



*A Division of Ohio Bar Title Insurance Company
A First American Company*

TITLE ALERT

Title Alert 2014-01

January 31, 2014

Act No. 93 of 2013, Amending the Municipal Claim and Tax Lien Law of 1923

Purpose: To advise Approved Attorneys of an amendment to Pennsylvania's Municipal Claim and Tax Lien Law (Act 153 of 1923) and its effect on our title search and examination standards.

Background: Act No. 93 of 2013 (the "Act") went into effect on January 27, 2014 and amends Pennsylvania's Municipal Claim and Tax Lien Law of 1923. The Act provides that a claim for property taxes that has been reduced to judgment is enforceable as a lien against all real property owned by the defendant in the same manner as a judgment for money. It further provides that the judgment lien shall exist separate and apart from the tax lien; the Act does not affect other remedies available for collection of a tax or the priority or amount of a tax lien. The effect of this legislation is to provide municipalities and school districts with a new enforcement mechanism to collect tax revenue by permitting them to obtain a general judgment (*in personam*) lien for delinquent real estate taxes in addition to an underlying property specific (*in rem*) lien for those same real estate taxes.

Standard: With the passage of the Act, title searches underlying an Ohio Bar Title Insurance Company's policy must continue to include a search for judgments in the general judgment index of the names of the parties in the chain of title for the preceding five years. If the search reveals a judgment based on delinquent taxes against a party vested in title on or after January 27, 2014, the judgment must be paid in full or a release of the property from the judgment lien must be obtained and filed in the Prothonotary's office. Any payoff amount must include any attorneys' fees and court costs incurred by the judgment filing.

If you have any questions, please feel free to contact us.

Note: Under the Approved Attorney system, the scope of our relationship is limited to the functions of underwriting and the issuance of title insurance policies on your behalf and does not include closing or escrow services. We sometimes provide information and recommendations with regard to your closing or escrow business as a courtesy to you. Moreover, some communications, depending on whether noncompliance could impact on liability under our policies or closing protection letters, should be considered directives. This Advisory is being provided to you with those considerations in mind.

WARNING: this Underwriting Communication is intended solely for the employees of Penn Attorneys/Ohio Bar Title Insurance Company and its Approved Attorneys, and is not to be distributed to third parties, and any reliance by any other person or entity is unauthorized. This Underwriting Communication is intended solely for the purpose of underwriting policies of Ohio Bar Title Insurance Company.

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