

## No. 2004-168

## AN ACT

## HB 2638

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 alternative collection of delinquent property taxes; and providing for assignment of claims by taxing district.

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

Section 1. Section 201.1(a) of the act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law, added March 22, 2002 (P.L.205, No.16), is amended to read:

Section 201.1. Alternative Collection of Taxes.—(a) In lieu of *or in addition to* creating a bureau, counties are authorized to provide by ordinance for the appointment and compensation of such agents, clerks, collectors and other assistants and employes, either under existing departments, in private sector entities or otherwise as may be deemed necessary, for the collection and distribution of taxes under this act. Any alternative collection method shall be subject to all of the notices, time frames, enumerated fees and protections for property owners contained in this act. Two or more counties may enter into a joint agreement under 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental cooperation) to provide for the alternative collection of taxes under this section.

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

**Section 316. Assignment of Claims.—(a) A taxing district may assign some or all of its portion of the claims, either absolutely or as collateral security, for an amount to be determined by the taxing district and under such terms and conditions upon which the taxing district and the assignee**

*shall agree in writing. For the purpose of this subsection, a claim docketed by the bureau may be divisible so that one taxing district may assign its portion of the claim, but another taxing district may retain its portion. No assignment shall become effective until at least thirty (30) days after the delivery to the bureau of a copy of the resolution authorizing the assignment. Upon such an assignment, the following shall apply:*

*(1) Upon written notice provided by the taxing district or the assignee, the bureau shall record notice of the assignment on the docket.*

*(2) Assignment shall not be deemed a discharge or satisfaction of the claim or the taxes giving rise to the claim, and the lien of the assigned claim and taxes giving rise to the claim shall continue in favor of the assignee.*

*(3) The assignee shall have and enjoy the same rights, privileges and remedies as were held by the taxing district with respect to the assigned claim and the tax giving rise to the claim under the provisions of this act or any other laws applicable to the collection and enforcement of tax claims, including the right of the taxing district to receive the distribution of moneys collected pursuant to section 205(c.1) and the proceeds of a tax sale pursuant to section 205(d) and (f).*

*(4) The county may exercise its authority under section 201.1 to provide for the assignee to exercise all of the duties of a bureau in connection with the collection and enforcement of the tax claims assigned or, if the county continues to operate a bureau or has provided under section 201.1 for some other person to perform some or all of the functions of the county, may provide by contract with the assignee for the division or sharing of such duties between the bureau or other person and the assignee with respect to the tax claims assigned.*

*(5) Assignment shall not affect the five per centum (5%) commission on tax claim collections payable to the bureau under section 205(c) and reimbursement of county charges under section 207(a) unless the taxing district and the bureau agree with respect to any such assignment in writing as follows:*

*(i) The bureau's five per centum (5%) commission under section 205(c) with respect to such portion shall be paid in part out of the proceeds of assignment of such portion.*

*(ii) No further commission shall be paid to the bureau with respect to such portion until such time as the assignee shall have received, pursuant to section 205(c.1) or (d), an amount equal to the proceeds of the assignment of such portion paid by the assignee.*

*(iii) After the assignee has received, pursuant to section 205(c.1) or (d), an amount equal to the proceeds of the assignment of such portion paid by the assignee, the bureau shall be paid the remainder of the bureau's five per centum (5%) commission in such manner and at such times as the taxing district and the bureau shall have agreed in writing.*

*(6) An owner of property shall have the same rights and defenses under this act and any other laws applicable to the collection and enforcement of tax claims that the owner held against the assignor.*

*(7) References in this act to a taxing district shall be deemed to be references to the assignee of the taxing district with respect to assigned claims, except for identification of the taxes under section 309 and recordation of taxes and certification of municipal claims under section 605 and except for references to any actions taken by the taxing district before the assignment or to other taxes and claims of the taxing district that have not been so assigned.*

*(8) With respect to the assigned taxes and claim, the assignee shall be deemed the political subdivision for purposes of section 501 and a taxing authority for purposes of section 612.1 unless otherwise agreed to in writing between the assignee and the taxing districts.*

*(9) An assignee shall not be deemed a municipality for purposes of section 601(d) and (e), 619 or 619.1.*

*(b) A claim assigned pursuant to this section may be further assigned, with the subsequent assignee having and enjoying the same rights, privileges and remedies as its assignor. Notice of any subsequent assignment shall be recorded pursuant to subsection (a)(1).*

Section 3. This act shall take effect immediately.

APPROVED—The 29th day of November, A.D. 2004.

EDWARD G. RENDELL