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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1345 Session of  
2021

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INTRODUCED BY GLEIM, RYAN, O'NEAL, ROWE, MALONEY, STAMBAUGH,  
LEWIS, ZIMMERMAN, MOUL, KEEFER AND JOZWIAK, MAY 6, 2021

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REFERRED TO COMMITTEE ON FINANCE, MAY 6, 2021

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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.