612.1. County Commissioners May Bid and Purchase Property; Costs Paid by Taxing Districts.—Whenever any property shall be put up for public sale upon order of court, as provided in section six hundred twelve, the county commissioners are hereby authorized to bid up to and including one dollar over and above all costs, as prescribed in section six hundred twelve, for said property at such sale and if [no higher bid is offered] the property [shall be] is sold to them for the county, [and] the

county shall take and have an absolute title, free and clear of all tax and municipal claims, mortgages, liens and charges and estates of whatsoever kind, except ground rents, separately taxed in the same manner and to the same extent as a private purchaser would have taken. In such cases, the proportionate share of said costs shall be paid to the county by the respective taxing districts in proportion to the taxes due them on such property. An amount equal to such costs due the county from any taxing district may be deducted from any tax moneys thereafter payable to such district under the provisions of this act. Upon the sale thereafter of such property by the county, the proceeds from the sale shall be distributed to the taxing authorities in proportion to the taxes due them on such property at the time of the last tax sale.

Any property purchased at such sale by the county may thereafter by the county commissioners be (1) leased to any taxing district to be used for public purposes; (2) used for any suitable public purpose by the county; (3) sold in the same manner as any other real property owned in fee simple by the county; or (4) sold upon petition to the court of common pleas, which shall fix a day not more than thirty (30) days thereafter for a hearing and sale. At least five (5) days notice of such hearing and sale shall be given to all the taxing authorities having an interest therein, and notice shall also be given by publication at least two times, with approximately ten (10) days intervening, in at least one (1) newspaper of general circulation published in the county, setting forth the location of the property that was acquired at a public tax sale, giving the date and place, the terms of the proposed sale, and that the property will be sold clear and free of all liens and charges (except ground rents, if any), and the lowest amount which the county is prepared to accept for the sale of the property.

If, after such hearing, the court is satisfied that the proposed sale is proper and to the advantage of the county and the other taxing districts interested, it shall allow any person to offer more than the minimum price fixed by the county, or other price, as the court may find proper, and enter a decree approving such sale and directing a conveyance of such property to the person or persons purchasing the same, upon the payment of the purchase price and all costs of the proceeding. The title conveyed shall be free and clear of all tax and municipal claims, mortgages, liens and charges and estates of whatever kind, except ground rents separately taxed.

APPROVED—The 27th day of September, A. D. 1973.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 74.



Secretary of the Commonwealth.