

No. 2013-93

AN ACT

HB 388

Amending the act of May 16, 1923 (P.L.207, No.153), entitled "An act providing when, how, upon what property, and to what extent, liens shall be allowed for taxes and for municipal improvements, for the removal of nuisances, and for water rents or rates, sewer rates, and lighting rates; for the procedure upon claims filed therefor; the methods for preserving such liens and enforcing payment of such claims; the effect of judicial sales of the properties liened; the distribution of the proceeds of such sales, and the redemption of the property therefrom; for the lien and collection of certain taxes heretofore assessed, and of claims for municipal improvements made and nuisances removed, within six months before the passage of this act; and for the procedure on tax and municipal claims filed under other and prior acts of Assembly," further providing for municipal and tax claims and liens.

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

Section 1. Section 3(a) and (a.1) of the act of May 16, 1923 (P.L.207, No.153), referred to as the Municipal Claim and Tax Lien Law, amended August 14, 2003 (P.L.83, No.20), are amended to read:

Section 3. (a) (1) All municipal claims, municipal liens, taxes, tax claims and tax liens which may hereafter be lawfully imposed or assessed on any property in this Commonwealth, and all such claims heretofore lawfully imposed or assessed within six months before the passage of this act and not yet liened, in the manner and to the extent hereinafter set forth, shall be and they are hereby declared to be a lien on said property, together with all charges, expenses, and fees incurred in the collection of any delinquent account, including reasonable attorney fees under subsection (a.1), added thereto for failure to pay promptly; and municipal claims and municipal liens shall arise when lawfully imposed and assessed and shall have priority to and be fully paid and satisfied out of the proceeds of any judicial sale of said property, before any other obligation, judgment, claim, lien, or estate with which the said property may become charged, or for which it may become liable, save and except only the costs of the sale and of the writ upon which it is made, and the taxes, tax claims and tax liens imposed or assessed upon said property.

(2) *A claim for property taxes that has been reduced to judgment shall be enforceable as a lien against real property in the same manner and to the same extent as a judgment for money under the generally applicable laws of this Commonwealth. For purposes of this clause, "reduced to judgment" means a claim rendered absolute under section 311 of the act of July 7, 1947 (P.L.1368, No.542), known as the "Real Estate Tax Sale Law," and those given the effect of a judgment in accordance with this act.*

(3) *Notwithstanding any other provision of law, when a judgment or lien under this section is reduced or satisfied by payment or a sale of the property, the judgment creditor shall notify the tax claim bureau or*

prothonotary where the original tax claim is docketed and shall enter the satisfaction in the office of the clerk of the court in the county where the judgment is outstanding. No tax claim shall be subject to additional interest as a result of enforcement as a judgment lien under clause (2).

(4) A judgment lien under this subsection shall exist separate and apart from the tax lien.

(5) Nothing in this subsection shall be construed as affecting other remedies available to a municipality for collection of a tax or the priority or amount of a tax lien.

(a.1) It is not the intent of this [subsection] *section* to require owners to pay, or municipalities to sanction, inappropriate or unreasonable attorney fees, charges or expenses for routine functions. Attorney fees incurred in the collection of any delinquent account, including municipal claims, municipal liens, taxes, tax claims and tax liens, shall be in an amount sufficient to compensate attorneys undertaking collection and representation of a municipality or its assignee in any actions in law or equity involving claims arising under this act. A municipality by ordinance, or by resolution if the municipality is of a class which does not have the power to enact an ordinance, shall adopt the schedule of attorney fees. Where attorney fees are sought to be collected in connection with the collection of a delinquent account, including municipal claims, municipal liens, taxes, tax claims and tax liens, the owner may petition the court of common pleas in the county where the property subject to the municipal claim and lien, tax claim and lien or taxes is located to adjudicate the reasonableness of the attorney fees imposed. In the event that there is a challenge to the reasonableness of the attorney fees imposed in accordance with this section, the court shall consider, but not be limited to, the following:

(1) The time and labor required, the novelty and difficulty of the questions involved and the skill requisite to properly undertake collection and representation of a **[municipality in actions arising under subsection (a)] municipality**.

(2) The customary charges of the members of the bar for similar services.

(3) The amount of the delinquent account collected and the benefit to the municipality from the services.

(4) The contingency or the certainty of the compensation.

* * *

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

APPROVED—The 27th day of November, A.D. 2013

TOM CORBETT