



# THE PORTNOFF REPORTER

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## Portnoff Law Associates launches *The Portnoff Reporter*

Portnoff Law Associates, Ltd. is excited to provide you with our inaugural edition of *The Portnoff Reporter*. Portnoff Law Associates is a law firm that exclusively represents municipalities and school districts across Pennsylvania. Our entire practice revolves around the collection of delinquent real estate taxes and municipal user fees. With over 20 years of experience in this field, we wanted to share some of our knowledge with you in the form of a bi-annual newsletter.

Portnoff Law Associates currently represents close to 100 municipalities and school districts throughout Pennsylvania. There are many reasons why our clients chose to hire our firm. We utilize a highly effective collection process that brings in increased revenues for our clients quickly. At the same time, we provide a very high level of customer service, treating all property owners with the utmost courtesy and respect. Our process includes the opportunity to enter into payment plans and a hardship program for those property owners with legitimate financial hardships. Another reason why municipalities and school districts hire Portnoff Law Associates is that at the end of the day, there will be no out-of-pocket payment for our services. All costs of collection, including attorney fees, are charged to the delinquent property owner, with our firm advancing all collection costs, including court costs and sheriff’s fees. The only exception is a small, optional notice expense that in most cases will be reimbursed by collections from the delinquent property owner.

We hope that you find the information in this newsletter interesting and informative. Please do not hesitate to contact me with any questions, or if Portnoff Law Associates can assist you in any way with the collection of your delinquent accounts.

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### Questions/Comments?

Are there any collection 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	MCTLA Examples.....	3
Customer Service 101.....	2	Notes of Appreciation.....	2
Hiring Portnoff .....	3	PLA in Print.....	2
Legal Update.....	3	Show Me the Money.....	3



## The Portnoff Reporter

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### In Print

Portnoff attorneys are often sought after for their knowledge of Pennsylvania's collection laws. Firm President Michelle Portnoff was cited extensively in the article "Collecting Public Debt" in the April 2013 edition of *Pennsylvania Township News*. Portnoff attorney Kevin Buraks penned an article titled "Pennsylvania's Underutilized Collection Law" that was published in the December 2013 edition of PMAA's publication, *The Authority*.

### Notes of Appreciation

Most collectors do not expect to receive thank you notes for their customer service. At Portnoff Law Associates, notes of appreciation for the manner in which we treat delinquent property owners are not uncommon. The following are excerpts from recent letters that we received:

Thank you so very much for all you do – I really appreciate your patience and understanding. Thank you.

A property owner from  
Collegeville, PA

This is the last payment for file #... Thank you for your patience and kindness over the phone.

A property owner from  
Bethlehem, PA

Again thank you for being there for us. Your professionalism was helpful to us. You weren't pushy, you listened to our problem... Thank you.

A property owner from  
Gouldsboro, PA

## Customer Service 101

With David Letterman soon retiring, we thought that we would provide you with our own top ten list of methods to improve your constituent relations. These are principles that we employ to provide exemplary customer service:

### Top 10 Principles of Portnoff Customer Service

1. Be available to address property owners' questions and concerns.
2. Develop and improve internal policies and procedures to strengthen constituent relations.
3. Hold regular staff meetings to discuss customer issues.
4. Train staff to handle difficult situations.
5. Identify internal and external workplace safety risk factors.
6. Know your property owners and tailor programs to meet their needs.
7. Treat all property owners fairly and equally.
8. Regularly provide property owners with information and updates at meetings, on your website and via email.
9. Maintain credibility with your property owners by providing accurate and comprehensive responses to inquiries.
10. Strive to reduce delinquency rates.

### Bankruptcy Corner

When collecting delinquent municipal claims and real estate taxes, it is important to monitor the bankruptcy pleadings when a delinquent property owner files for bankruptcy. Actions can be taken by the debtor that can unnecessarily force the municipality or school district to wait several years before being paid. Even worse, actions can be taken that will cause the municipality or school district to lose some or even its entire claim. Do not ignore bankruptcy filings! At Portnoff Law Associates, our bankruptcy team protects our clients' interests when a delinquent property owner files for bankruptcy. Make sure that someone is protecting your interests before it is too late.

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## Show Me The Money

The key to our successful collection process is a Pennsylvania law that dates back to 1923. The Municipal Claims and Tax Liens Act (MCTLA) is a collection law that is very favorable to municipalities and school districts.

One benefit of collecting under the MCTLA is that it affords the collector complete control over the collection process, with wide discretion to set up payment plans and a hardship program. Another benefit of using the MCTLA is that it provides for a high statutory interest rate. Municipalities and school districts may collect interest at the rate of 10% per annum from the date a lien is filed until the principal balance is paid in full.

The biggest benefit of collecting under the MCTLA is that it allows for the shifting of all collection costs, including attorney fees, to the delinquent property owner. Our clients are able to receive the benefits of having an experienced attorney do their collection work without any attorney's fees charged to them. Portnoff Law Associates does all of the work, and our clients get all of their money. This saves our clients significant administrative time and effort, as their staff does not have to monitor accounts or accept payments.

## Legal Update

At Portnoff Law Associates, we strive to keep our clients updated on changes in the law that could affect their collections. Recently, the Pennsylvania legislature revised section 7106 of the Municipal Claims and Tax Liens Act to provide that in cases where delinquent property taxes have been reduced to judgment, said judgment will be enforceable as a lien against other real property to the same extent as a judgment for money.

In layman's terms, this means that a property tax judgment obtained on one property now serves as a judgment lien against all other real property owned by the same owner in the county, and a creditor has the ability to transfer this judgment lien to other counties. This revision to the law may provide additional leverage against owners of multiple properties who selectively pay taxes on some, but not all, of their properties.

## Examples of Revenue Recovery using the MCTLA

1. **Real Estate Tax Collections.** School districts and municipalities can opt to hire their own collector to collect their real estate taxes. This bypasses the county system, increases the speed of collections, and enhances local control.
2. **Sewer Collections.** Municipalities and authorities use the MCTLA to proceed on sewer liens, especially in situations where utility shutoffs are not an option. Municipalities who used to lien and hold for a property transfer can recover that revenue now instead of in 10 years.
3. **Trash Collections.** Municipal waste fees are a burden to collect for municipalities and their authorities. It isn't practical to stop service (and watch the neighbors complain about the trash piling up!), so there is no direct way to enforce payment. MCTLA proceedings offer the legal and financial push to delinquent property owners to make payments or risk additional fees and foreclosure proceedings.
4. **Street Light Fees, Levy Fees, Tapping Fees.** Any fees that can be considered a municipal claim associated with a property can be collected via the MCTLA. A properly prepared and passed ordinance will permit municipalities and authorities to recover lost revenue and hold delinquent property owners accountable.

## Hiring Portnoff

Portnoff Law Associates covers Pennsylvania, representing clients in 19 counties throughout the state. We represent large clients in urban areas and smaller clients in less populated parts of the state. If you are interested in hearing what Portnoff can do for your municipality or school district, contact us to schedule a time when we can come out to meet with your elected officials and staff to discuss the benefits of our services. We are happy to attend a public meeting to answer questions from your board and your property owners. To get more information, contact Kevin Buraks at (484) 690-9332 or [kburaks@portnoffonline.com](mailto:kburaks@portnoffonline.com).



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**PORTNOFF LAW ASSOCIATES REPRESENTS CLOSE TO 100 MUNICIPALITIES AND  
SCHOOL DISTRICTS THROUGHOUT PENNSYLVANIA**

**BY HIRING PORTNOFF LAW ASSOCIATES:**

- Municipalities and School Districts see higher collection rates through Portnoff's proven collection process, bringing in more money at a faster rate.
- Municipalities and School Districts have immediate use of their funds through weekly ACH remittances.
- Municipalities and School Districts should expect to see fewer repeat delinquents, as property owners who have been gaming the system will now find that there is a price to pay for their actions, and the benefit of delayed payment is no longer a money-saving option.
- With better collection rates and the ability to pass through all collection costs to the delinquent property owners, Municipalities and School Districts will not have to raise taxes and municipal fees on those property owners who have timely paid their obligations.
- Through the implementation of payment plans and a hardship program, Municipalities and School Districts receive more money over time, and will receive high praise and appreciation from their property owners for working with them in their time of financial need.

**PORTNOFF LAW ASSOCIATES HAS SUCCESSFULLY COLLECTED  
DELINQUENT REAL ESTATE TAXES AND MUNICIPAL CLAIMS  
IN PENNSYLVANIA FOR OVER 20 YEARS.**

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