

No. 1991-27

AN ACT

HB 1020

Amending the act of July 7, 1947 (P.L.1368, No.542), entitled, as amended, "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 counties of the first and second 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," further providing for the entry, extension and discharge of tax claims.

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

Section 1. Section 308(a) of the act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law, reenacted October 31, 1989 (P.L.587, No.63), is amended and the section is amended by adding a subsection to read:

Section 308. Notice of Filing of Returns and Entry of Claim.—(a) Not later than the thirty-first day of July of each year, the bureau shall give only one notice of the return of said taxes and the entry of such claim in one envelope for each delinquent taxable property, by United States registered mail or United States certified mail, return receipt requested, postage prepaid, addressed to the owners at the same address listed on the form returned by the tax collector for taxes that are delinquent. In the case of property owned by joint tenants, tenants in common, or husband and wife as tenants by the entireties, the bureau may give the notice required by this section by forwarding only one notice addressed to such joint tenants, tenants in common or husband and wife at the same post office address. If the owner of the property is unknown and has been unknown for a period of not less than five years, such notice shall be given only by posting on the property affected. If no post office address of the owner is known or if a notice mailed to an owner at such last known post office address is not delivered by the postal authorities, then notice as herein provided shall be posted on the property

affected. If the property owner has entered into an agreement with the bureau for the payment of the delinquent taxes, the posting is not necessary. Each mailed and posted notice shall, (1) show all the information shown on the claim entered, (2) state that if payment of the amount due the several taxing districts for said taxes is not made to the bureau on or before the thirty-first day of December next following, and no exceptions thereto are filed, the said claim shall become absolute, (3) state that on July first of the year in which such notice is given a one (1) year period for discharge of tax claim shall commence or has commenced to run, and that if full payment of taxes is not made during that period as provided by this act, the property shall be advertised for and exposed to sale under this act, and (4) state that there shall be no redemption after the actual sale [and].

(a.1) (1) In addition to the requirements of subsection (a)(1), (2), (3) and (4), each mailed and posted notice shall state that the owner of any owner-occupied real estate can apply for an extension of the period for discharge of tax claim for up to twelve (12) additional months under and subject to the provisions of sections 505 and 506.

(2) This subsection shall expire January 1, 1993.

* * *

Section 2. The act is amended by adding sections to read:

Section 505. Option of County to Extend Period for Discharge of Tax Claim.—(a) *A county may, at the option of its commissioners, enact legislation extending the period for discharge of tax claim for real-estate taxes for taxpayers for up to twelve (12) additional months.*

(b) This section shall expire January 1, 1993.

Section 506. Extension of Period for Discharge of Tax Claim.—(a) *If the county commissioners of the county enact legislation pursuant to section 505, then the county commissioners, acting through the county tax claim bureau determine that a tax claim or tax claims constitute severe hardship to the taxpayer and that extenuating circumstances beyond the taxpayer's control have caused the tax claim or claims to be filed or remain unpaid and there is a reasonable probability that the taxpayer will be able to meet the indebtedness if granted an extension of the period for discharge of tax claim for up to twelve (12) additional months, they shall have the authority in the event of an application for extension submitted by the taxpayer to:*

(1) Extend the period for discharge of tax claim for owner-occupied real estate for up to twelve (12) additional months: Provided, That the taxpayer enters into an equitable apportioned payment schedule consistent therewith.

(2) Abate, suspend, continue or stay the tax sale proceedings pending with respect to such owner-occupied residential real estate.

(b) The payment schedule authorized under subsection (a) shall permit the taxpayer to make payment of the amount due in at least four (4) separate payments, spaced at least thirty (30) days apart, and shall require the initial payment to be not more than twenty-five per centum (25%) of the total indebtedness calculated to be due under such schedule. However, the provisions of this subsection and of section 603 notwithstanding, the county commissioners may, in their discretion, in special hardship cases, establish

payment schedules specifically suited to the capabilities of the particular affected taxpayer.

(c) The application for extension authorized in clause (1) of subsection (a) shall be made in such form as shall be provided by the bureau. Within thirty (30) days of receipt of such an application, the director of the bureau shall either allow or disallow such an extension. If such an extension is allowed, the bureau shall set the length of such extension. Any taxpayer aggrieved by the decision of the bureau may, within fifteen (15) days after notice thereof, appeal to the county court of common pleas for de novo review of the application.

(d) For the purpose of this section, the phrase "extenuating circumstances" means:

(1) Serious physical illness or injury or a combination of such illness or injury with a state of prolonged unemployment if: (i) the taxpayer is a permanent resident of the Commonwealth, (ii) the illness or injury, or combination thereof, occurred or persisted during any of the tax years for which the delinquent taxes were assessed or during the year immediately preceding any such delinquency, and (iii) the illness or injury, or combination thereof, has been a substantial cause of the taxpayer's failure to pay any such delinquent tax or taxes to the date of application for relief under this section.

(2) Unemployment if: (i) the taxpayer is a permanent resident of the Commonwealth, (ii) the unemployment occurred or persisted during any of the tax years for which the delinquent taxes were assessed or during the year immediately preceding any such delinquency, and (iii) the unemployment has been a substantial cause of the taxpayer's failure to pay any such delinquent tax or taxes to the date of application for relief under this section.

(e) For the purpose of this section, an extension of the period for discharge of tax claim shall only apply to one (1) owner-occupied property per taxpayer.

(f) This section shall expire January 1, 1993.

Section 3. This act shall be retroactive to January 1, 1991.

Section 4. This act shall take effect immediately.

APPROVED—The 5th day of August, A. D. 1991.

ROBERT P. CASEY