



CITY COUNCIL

Committee of the Whole

Monday, April 18, 2022

5:00 pm

Hybrid Meeting

Agenda

The City Council Committee of the Whole meetings are filmed and can be viewed LIVE while the meeting is taking place via the attached Zoom link and dial-in phone number, on Facebook and on BCTV MAC Channel 99 or at your convenience at <https://www.readingpa.gov/content/city-council-video>.

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://readingpa.zoom.us/j/86519124379?pwd=aFRML2hZWjNtdmxXMnNtRks2d2grZz09>

Passcode: 889698

Or One tap mobile:

+16465588656,,86519124379#,,,,*889698# US (New York)

+13017158592,,86519124379#,,,,*889698# US (Washington DC)

Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US: +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799 or +1 720 707 2699 or +1 253 215 8782 or +1 346 248 7799 or 888 475 4499 (Toll Free) or 877 853 5257 (Toll Free)

Webinar ID: 865 1912 4379

Passcode: 889698

I. Discussion – submission of the Private Sale Bid for *(Tax Sale Process Doc attached)*

1. 1253 Spruce St for \$7,000 – tax delinquency totaling \$4,883.85 (city, county and school)
2. 326 S 17th ½ St for \$3,000 – tax delinquency totaling \$3,730.50 (city, county and school)

Adopt a resolution authorizing the Solicitor to object to the sale of one or both bids. No action is required to allow the approval of the bid. The advertisement period started 3-24-22 – objection must be approved by resolution by May 9th

II. Penn Square Properties RFQ Update

III. Update on Economic Development Projects

IV. Public Works Monthly

- Existing Project Updates (different division each month)
- Accomplishments
- Report on staffing levels and needs

V. Community and Economic Development Monthly

- Update on projects in the CDBG Action Plan
- Amount in Un-programmed Funds (unspent HUD funding)
- Division Update (rotating through divisions)
- Planning and Zoning Updates

Tax Sale Process

- As soon as the property tax is unpaid for a billing year it is deemed delinquent and the 'tax sale process' begins. The property owner is informed via notices, filings and postings.

For example: 2020 bill – Delinquent Jan 2021 – Liens filed May 2021 – Upset Sale Sep 2022 – Judicial Sale Jun 2023 – Repository list July 2023

- Upset and Judicial Sales get confirmed by the courts after the sale. Confirmations are typically filed with the Court 30 days after the sale. Tax Claim must also receive court approval to hold the Judicial Sale.

STEP ONE: THE UPSET TAX SALE – September the year after the delinquency occurs

The first time a property with a delinquent real estate tax is exposed to tax sale is at the Upset Tax Sale. The Upset Sale is held September of each year. The minimum bid required to sell the property is back taxes, current taxes and all bureau costs. These properties are subject to all liens, encumbrances and mortgages. The Tax Claim Bureau makes no representations about the property, or offer any warranty or guarantee. You buy the property at your own risk. The sale is confirmed by the Court.

- If the property does not sell at Upset Sale, a party may make a **Private Sale Bid**. The bid does not need to be equal to the amount of the tax delinquency. The bid is advertised twice in the Reading Eagle and Law Journal. If no objections are filed with Tax Claim within 45 days of the 1st ad, the bid is approved. Tax Claim splits the fund to clear the tax delinquencies, and liens, etc. if possible. Any remaining mortgages, liens and encumbrances become the responsibility of the new owner. If no objections are submitted the Court will approve the transfer of the property to the new owner at the end of the 45 day period. (*Note: the current property owner has the ability to object within the 45 day period also*)

STEP TWO: THE JUDICIAL TAX (aka Free & Clear) SALE – June the year following the Upset Sale

If a property does not sell at the Upset Tax Sale, it is exposed for sale, again at the Judicial Tax Sale. This sale is held in the spring of each year. Minimum bid is Bureau costs. At this sale all taxes, liens, encumbrances and mortgages are wiped clean from the property. As with the Upset

Sale properties, the Tax Claim Bureau makes no representations about the property, or offer any warranty or guarantee. You buy the property at your own risk. The sale is confirmed by the Court.

STEP THREE: THE REPOSITORY SALE – July following the Upset Sale

If a property does not sell at the Judicial Sale, it goes on the Repository List. The Repository list can be viewed at the Tax Claim Bureau. All taxes, liens, encumbrances and mortgages are wiped clean from the property. The Tax Claim Bureau makes no representations about the property, or offers any warranty or guarantee. You buy the property at your own risk. Repository bids may be made at any time to the Tax Claim Bureau. The Bureau submits the bids to the three taxing bodies for review and approval. The sale is approved the date the last taxing authority executes the bid form.

Note: For properties sold at Judicial (aka Free & Clear) and Repository Sale, title insurance will generally not be available for 1 year following the sale, as there may be a challenge filed in the Court system. The buyer has the option to seek Quiet Title through the Court system. A quiet title action is a special legal proceeding to determine rightful, legal property ownership. It is often a preventative or “friendly” lawsuit to ensure that no other parties have conflicting claims to a title, or to resolve an ambiguity.

Pennsylvania Real Estate Tax Sale Law Act 542

Section 627. Sale of Property in Repository.--(a) The bureau may, with the written consent of all the taxing districts where the property is located, accept an offer of any price for property placed in the "repository for unsold properties" without court approval and published notice of sale. **Any taxing district may not unreasonably withhold its consent to the sale of the property.**

In General

A property owner can always pay a delinquent balance to stop the sale; however, once a property is sold, that option is no longer available.

There is no redemption period for tax sales and the new owners are deemed the ‘owners’ as soon as the gavel strikes. If the original owner wants his property back after the fact, objections must be filed in the courts and considered by a judge who can set the sale aside.

Repository sales are similar in that a property can always be removed from the sale if the delinquent balance is paid.

In owner occupied properties. The owners are never removed from the property during the sale process. Once the property sells, new owners have to start the eviction process and follow all applicable statutes accordingly. They are not granted anything just because they purchased the property through a tax sale.