

No. 1990-220

AN ACT

HB 250

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," authorizing counties to extend the time for certain unpaid taxes and to defer certain unpaid taxes.

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

Section 1. The act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law, is amended by adding a section to read:

Section 504. Extension for Elderly.—(a) The county commissioners may enact legislation which provides that, if the county commissioners, acting through the bureau, determine or have reason to believe that a tax claim or tax claims relate to residential real estate which is owned and occupied solely by a person sixty-five (65) years of age or older or is owned and occupied jointly by persons all of whom are sixty-five (65) years of age or older and there is a possibility that such owner is not fully informed as to the tax claim or claims and the effect of the impending sale, or otherwise needs assistance to prevent the property from going to sale, the period for discharge of the tax claim or claims may be extended or payment of the tax claim or claims may be deferred to a later time. To be eligible for a deferral of tax, an applicant's household income must be equal to or less than the maximum household income necessary to qualify for a property tax or rent rebate under the act of March 11, 1971 (P.L.104, No.3), known as the "Senior Citizens Rebate and Assistance Act."

(b) Legislation enacted as authorized by subsection (a) may authorize the bureau, either through its own action or in cooperation with the Area Agency on Aging or any other organization, group or individuals, to

examine documents of record, require documentation of household income, conduct inquiries or take any other action to determine if the owner of the property to which the tax claim relates is sixty-five (65) years of age or older. If it is determined that the owner is sixty-five (65) years of age or older, meets the income requirements of subsection (a) and otherwise qualifies for special consideration under this section, such legislation may authorize any of the following insofar as such action will not ultimately result in loss to the bureau or the taxing district:

(1) Extend the period for discharge of the tax claim or claims for up to three (3) additional months if it appears to the bureau that suitable arrangement for payment of the tax claim or claims can be made within that period.

(2) If it is determined that the owner desires to continue to reside in the residence and cannot afford to pay the tax claim or claims and continue to live in a comfortable lifestyle, stay the tax sale and defer payment of the tax claim or claims until such time as title to the property is transferred or the owner is no longer the sole occupant of the property. Any such tax deferral program shall include requirements relating to the income limitations set forth in subsection (a), value of the property, owner's equity in the property, insurance of the property and other requirements deemed necessary for entitlement to the deferral and for protection of the tax claim or claims. All taxes so deferred shall constitute a prior lien on the property in favor of the taxing district and shall attach as of the date and in the same manner and shall be collected as other liens for taxes, but the taxes shall be due and payable only when title to the property is transferred or the eligible owner is no longer the sole occupant.

(3) If it is determined that the owner does not desire to continue to reside in the residence, or that a deferral of tax pursuant to paragraph (2) would jeopardize ultimate recovery of the tax claim or claims in full, and it appears that the owner has equity in the residence which would be lost at a regular tax sale, a special sale of the residence can be arranged. At least two independent appraisals of the residence shall be obtained, and the residence shall be placed on the market at a price midway between such appraisals for a period not to exceed eleven (11) months from the date the property was initially scheduled for sale. If the property is sold within that period, the proceeds shall be distributed in the priority stated in section 205(d) and confirmed as provided in section 205(e). Cost of the appraisals and seller's costs of the sale shall be borne by the owner. If the property is not sold within that period, the property shall be sold at the next regularly scheduled tax sale, and costs incurred shall be recouped by the bureau at the sale.

(c) All taxes that are deferred under this act shall bear simple interest from the date they become due and payable until the date they are paid. The interest rate per annum for each calendar year shall be the rate established by section 306 of this act.

(d) The procedures set forth in this section are not intended to be exclusive, but are intended to express the intent of the General Assembly to permit county commissioners to enact whatever legislation they may deem beneficial to senior citizens to prevent them from losing their residences, or losing

equity in their residences, as a result of unpaid real estate taxes, to the extent that such measures may be enacted pursuant to section 2(b)(ii) of Article VIII of the Constitution of Pennsylvania, but subject to the condition that such legislation does not jeopardize the ultimate receipt in full of taxes imposed by the taxing districts.

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

APPROVED—The 20th day of December, A. D. 1990.

ROBERT P. CASEY