

No. 1990-61

AN ACT

SB 725

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 distribution of moneys collected and for notice of distribution of moneys obtained from tax sales.

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

Section 1. Section 205 of the act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law, amended July 3, 1986 (P.L.351, No.81), is amended to read:

Section 205. System of Accounting and Distribution.—

(a) In each county bureau a system of accounting and distribution 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.

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

(c) Money received on account of costs, fees and expenses advanced by any taxing district shall be repaid to the taxing district making the advance. Other money collected under this act shall be subject, first, to a commission of five per centum (5%) of all money collected to be retained by the bureau to offset costs of the administration of this act. Interest earned on money held by the bureau prior to distribution shall also be retained by the bureau for administrative costs.

(c.1) It shall then be the duty of the bureau to distribute the entire remaining balance of the moneys collected, except moneys collected through

any tax sale under the provisions of this act, to the taxing districts at least once every three (3) months in proportion to the taxes due each taxing district.

(d) It shall [then] be the duty of the bureau to distribute [the entire remaining balance of money collected against each account at least once every three (3) months] *all moneys collected as the result of any tax sale conducted under the provisions of this act, less the deductions authorized by subsection (c),* in the following manner and according to the following priority:

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

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

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

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

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

(e) Prior to the actual distribution required by [this section] *subsection (d),* the bureau shall petition the court of common pleas for a confirmation of distribution. The petition shall set forth a proposed schedule of distribution for each account and shall request the court to issue a rule to show cause on each distributee why the court should not confirm the distribution as proposed. The rule to show cause and a copy of the petition shall be served *by first class mail* upon each distributee [by first class mail] *and upon the purchaser,* with proof of mailing to the last residence or place of business of the distributee known to the bureau *and to the purchaser at the address given to the bureau.* If the rule to show cause is not returned by any distributee *or purchaser* on or before the time set for its return, the court shall forthwith confirm the distribution absolutely. If any distributee *or purchaser* makes a return of the rule within the time set by the court, the court shall forthwith hear any objections and exceptions to the proposed distribution and thereafter adjust the schedule of distribution as it deems just and equitable according to law and confirm the distribution absolutely as adjusted. An absolute confirmation of distribution by the court shall be final and nonappealable with respect to all distributees listed in the petition.

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

Section 2. This act shall take effect in 60 days.

APPROVED—The 29th day of June, A. D. 1990.

ROBERT P. CASEY