

REAL ESTATE TAX COLLECTIONS

Background

The Mt. Lebanon School District, by and through its Board of School Directors, under the authority of Section 672 of the Public School Code of 1949, as amended, levies and assesses a tax upon the assessed value of all real property taxable for lawful purposes located within the territory of the District.

Objective

The objective of this policy is to formally approve and adopt a schedule of attorney fees and expenses in connection with the collection of taxes, tax claims, tax liens, municipal claims and municipal liens pursuant to Act 1 of 1996 and Act 20 of 2003 and adopting a schedule of charges, expenses and fees pursuant to the Act of May 16, 1923, as amended, 53 P.S. §§7101, 7103 and 7106.

Policy

It is the policy of the Board of School Directors that the taxes levied by the District, together with penalty and interest, and charges, expenses and fees incurred in the collection thereof, shall be collected in accordance with the provisions of the Municipal Claim and Lien Act of 1923, 53 P.S. §§7101, *et seq.*, as amended, (hereinafter "the Act") as obligations in rem, and also shall be recoverable as other debts of like character are recoverable in proceedings at law or in equity. The Solicitor is authorized and empowered to bring appropriate legal proceedings in the name and on behalf of the District to recover such taxes and claims (a "Claim"). Whenever any such proceeding is so instituted, the property or taxpayer liable therefor also shall be liable for reasonable attorneys' fees and expenses to the extent permitted by applicable law. Such fees and expenses shall be assessed or imposed according to the following schedule which is adopted by virtue of the Resolution of the Board adopting this policy pursuant to Act 1 of 1996 and Act 20 of 2003.

I. Expenses Approved:

Title Search: In any enforcement proceeding, the actual cost of a title search in an amount not to exceed \$275.00 shall constitute a reasonable expense for each title search necessary for the initiation of each proceeding and compliance with Pa. R.C.P. 3129. An amount not to exceed \$60.00 shall constitute a reasonable expense for each bringdown or update of the title search in connection with entry of judgment, issuance of execution, listing for sale, or other action.

Other Expenses: All costs of record, including filing fees, service costs, execution and Sheriff sale costs, advertising, as well as actual out-of pocket expenses in connection with any enforcement action, such as for postage, non-Sheriff's service of process, investigation of the whereabouts of interested parties and other necessary expenses shall constitute reimbursable expenses.

II. Attorneys' Fees Approved:

The following schedule of attorney fees is hereby adopted and approved as reasonable attorney fees pursuant to Act 1 and Act 20 for all matters described, which fees shall be awarded to the District, its agents, counsel or assigns in each action initiated pursuant to the Act for the collection of unpaid Claims in addition to Expenses Approved as described above. The property owner's obligation to pay the full amount of the flat fee for each phase of each action shall accrue upon the initiation of any aspect of each phase. The full amount of each flat fee for each prior phase of the proceeding shall carry over and be due on a cumulative basis together with the flat fee for each subsequent phase.

- a. PREPARATION AND SERVICE OF WRIT OF SCIRE FACIAS AND/OR COMPLAINT. The sum of \$600.00 shall constitute reasonable attorney fees for the initiation of each proceeding and shall include preparation and filing of the Praecipe for Writ of Scire Facias (and/or Complaint), Sheriff's direction for service, Notice pursuant to Pa. R.C.P. 237.1 and the preparation and filing fee of the Praecipe to Settle and Discontinue the proceeding. The above does not include the following fees:
 1. Federal Tax Liens, Judgment and Mortgages. Where there are federal tax liens, federal judgments, federal mortgages or other record federal interests, the sum of \$275.00 shall constitute reasonable attorney fees for all matters necessary to properly notify and serve the United States with all required additional Notice and the presentation of related motions to Court.
 2. Alternative Service of Process or Pleadings. In the event that a Special Order of Court is necessary to serve original process or other pleading, notice, court order or any other document, the following amounts shall constitute reasonable attorneys fees:
 - i) Investigation of Defendant(s) whereabouts and preparation of Affidavit of Diligent Search - \$150.00.
 - ii) Preparation and Presentation of Motion for Alternative Service and delivery of the Order of Court, along with appropriate directions to the Sheriff for service - \$400.00.
 - iii) For special alternative service, including preparation of legal ad for newspapers, processing Invoices, coversheets for Proofs of Publication - filing with Proofs, preparing Verification of Service and filing - \$225.00
 - iv) Reissuance of Writ - The sum of \$100.00 where reissuance of the Writ is required.

- b. ENTRY OF JUDGMENT. The sum of \$275.00 shall constitute reasonable attorneys' fees in connection with entry of judgment which shall include preparation and filing of the Praeceptum to Enter Judgment, Notices of Judgment, Affidavit of Non-Military Status and the Praeceptum to Satisfy Judgment.

- c. WRIT OF EXECUTION - SHERIFF'S SALE OF PROPERTY. The sum of \$950.00 shall constitute reasonable attorneys' fees for preparation of all documents necessary for each execution upon any judgment pursuant to the Act. This sum shall include the preparation and filing of the Praeceptum for Writ of Execution, all Sheriff's documents, preparation and service of Notices of Sheriff's Sale, staying the writ of execution and attendance at one (1) Sheriff's Sale, and processing advertising refund.
 - 1. Postponements. The sum of \$150.00 shall constitute reasonable attorney fees for each continuance of Sheriff's Sale at the request of the defendant.

 - 2. List of Liens or Pro Rata Schedule of Distribution. The sum of \$225.00 shall constitute reasonable attorneys fees to prepare and deliver the List of Liens or Pro Rata Schedule of distribution (depending on the type of purchase).

 - 3. Reissuance of Writ. The sum of \$100.00 shall constitute reasonable attorneys fees for reissuance of the Writ of Execution where necessary.

- d. SALE PURSUANT TO 53 P.S. §7281. The sum of \$950.00 shall constitute reasonable attorney fees for the sale of property pursuant to §31 of the Act, 53 P.S. §7281 including preparation and service of necessary documents, court appearances, attendance at one (1) sale and preparation of proposed schedule of distribution of the proceeds realized from such sale.

- e. SALE PURSUANT TO 53 P.S. §7282. The sum of \$600.00 shall constitute reasonable attorney fees for a sale of property pursuant to §31.1 of the Act, 53 P.S. §7282, including the preparation of necessary documents, service, court appearances, attendance at one (1) sale and the preparation of proposed Sheriff's Schedule of Distribution.

- f. INSTALLMENT PAYMENT AGREEMENT. The sum of \$225.00 shall constitute reasonable attorney fees for preparation of any written installment payment agreement and related communications and correspondence. In the event of delay by the taxpayer in signing and returning the agreement, or non-compliance with the agreement, then except for specific actions where flat fees are specified in this policy, the hourly rates specified below shall constitute reasonable attorneys fees for all time expended in efforts to conclude or enforce the agreement. Attorney fees resulting from any breach of the agreement will be as set forth in the applicable sections of this policy.

- g. MOTIONS. The sum of \$310.00 shall constitute reasonable attorney fees for the preparation, filing, and presentation of motions, other than for alternative service, which shall include, but are not limited to, motions to reassess damages, motions to amend caption and motions to continue the Sheriff's Sale.
- h. MULTIPLE REQUESTS FOR BALANCE DUE. The hourly rates specified below shall constitute reasonable attorney fees where the taxpayer requests letters specifying the balance due on more than two occasions.
- i. HOURLY RATE MATTERS. Attorneys' fees incurred in any contested legal proceeding (meaning those in which there is a filing by the defendant(s) of any pleading opposing the District's claim, including, but not limited to an answer or affidavit of defense, preliminary objections or the filing of any motion or petition opposing the District's claim, the validity of its judgment or lien, or its right to execute on any judgment for taxes), and any other matters not specifically referenced above including bankruptcy matters and attendance at continued or additional sheriffs sales, shall be charged and payable at the following hourly rates, which are adopted and approved as reasonable attorney fees pursuant to Act 1 and Act 20:

Attorneys	\$225.00 per hour
Paralegals	\$155.00 per hour
Law Clerks	\$80.00 per hour

each as recorded and charged in units of 1/10th of an hour for all time devoted to enforcement and collection of the District's Claims. Counsel, whether duly employed or duly appointed by the District, its agents or assigns, shall not deviate from this fee schedule absent a subsequent resolution amending the same.

III. Collection Procedures:

The following collection procedures are hereby established when the District intends to assess or impose attorneys' fees with the collection of an account:

- a. At least 30 days prior to assessing or imposing attorneys' fees in connection with the collection of an account, the District shall mail or cause to be mailed, by certified mail, return receipt requested, a notice of such intention to the taxpayer or other entity liable for the account (the account debtor).
- b. If within 30 days after mailing the notice in accordance with Subsection A the certified mail to any account debtor is refused or unclaimed or the return receipt is not received, then at least 10 days prior to the assessing or imposing such attorneys' fees the District

shall mail or cause to be mailed, by first class mail, a second notice to such account debtor.

- c. All notices required by this article shall be mailed to the account debtor's last known post office address as recorded in the records or other information of the District or such other address as it may be able to obtain from the County Office of Assessment and Revision of Taxes.
- d. Each notice as described above shall include the following:
 - (1) The type of tax or other charge, the date it became due and the amount owed, including penalty and interest.
 - (2) A statement of the District's intent to impose or assess attorneys' fees within 30 days after the mailing of the first notice or within 10 days after the mailing of the second notice.
 - (3) The manner in which the assessment or imposition of attorneys' fees may be avoided by payment of the account.
 - (4) The place for payment for accounts and the name and telephone number of the District official designated as responsible for collection matters.

IV. Assignment

The District assigns the provisions of this policy to any assignee of its Claims unless the assignment limits the assignee's ability to collect such amounts. The District and its duly authorized agents and their counsel shall retain all rights to charge reasonable attorney fees, charges, expenses, and fees in accordance with the provisions of this policy.

V. Servicing Charges, Expenses and Fees Approved:

- a. Pursuant to Sections 1, 2 and 3 of the Act of May 16, 1923, as amended, 53 P.S. §7101, §7103 and §7106, and specifically in the schedule found in accordance with Act 83 of 2004, the School District does hereby authorize the recovery of charges, expenses and fees set forth in Subsection d. below that are incurred by the District or charged to the District by collectors retained by the District in connection with efforts to collect delinquent Claims as a result of any persons' failure to promptly pay such delinquent Claims.
- b. The following schedule of charges, expenses and fees (hereinafter referred to as "Servicing Fees") is hereby approved and adopted by the District pursuant to Act 83 of 2004 which amends Sections 1, 2 and 3 of the Act of May 16, 1923, as amended, 53 P.S. §§7101, 7103 and 7106, which amounts are the direct result of each person's or property's

failure to pay delinquent Claims promptly. The Servicing Fees established, assessed, and collected hereunder shall be in addition to the record costs, Section II Expenses and Section III Attorney fees associated with legal proceedings initiated by or on behalf of the District to collect its delinquent Claims.

- c. Servicing of a delinquent Claim collection may result in voluntary payment without the initiation of enforcement proceedings. It is the intent of these provisions to pass the cost of Servicing on to the delinquent person or property as part of each delinquent Claim. The recovery of Servicing Fees established herein shall not be contingent upon the initiation of enforcement proceedings. However, such Servicing Fees are due even where enforcement proceedings are initiated. The purpose of these provisions is to pass the entire cost and expense associated with delinquent collection on to the delinquent person or property and to make the District whole on all delinquent Claims collected.

- d. The following schedule of Servicing Fees shall constitute reasonable and appropriate charges, expenses and fees for each indicated Service. The Servicing Fees shall be added to and become part of the District's delinquent Claims, together with the face, penalties, interest, costs and attorney fees and shall be payable in full before the discharge or satisfaction of any delinquent Claim. The Schedule of Fees is separate and distinct from any amounts imposed by the Sheriff, Department of Court Records, Court or any other public office in connection with the collection of the District's delinquent Claims.

A. Assignments	\$ 5.00 per claim;
B. Filing Tax Liens	\$ 6.00 per claim;
C. Satisfactions	\$10.00 per claim;
D. Tax Claim Revivals (i.e., S&A)	\$30.00 per claim;
E. Municipal Claim Revivals	\$30.00 per claim;
F. Municipal Claim/Short Title Examination	\$45.00 per claim;
G. Sheriff Sale Claim Certificates	\$80.00 per case;
H. Claim Certificates	\$10.00 per year;
I. Postage	Actual Cost
J. Servicing including staffing, computers, office space, telephones, equipment and materials:	
10% of Gross Collections	

- e. Interest according to applicable law and as established pursuant to the Board's annual budget resolution shall be imposed monthly on all liened delinquent real estate taxes.

Administrative Responsibility

It is the responsibility of the Administration to review tax delinquency situations with the Tax Collector's office and to refer unresolved delinquencies from the Tax Collector's office to the Solicitor's office for legal action and to account for all receipts of real estate taxes. The proper officials of the District are hereby authorized and empowered to take such additional action as they may deem necessary or appropriate to implement this policy.

Communication

This policy shall be communicated to the public, District employees whose duties involve the collection of taxes, the tax collector's office and the solicitor and taxpayers requesting information concerning this policy

Adopted June 17, 1996
Revised August 21, 2000
Revised May 19, 2003
Revised March 21, 2005
Revised February 24, 2014
Revised March 16, 2020
Revised November 16, 2020