



THE PORTNOFF REPORTER

FALL 2023

The Positive Impact of Incentives

One of the secrets to PLA’s success over the last 34 years in collecting delinquent accounts for over 200 municipalities, school districts and municipal authorities across Pennsylvania is the ability to create strong incentives to pay. Without the ability to create some type of incentive, delinquent payment behaviors are unlikely to change. While many would be quick to assume that these incentives are always a hammer, PLA’s initial contacts with the delinquent property owner provide incentives that are more in the form of an olive branch. From the very start of the collection



process, PLA will offer delinquent property owners the ability to establish flexible payment plans based on the balance owed, along with a hardship program for owner-occupants that are experiencing more severe financial hardship. PLA also will provide property owners with the ability to look up their delinquent balances and make payment online through PLA’s website. By providing delinquent property owners with multiple options to help facilitate payment, money often starts to come in when prior collections attempts, without these positive incentives, proved unsuccessful.

Despite being the delinquent collector, PLA receives thank you notes from property owners whose accounts it is collecting. Most often, these notes come from property owners who benefited from PLA’s payment plans and hardship program. Many property owners respond favorably to these positive incentives and appreciate that their elected officials have allowed PLA to work with them in their time of need.

In some cases, especially for property owners who have the ability to pay but simply choose not to, the use of negative incentives is necessary to prompt payment. In PLA’s collection process, when positive incentives are ignored, PLA will take incremental collection steps, with each step creating a little more incentive than the prior step. The eighth and final step of PLA’s collection process is to list the property for sheriff’s sale; however, this step is rarely employed as PLA is typically able to create sufficient incentive in the early steps of the collection process to prompt payment. Last year, PLA only had to list property for sale on less than 1.12% of its delinquent accounts and sold property on less than 0.06% of its accounts. PLA’s incentive-based collection process brings in needed money for its clients and the appreciation of the majority of residents who pay on time, as well as those who can benefit from PLA’s payment plans and hardship program.



PORTNOFF
LAW ASSOCIATES, LTD.

In This Issue

By the Numbers	3	Legislative Update.....	3
Hello Armstrong County.....	2	Local Event Idea.....	2
Hiring Portnoff.....	3	Note of Appreciation.....	3
In Person	2	Sponsorship	2

Montgomery County: 2700 Horizon Drive, Suite 100, King of Prussia, PA 19406

Lehigh County: 1030 West Walnut Street, Allentown, PA 18102

Beaver County: 902 22nd Street, Aliquippa, PA 15001

Tel. (800) 561-7989 • Fax (484) 690-9307 • Web www.portnoffonline.com



THE PORTNOFF REPORTER
Michelle Portnoff, Esquire, Publisher
Kevin Buraks, Esquire, Editor
Ryan Moyer, Contributor

In Person

**July
2023**

Portnoff attorney Kevin Buraks presented a webinar for the Pennsylvania State Association of Township Supervisors (PSATS) on the subject “Putting Changes to Delinquent Collections Law to Work for Your Township.”

**Aug.
2023**

Attorney Buraks presenting an education session at PSATS’ Northwest 2023 Regional Forum in Erie on the topic “Proven Strategies to Increase Delinquent and Current Collections.”

Attorney Buraks also spoke at the Pocono Mountain Council of Governments monthly meeting where he discussed delinquent municipal collections.

**Oct.
2023**

Attorney Buraks spoke at the Montgomery County Consortium meeting on October 12, 2023, discussing strategies to improve collecting delinquent municipal accounts.

**Nov.
2023**

Attorney Buraks will be speaking to the Franklin County Council of Governments on November 16, 2023.

Sponsorship

**July
2023**

Portnoff Law Associates was proud to again sponsor PASBO’s 2023 Steel Eagle Conference.

If you are interested in having Portnoff Law Associates make a presentation at your next conference or event, please contact us at (800) 561-7989.

Local Event Idea

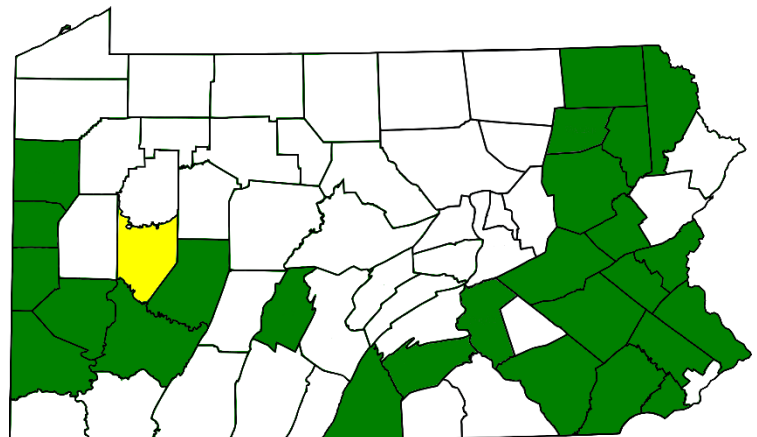
Annual Mac & Cheese Bake-off



**Stroudsburg, PA
November 5, 2023**

The annual Mac & Cheese Bake-off fundraiser for the Pocono Arts Council is back! A tradition since 2013, the Mac & Cheese Bake-off features amateur and professional chefs vying for the cheesiest of titles. Attendees get to taste-test each of the contestants’ dishes and vote for their favorite. Pocono Arts Council’s Mac & Cheese Bake-off is a tasty treat for the whole family, so get ready to enjoy one of the best comfort foods while supporting one of the area’s oldest arts and cultural nonprofits. The event takes place at The Renegade Winery on Sunday, November 5 from 2-4 p.m. and includes great food, live music, local wine and a 50/50 raffle. General admission is \$10 and \$5 for veterans and children 10 and under. For more information, go to: <https://poconoarts.org/event/mac-cheese-2023>.

Hello Armstrong County



Portnoff Law Associates is excited to have its first client in Armstrong County! PLA was hired by the Apollo-Ridge School District to collect its delinquent real estate taxes starting in 2024. Armstrong County represents the 27th Pennsylvania county in which PLA collects delinquent municipal accounts.

Legislative Update

Beware of HB 291

Mortgage Modification gaining priority over Municipal Claims

House Bill 291 is legislation introduced by Representative Krajewski to prioritize mortgage modifications. The proposed purpose of HB 291 is to help struggling homeowners save their homes. While this goal is certainly laudable, the legislation, if enacted, will increase costs to municipalities and their taxpayers.

HB 291 seeks to amend Pennsylvania’s Municipal Claims and Tax Liens Act to prioritize the debts of banks over the fees and taxes owed to municipalities, school districts and municipal authorities. Specifically, HB 291 subordinates municipal accounts upon the modification of a mortgage. Mortgages are significantly larger than municipal and tax claims, and at times, even equal to the full value of the property. When real estate values decline and the value of the property no longer secures the amount owed under the mortgage, the bank could enter into a modification agreement to save the value of the mortgage directly at the municipality’s expense. This could result in a municipal revenue loss of thousands of dollars per property.

Banks and property owners have the ability to enter into a mortgage modification agreement at any time, and this will impact all of the municipality’s current and delinquent claims against the property after the original date of the mortgage. This change in priority will create uncertainty with respect to whether a municipality will receive payment on any tax or municipal claim, making it significantly more difficult for a municipality to project its annual budget for future years.

With revenue lost under HB 291, municipalities may need to raise their taxes and/or utility rates, coming at a cost to the vast majority of property owners who pay their bills on time. Reducing the priority of municipal taxes and claims is unnecessary, as residential homeowners who are struggling already have substantial resources at their disposal to help them avert mortgage foreclosure, including the Homeowner Emergency Mortgage Assistance Program (HEMAP) and local court diversion programs.

Most statewide municipal organizations, including PASBO, PMAA, PSAB and PSATS, have alerted their members to the dangers of HB 291. If you are concerned that this Bill will negatively affect your municipality, school district or municipal authority, we recommend that you reach out immediately to your local state representative or senator and ask them to oppose HB 291.

Most statewide municipal organizations, including PASBO, PMAA, PSAB and PSATS, have alerted their members to the dangers of HB 291. If you are concerned that this Bill will negatively affect your municipality, school district or municipal authority, we recommend that you reach out immediately to your local state representative or senator and ask them to oppose HB 291.

Note of Appreciation

Portnoff Law Associates often receives thank you notes from property owners who appreciate the professional manner and courtesy with which they were treated during the collection process. The following is a note that PLA recently received:

“I recently had to pay your firm taxes due for 2022. This was an oversight on my part and the funds due went to collection with your firm. I made an overpayment and this brought me to near financial devastation... I explained my situation including a lack of food and one lady in particular listened and went above and beyond her duty. She actually walked through your office and sought out someone that could authorize a debit card refund rather than wait for a check to be mailed to me... It is rare that I email a company to thank them for the performance of an individual, but I must... Without her help and her eagerness to go above and beyond I would be in dire straits... She made the difference of a miserable few weeks tolerable.”

A property owner from Coaldale, PA

By The Numbers

Portnoff Law Associates manages payment plans and hardship payment plans as a service to its clients for delinquencies collected on their behalf. These plans are an important part of providing flexible service to clients and property owners to ensure mutually agreeable repayment of the delinquencies.

32,648	Number of payment plans provided to delinquent property owners by PLA over the last 5 years.
6,166	Number of hardship plans provided to delinquent property owners by PLA over the last 5 years.

Hiring Portnoff

Portnoff Law Associates represents over 200 municipalities, school districts and municipal authorities across 27 Pennsylvania counties. PLA’s proven collection process can be tailored to meet your specific collection needs and we are available to meet with you to discuss the benefits of our services. If you are interested in learning more about how PLA can help maximize your delinquent collections at minimal cost to your municipality, contact us at (800) 561-7989 or at kburaks@portnoffonline.com.

PORTNOFF LAW ASSOCIATES HELPS ITS MUNICIPAL CLIENTS BRING IN MORE REVENUE WHILE PROVIDING PROPERTY OWNERS WITH MORE PAYMENT OPTIONS AND FLEXIBILITY TO PAY THEIR DELINQUENT ACCOUNTS.

With 34 years of collection experience, Portnoff Law Associates represents over 200 municipalities, school districts and municipal authorities across 27 Pennsylvania counties in the collection of the following types of delinquent accounts:

- Real Estate Taxes
- Sewer Fees
- Abatement of Nuisance Charges
- Trash Fees
- Water Bills and Tapping Fees
- Stormwater Fees



Michelle Portnoff, President
Portnoff Law Associates

The contents of this newsletter are for informational purposes only and should not be construed as legal advice. Please consult an attorney regarding your specific situation. Prior results described do not guarantee or predict a similar outcome. Receipt of this newsletter does not constitute an attorney-client relationship. Reproduction, distribution, republication and/or retransmission of material contained in this newsletter are prohibited unless prior written permission of Portnoff Law Associates, Ltd. is obtained.