



THE PORTNOFF REPORTER

Winter 2015 – Volume 2, Number 1

Tax Claim Bureau Sells Home to Pay a \$6.30 Tax Bill!

It seems like everyone has heard about the tax claim bureau sale where a 53-year-old widow’s residence was sold because the homeowner failed to pay a \$6.30 interest fee from an old tax bill. The Pennsylvania Commonwealth Court recently decided that the tax sale was held in error because the county failed to offer the property owner a repayment plan. The reason mistakes like this happen is because the tax claim bureau applies a one-size-fits-all process to every delinquent account.



We avoid these types of issues at Portnoff Law Associates, as every account, whether it be for delinquent real estate taxes or municipal claims, is individually analyzed and treated as a separate legal matter. Unlike the above-mentioned

case, our firm offers payment plan options and application to a hardship program in the initial notice of delinquency, and clients have direct input in the sale determination process. Because Portnoff only represents public entities, we understand the delicate sensitivities of public debt collection and work very hard to ensure that our actions and the manner in which we treat constituents reflect well on our clients. We use common sense when it comes to making collection decisions and because Portnoff Law Associates is a law firm, we are held to higher standards when it comes to complying with collection laws and ethical principles of professional conduct.

Portnoff’s exemplary customer service distinguishes us from other collectors. Representing over 100 clients in 22 Pennsylvania counties, Portnoff Law Associates is ready to assist your municipality, school district or municipal authority with the collection of its delinquent accounts.

Questions/Comments?

Are there any collections issues that you would like to see addressed in the next edition of *The Portnoff Reporter*? Please let us know - we welcome your comments and questions. Contact Kevin Buraks at kburaks@portnoffonline.com.

In This Issue

Bankruptcy Corner	2	In Print	2
Cost Savings Tip!	2	Legal Update.....	3
Customer Service 101.....	3	Note of Appreciation	2
Hiring Portnoff	3	Upcoming Events.....	2

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THE PORTNOFF REPORTER

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In Print

Portnoff attorney Kevin Buraks penned an article titled “Increasing Your Borough’s Tax Collections – Utilizing the Municipal Claims and Tax Liens Act for delinquent tax collection.” Look for this article in the December 2014 edition of *Pennsylvania Borough News* published by the Pennsylvania State Association of Boroughs.

Upcoming Events

Mar
10-13

On March 10-13, 2015, come visit Portnoff’s booth at the Pennsylvania Association of School Business Officials (PASBO) annual conference in Hershey.

Apr
19-22

Portnoff has been asked to present a workshop session titled “How to Hire a Third-Party Collector” at the Pennsylvania State Association of Township Supervisors (PSATS) annual conference in Hershey.

Apr
26-28

Portnoff will be attending the Government Finance Officers Association (GFOA) conference at Penn State.

If you would like Portnoff Law Associates to give a presentation at your next training event or conference, please call us.

Cost Savings Tip!

Internal printing costs can be expensive, especially when taking into account the overhead cost of the manpower needed to send out a big mailing, such as a newsletter. Our firm was surprised to find that it could significantly reduce this expense by using an outside printer. Printing companies take advantage of a special program with the USPS that allows them to send first-class mail at discounted rates. The postage savings defrays a portion of the printing costs. Google “print and mail services” to find one in your area or call us for more information.

Bankruptcy Corner

The importance of reviewing a debtor’s bankruptcy plan of reorganization cannot be overstated. Intentionally or unintentionally, debtors can take action through their bankruptcy plan that can delay, reduce or eliminate a delinquent tax or municipal claim. Frequently, the debtor will file a bankruptcy plan that does not include any mention of the delinquent tax or municipal claim. While this should not reduce or limit the claim, it may force you to wait a significant amount of time before collecting on this obligation. In a Chapter 13 case, a bankruptcy plan can take up to five years to complete. Thus, by not objecting to the plan, you may be forced to wait five years before you can collect against the debtor.

Sometimes, the debtor will simply provide an incorrect amount of the debt in the plan. This situation is more troubling, as a confirmed plan could bind the creditor to the reduced amount listed in the plan. The only way to prevent this is to monitor the debtor’s plan and file an objection if the amount listed is insufficient to pay the claim. A debtor also could file a petition to sell property free and clear of all liens. In this situation, it is imperative to confirm that the order attached to the motion provides for payment in full from the sale proceeds. Otherwise, an objection to the sale motion should be filed with the bankruptcy court.

Note of Appreciation

Portnoff Law Associates regularly receives thank you notes from appreciative property owners. The following is an excerpt from a note that we received since our last publication:

I’m on a tax payment plan thanks to you, which I appreciate! ...Thank you so much for working with me.

**A property owner from
Bethlehem, PA**

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Legal Update

Recycling Fees

In an opinion dated December 5, 2014, the Berks County Court of Common Pleas ruled that the City of

Reading is permitted to assess and collect recycling fees from its residents. In *Ziegler v. City of Reading* (Berks County docket number 14-14421), the City of Reading and Reading Area Water Authority were sued in response to an annual recycling fee charged by Reading. The plaintiffs, property owners in Reading, alleged that the City's imposition of recycling fees violated the Pennsylvania Municipal Waste Planning, Recycling and Waste Reduction Act, known as Act 101. Act 101 does not explicitly permit or prohibit municipalities from charging a fee for recycling services. In 2013, the Pennsylvania Commonwealth Court in *City of Reading v. Iezzi* ruled that Reading's imposition of recycling fees violated Act 101. That decision was later voided as a result of the defendant's bankruptcy filing.

The Court in *Ziegler* reviewed the recycling programs of six other Pennsylvania cities and noted that each of these cities' recycling programs is funded primarily by a recycling fee charged to property owners. The Third Class City Code was amended in 2014, after the *Iezzi* decision, to specifically provide third class cities with the authority to charge and collect fees for the removal and disposal of recyclable materials. See 53 P.S. § 37409(e). The Court noted that the "updated language of the Third Class City Code makes it very clear that the General Assembly intended to enable Third Class Cities to establish fees for the collection of recyclables."

The *Ziegler* Court ruled that Reading's recycling fee is authorized by ordinance and does not violate Act 101. The Court held that "because the City uses grants and recyclable sales to supplement the recycling fee, and because the Act 101 mandated recycling program couldn't survive without the fee, the fee itself supports Act 101's primary purpose of alleviating the growth of landfills and the subsidization of the costs with the sale of recyclables and state grants, comporting with both the spirit and letter of Act 101." The plaintiffs have filed an appeal with the Pennsylvania Commonwealth Court.

Customer Service 101

As a public entity, good customer service can help build trust and leave constituents with a positive feeling about your organization. Poorly handled interactions can lead to loud public complaints from unhappy constituents. It is imperative that those employees who deal with the public be trained for success. A knowledgeable employee will not only be able to handle matters independently, but also will provide constituents with confidence that the entire organization is well run.

One way to meet this goal is to make sure that employees who deal with the public are familiar with and understand the relevant ordinances or resolutions that relate to their job functions. Printed copies of these ordinances and resolutions should be at the employee's desk for their easy reference and, when appropriate or upon request, provided to constituents at no charge. The time and money spent in this training is an investment that will pay dividends going forward.

Hiring Portnoff

Portnoff Law Associates is pleased to represent many new clients starting in 2015. Portnoff now represents over 100 municipalities, school districts and municipal authorities in 22 counties throughout Pennsylvania. From large clients in urban areas to smaller clients in less populated parts of the state, Portnoff's proven collection process can be tailored to meet your specific collection needs. If you are interested in hearing what Portnoff can do for you, please contact us to schedule a meeting with your elected officials or your staff to discuss the benefits of our services. We also are available to attend a public meeting to answer questions from your board and residents. To get more information, please contact Kevin Buraks at 484-690-9332 or kburaks@portnoffonline.com.

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**PORTNOFF LAW ASSOCIATES REPRESENTS OVER 100 MUNICIPALITIES, SCHOOL DISTRICTS,
AND MUNICIPAL AUTHORITIES THROUGHOUT PENNSYLVANIA**

Portnoff Law Associates has 25 years of experience in Pennsylvania collecting delinquent:

- Real Estate Taxes
- Municipal Service Fees
- Abatement of Nuisance Fees
- Trash Fees
- Sewer Fees
- Water Bills

Hiring Portnoff can help increase your delinquent collections and reduce overhead expenses by freeing up staff for other pressing matters. Portnoff is known throughout the state for its exemplary customer service, as Portnoff treats all property owners with the utmost courtesy and respect. With client authorization, Portnoff allows property owners to enter into payment plans for higher balance accounts, and a hardship program for owner occupants with a legitimate financial hardship.

**PORTNOFF LAW ASSOCIATES HAS SUCCESSFULLY COLLECTED
MUNICIPAL CLAIMS AND DELINQUENT REAL ESTATE TAXES
IN PENNSYLVANIA FOR 25 YEARS**

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