

Chapter 60

TAX, TAX CLAIM, TAX LIEN, MUNICIPAL CLAIM AND MUNICIPAL LIEN CHARGES, EXPENSES, FEES, PENALTY, INTEREST, ATTORNEY FEES AND COMMISSIONS ORDINANCE

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[Added 8-7-2006 by Ord. No. 1540, Art. I–Art. VIII]

§ 60-1. Short title.

This chapter shall be known as the “Tax, Tax Claim, Tax Lien, Municipal Claim and Municipal Lien Charges, Expenses, Fees, Penalty, Interest, Attorney Fees and Commissions Ordinance.”

§ 60-2. Approved charges, expenses and fees.

All sums paid or incurred by the Municipality to file, preserve and collect unpaid claims, including but not limited to, prothonotary and sheriff fees, postage expenses, title search expenses, fees for non-sheriff's service of process, investigation of the whereabouts of interested parties and other necessary expenses shall constitute reimbursable charges, expenses and fees and shall be charged to and become a part of the amount of each delinquent claim.

§ 60-3. Approved penalty.

To reimburse the Municipality for the recordkeeping and time incurred with regard to the collection of delinquent claims, the Municipality hereby adopts and approves a 10% penalty to be charged to and become a part of the amount of each delinquent claim servicing of claims may result in voluntary payment without the initiation of enforcement proceedings. It is the intent of this Section to pass the cost of servicing on to the delinquent person or property as part of each claim. The recovery of the penalty established herein shall not be contingent upon the initiation of active collection efforts. However, such penalty is due even when active collection efforts are initiated. The purpose of this section is to pass the cost and expense associated with servicing delinquent claims on to the delinquent person or property and to make the municipality whole on all delinquent claims collected.

§ 60-4. Approved interest.

Interest at a rate of 10% shall be collectible on all claims from the date that a claim is filed as a lien.

§ 60-5. Approved attorney fees.

- A. All claims that are filed as a lien by the Municipality, but that do not require “active collection efforts,” as hereinafter defined, by the Borough Solicitor, shall have charged to and shall become a part of the amount of the claim the following approved attorney fees that are determined to be reasonable:
- (1) For municipal claims and liens, an amount equal to one hour of the Solicitor's standard hourly rate for the cost of the Borough's Solicitor to file the claim as a lien and an amount equal to one hour of the Solicitor's standard hourly rate for the cost of the Borough's Solicitor to satisfy the municipal claim as a lien.
 - (2) For tax claims and liens, an amount equal to 5% of the amount of the tax claim for the cost of the Borough's Solicitor to file and satisfy the tax claim as a lien.
- B. In addition to attorney fees charged and collected pursuant to Subsection A above, for all claims that involve active collection efforts, as hereinafter defined, by the Borough Solicitor, in addition to the filing of a claim as a lien, the Municipality hereby adopts and approves the Solicitor's hourly rate as a reasonable fee pursuant to Act 1 and Act 20. All such fees charged by the Solicitor to collect a claim shall be charged to and become a part of the claim being collected. Active collection efforts shall mean all efforts by the Solicitor to collect delinquent claims, other than the filing and satisfying of liens. Active collection efforts shall include, but not be limited to, initiating and pursuing legal proceedings in assumpsit or a writ of scire facias, or a sheriff's sale, negotiating and documenting payment plans, filing claims with the sheriffs office for properties being sold by other parties, filing proof of claim forms in bankruptcy proceedings, and participating in and pursuing the collection of claims in bankruptcy proceedings.

§ 60-6. Approved charges, expenses, fees, and commissions of third-party collectors.

All charges, expenses, fees, and commissions agreed to be paid by the Municipality by contract to a third-party collector for delinquent claims shall be charged to and become a part of the amount of each delinquent claim collected. All charges, expenses, fees, and commissions agreed to be paid by the Municipality by contract to a third-party collector for current claims shall be paid by the Municipality.

§ 60-7. Application of partial payments.

Partial payments received by or on behalf of the Municipality shall be applied to an outstanding claim in the following order:

- (1) First, to current claim amounts due.
- (2) Second, to the commissions to be paid to third-party collectors for delinquent claim

amounts.

- (3) Third, to the unpaid interest owed on lien claims.
- (4) Fourth, to the unpaid balance of a delinquent claim (which shall include the face or principal amount of the delinquent claim plus all charges, expenses and fees, penalty, and attorney fees).

§ 60-8. Effective date and retroactivity.

- A. This chapter shall take effect on the date of enactment set forth below.
- B. The charges, expenses, and fees, approved in § 60-2 herein, the penalty approved in § 60-3 herein, the attorney fees approved in § 60-5 herein, and the third-party commissions approved in § 60-6 herein, shall retroactively apply to all claims filed on or after December 19, 1990.
- C. In no event shall the Municipality's right to charge and collect an attorney commission of 5% for claims filed prior to December 19, 1990, be impaired or affected by this chapter. Any attorney fees approved by § 60-5 herein shall be in addition to the 5% commission previously included in any claim or judgment filed prior to December 19, 1990.
- D. All charges, expenses, fees, penalty, and interest, incurred in pending liens or enforcement or collection proceedings as of the effective date of this chapter pursuant to prior ordinances adopted pursuant to Act 1, but not collected, shall remain due and owing in accordance therewith, in addition to the charges, expenses, fees, penalty, and interest approved by this chapter.

