

AN ORDINANCE

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania enacted pursuant to Article IV, Section 2 (k) of the County Home Rule Charter, Section 7147 of the Municipal Claims and Tax Liens Act, Pa. Stat. Ann. tit. 53, § 7147, and other applicable laws, authorizing (1) the County to sell, transfer absolutely and assign to a third party purchaser a selected portfolio of County "Tax Receivables" consisting of the County's right to receive the Face Amount, Interest and Penalty which is due and owing to the County as a result of a property owner's failure to timely and fully pay the County's *ad valorem* real estate tax during the tax years 2001 to 2007, following the execution of a final agreement for such sale, absolute transfer and assignment between the appropriate officers of the County and the successful third party purchaser; (2) the County, acting through its Treasurer, or any other person or persons contracted for now or in the future by the County at the request of the Treasurer to service in the capacity of the special tax servicer, to retain all collection of delinquent taxes; (3) to grant to the third party purchaser of the Tax Receivables for years 2001 to 2007 the right to purchase certain Tax Receivables for tax years 2008, 2009 and 2010; and (4) the County Manager to take any and all actions deemed necessary to carry out and effectuate the purposes of this Ordinance;

Whereas, the County of Allegheny, hereinafter "the County," like other taxing bodies within the Commonwealth of Pennsylvania, is authorized by the Municipal Claims and Tax Liens Act of 1923, Pa. Stat. Ann. tit. 53, § 7101 *et seq.*, to file a lien against real property due to the record owner's failure to timely pay *ad valorem* property taxes levied by the County; and

Whereas, the County has filed tax liens against many properties located in Allegheny County due to the record owner's failure to pay County real estate taxes; and

Whereas, from all of the tax liens due and owing, the County, through its Budget Office, has identified from the Tax Years 2001 through 2007 a portfolio of tax liens which have been filed as well as additional delinquent County real estate taxes which are owed to the County but for which a lien has not yet been filed, hereinafter collectively referred to as "the County Delinquent Real Estate Tax Portfolio;" and

Whereas, the County Delinquent Real Estate Tax Portfolio includes approximately 50,000 parcels located in Allegheny County against which either County tax liens have been filed or County real estate taxes are delinquent but for which a lien has not yet been filed; and

Whereas, the total of the Face Amount, Interest and Penalty, hereinafter collectively referred to as the "County Tax Receivables," due and owing to the County regarding the

properties included within the County Delinquent Real Estate Tax Portfolio (up to and including the 2007 Tax Year) has an approximate value of forty million dollars; and

Whereas, the County is desirous of providing the Purchaser of the County Tax Receivables for years 2001 to 2007 a right of first refusal to purchase certain County Tax Receivables for tax years 2008, 2009 and 2010 provided that either (a) the Tax Receivables have no prior delinquent taxes on the related property or represent a new delinquent tax in year 2008, 2009 or 2010 or (b) the related property is included in the Schedule of Assigned Tax Receivables relating to years 2001 to 2007 and contains delinquent taxes in prior years. In the case of (a) above the price bid must be at least 100% of the Face Amount and Interest and Penalty and the closing of the sale and assignment shall occur in July of the year following the respective tax year. In the case of (b), whereby previous delinquent taxes exist, the price bid must be at least equal to the same percent of the per property bid at the initial closing; and

Whereas, the County is desirous of obtaining needed revenues from the County Tax Receivables; and

Whereas, Section 7147 of the Municipal Claims and Tax Liens Act of 1923, Pa. Stat. Ann. tit. 53, § 7147, authorizes a taxing body to absolutely transfer and assign rights to a tax claim to a third party; and

Whereas, the County Tax Receivables constitute intangible personal property of the County; and

Whereas, Article IV, Section 2 (k) of the Allegheny County Home Rule Charter requires County Council to approve any transfer of County property; and

Whereas, County Council is of the considered opinion and belief that a sale, absolute transfer and assignment of the County Tax Receivables in the County Delinquent Real Estate Tax Portfolio to a third party for a valuable consideration would inure to the benefit of the County.

The Council of the County of Allegheny hereby enacts as follows:

Section 1. Incorporation of Preamble.

The provisions set forth in the Preamble to this Ordinance are incorporated by reference in their entirety herein as findings of fact made by Council.

***Section 2. Authorization of Sale, Absolute Transfer and Assignment of
Portfolio of County Tax Receivables.***

A. Pursuant to Article IV, Section 2 (k) of the County Home Rule Charter, Section 7147 of the Municipal Claims and Tax Liens Act, Pa. Stat. Ann. tit. 53, § 7147, and all other applicable laws, the County, through its appropriate officers, is hereby authorized to undertake the following actions:

1. To negotiate the terms and conditions of a sale, absolute transfer and assignment of the County Tax Receivables with all prospective purchasers;

2. To determine and fix the specific County Tax Receivables from the County Delinquent Real Estate Tax Portfolio that will be sold, transferred absolutely and assigned to the successful third party purchaser;

3. To sell, transfer absolutely and assign to a third party purchaser the finally selected portfolio of County "Tax Receivables" consisting solely of the County's right to receive the Face Value, Interest and Penalty which is due and owing to the County as a result of a property owner's failure to timely and fully pay the County's *ad valorem* real estate tax during the tax years 2001 to 2007, following the execution of a final agreement in a form satisfactory to the County Solicitor for such sale, absolute transfer and assignment between the County, acting through its appropriate officers, and the successful third party proposer.

4. To grant the third party purchaser of the Tax Receivables for years 2001 and 2007 the right of first refusal to purchase certain Tax Receivables for tax years 2008, 2009 and 2010.

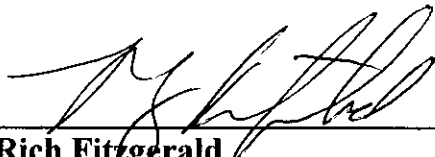
B. The County Manager is hereby authorized to take any and all actions deemed necessary to carry out and effectuate the purposes of this Ordinance.


Section 3. Severability. If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance which shall be in full force and effect.

Section 4. Repealer. Any Resolution and Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Ordinance.

Enacted in Council, this 20th day of November, 2007.

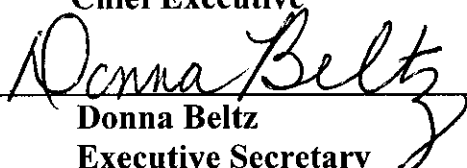
Council Agenda No. 3448-07


Rich Fitzgerald
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Chief Executive Officer  November 27, 2007.

Approved: 
Dan Onorato
Chief Executive

Attest: 
Donna Beltz
Executive Secretary

SUMMARY

ORDINANCE AUTHORIZING THE COUNTY TO SELL, TRANSFER ABSOLUTELY AND ASSIGN TO A THIRD PARTY PURCHASER A SELECTED PORTFOLIO OF COUNTY "TAX RECEIVABLES" CONSISTING OF THE COUNTY'S RIGHT TO RECEIVE THE FACE AMOUNT, INTEREST AND PENALTY ON DELINQUENT COUNTY REAL ESTATE TAXES FROM TAX YEARS 2001 TO 2007

This Ordinance would: (1) authorize the County to sell, transfer absolutely and assign to a third party purchaser a selected portfolio of County "Tax Receivables" consisting of the County's right to receive the Face Amount, Interest and Penalty which is due and owing to the County as a result of a property owner's failure to timely and fully pay the County's *ad valorem* real estate tax during the tax years 2001 to 2007; (2) the County, acting through its Treasurer, or any other person or persons contracted for now or in the future by the County at the request of the Treasurer to service in the capacity of the Special Tax Servicer, to retain all collection of delinquent taxes; and (3) to grant to the Purchaser of the Tax Receivables for years 2001 to 2007 a right of first refusal to purchase certain Tax Receivables for tax years 2008, 2009 and 2010; and (4) authorize the appropriate officers of the County, including but not limited to, the County Manager and County Budget Director, to take any and all actions that they deem necessary to carry out and effectuate the purposes of this Ordinance.

Article IV, Section 2 (k) of the County Home Rule Charter requires Council to authorize any transfer of County property. Since County Tax Receivables constitute intangible personal property of the County, Council must enact an ordinance authorizing the sale, absolute transfer and assignment. Section 7147 of the Municipal Claims and Tax Liens Act of 1923, Pa. Stat. Ann. tit. 53, § 7147, authorizes a taxing body to absolutely transfer and assign rights to a tax claim to a third party.

MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: James M. Flynn, Jr.
County Manager

DATE: October 4, 2007

RE: Proposed Ordinance

ALLEGHENY COUNTY COUNCIL

'07 OCT 4 AM 9:06

Attached is an Ordinance enacted pursuant to Article IV, Section 2 (k) of the County Home Rule Charter, Section 7147 of the Municipal Claims and Tax Liens Act, Pa. Stat. Ann. tit. 53, § 7147, and other applicable laws, authorizing (1) the County to sell, transfer absolutely and assign to a third party purchaser a selected portfolio of County "Tax Receivables" consisting of the County's right to receive the Face Amount, Interest and Penalty which is due and owing to the County as a result of a property owner's failure to timely and fully pay the County's *ad valorem* real estate tax during the tax years 2001 to 2007, following the execution of a final agreement for such sale, absolute transfer and assignment between the appropriate officers of the County and the successful third party purchaser and (2) the appropriate officers of the County, including but not limited to, the County Manager and County Budget Director, to take any and all actions deemed necessary to carry out and effectuate the purposes of this Ordinance.

The Allegheny County Law Department has reviewed this legislation prior to submitting it to Council.

Please place this on the next agenda for County Council approval.

Thank you.