



**Pennsylvania Municipal League**  
President – Michael Lombardo, Mayor, City of Pittston



**Pennsylvania State Association of Township Commissioners**  
President – Sam Juliano, Commissioner, North Versailles Township

To: Members of the House Finance Committee  
From: Amy Sturges, Deputy Executive Director for Advocacy, The League and PSATC  
Re: Opposition to House Bill 291  
Date: June 21, 2023

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On behalf of the members of the Pennsylvania Municipal League and the Pennsylvania State Association of Township Commissioners, I write in opposition to House Bill 291 scheduled for Committee consideration Thursday, June 22.

Currently, The Municipal Claim and Tax Lien Law (MCTLL) gives municipal claims priority status for satisfaction over all other claims. House Bill 291 amends MCTLL regarding federal mortgage modifications and in practice will place municipal liens behind a modified mortgage when satisfying debt.

Our member municipalities do not support this change because it puts municipal claims in danger of never being satisfied, which will have a significant financial impact on municipal budgets. Additionally, the concept of House Bill 291 may open the door to other types of debt being granted priority status over municipal claims in the future.

While we recognize the importance and positive impact of stable home ownership in our communities, we do not believe House Bill 291 guarantees this goal. Placing a modified mortgage above municipal claims does not ensure a person remains in their home – they will still carry the debt. A modified mortgage does not equal financial success – interest and penalties on the municipal debt and any other debt will continue to accrue. Ultimately, the property may still be lost to a sheriff's sale for failure to pay.

Homeowners have a responsibility to pay municipal taxes and fees, just as they have a responsibility to pay their mortgage. Many municipalities and public utilities offer payment plans and other assistance to help residents who have fallen behind, but these programs must be used before the eleventh hour. When delinquent payments to municipalities go unpaid, the loss is shouldered by others in the form of increased taxes, fees and mortgage rates.

We appreciate the attempt to find amendment language that would remove our opposition. Unfortunately, we are unable to accept the offered amendment as it will create ambiguity and additional costs for municipalities in trying to protect their lien status.

We will remain open to future language to make the bill workable. However, for the reasons stated above, we request a "no" vote when House Bill 291 comes before the Committee.

Thank you.