PORTNOFF LAW ASSOCIATES, LTD.

WHY DO TOWNSHIPS HIRE PORTNOFF LAW ASSOCIATES?

Townships across Pennsylvania are finding it harder and harder to balance their annual budgets. One source of frequently untapped revenue is the collection of delinquent real estate taxes and municipal obligations. At essentially no cost to your township, Portnoff Law Associates can help maximize the recovery of these delinquent accounts.

Portnoff Law Associates is a fully-staffed law firm with over twenty-five years of experience collecting municipal delinquencies. Our entire legal practice revolves around the collection of delinquent real estate taxes and municipal user fee accounts, ranging from trash, water and sewer fees, to fire marshal, streetlight, capital improvement and abatement of nuisance charges. We currently represent over 125 municipal clients in 23 Pennsylvania counties. Employing our services can help your township generate revenue faster, while at the same time relieving your staff of this time-consuming and often frustrating task; all at essentially no cost to your constituents.

The Portnoff Process offers our clients several substantial advantages. We proceed under the Municipal Claims and Tax Liens Act, which allows our clients to provide immediate financial incentive to make payment quickly by passing through all collection costs to the delinquent property owner. At the end of the day, no new money will come out of the township's pockets to pay for our collection services, allowing the township to receive 100% of the face, penalty and interest collected. The township will not be charged any commission for our services and we will make weekly remittances of our collections to enable the township to have immediate use of its money.

The Portnoff Process allows the township to retain local control over the entire collection process. Your township can establish its own parameters for collection, pursuing delinquencies as aggressively or leniently as deemed appropriate. In order to enable the township to bring in more money faster, our firm will accept payment plans on larger balance files and will administer a hardship program for owner-occupants who are experiencing a legitimate financial hardship, at no expense to the township or the property owner. Portnoff Law Associates is known throughout Pennsylvania for its exemplary customer service. Because we only represent 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.

Please do not hesitate to contact our firm with any questions.

Frequently Asked Questions

How much will it cost the township to utilize Portnoff Law Associates' services?

At the end of the day, no new money will come out of the township's pockets to pay for PLA's services. Under Pennsylvania law, the fair and reasonable costs of collection may be assessed against the delinquent property owner. The township is asked to front the charge of $40 plus postage to cover the costs of the work required to provide legal notice of fee shifting to the delinquent property owner. This cost can be passed through to the delinquent property owner and the township will not be invoiced for this charge until PLA has collected at least that sum for the township. After that, all collection costs, including court costs, sheriff's fees and PLA's attorney's fees, will be charged directly to the delinquent property owner, allowing the township to maximize its collections without any cost to its constituents.

How will property owners react to the township's involvement with PLA?

Portnoff Law Associates is a professional law firm with verifiable local references and over twenty-five years of experience in the field. PLA is known throughout Pennsylvania for its exemplary customer service. We frequently receive thank you notes from property owners who appreciate the manner in which their accounts were handled by our firm. We have a friendly, highly-trained staff that treats every property owner with the utmost courtesy and respect. We work hard to accommodate each individual's unique situation through the administration of our hardship program and extended payment plans.

When will the township receive the funds collected by PLA? How will the township be updated on the progress of delinquent accounts?

PLA remits all monies received (including interest and penalties) to our clients on a weekly basis, and the remittance can be made through electronic ACH transfer. The remittance statement identifies who has paid, the amount of the payment, the account against which the payment has been applied, and the balance due. This weekly accounting affords the township immediate use of its money and enables it to track its receivables with accuracy.

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What are the benefits of using PLA to collect the township's delinquent real estate taxes?

1. PLA collects delinquencies faster, evaluating each account according to its individual set of circumstances. We historically collect between 20% and 50% of the delinquent taxes within 45 days of the initial notice, and remit all funds collected weekly so the township has immediate use of its money.
2. PLA allows the township to retain local control over the entire collection process, with the ability to increase collections through the implementation of payment plans and a hardship program. PLA can pursue delinquent taxpayers as aggressively or leniently as the township deems appropriate.
3. PLA's collection efforts frequently result in a reduction in future delinquencies, with an increase in the township's current tax collection rate.

What is the relationship between PLA and the county tax claim bureau?

Pennsylvania law requires all taxing districts to make a return of their delinquent real estate taxes to the county tax claim bureau. This return triggers an obligation on the part of the taxing district to pay the tax claim bureau a 5% commission upon collection of the tax. This 5% commission is due regardless of whether the tax is collected through the efforts of the tax claim bureau or a private collector. If PLA is retained, the township must instruct the tax claim bureau to refrain from collecting the delinquent taxes to avoid multiple demands from different collectors for the same debt. If instructed, PLA will remit 5% of the tax and penalty collected to the county tax claim bureau on behalf of the township. Some clients have asked PLA to pass through this 5% commission charge to the delinquent taxpayer.

How does PLA differ from other third-party collectors and companies that want to purchase liens outright?

Third-party lien purchasers frequently charge high transaction fees, significantly cutting into the value of the short-term financial benefit gained from the sale. With PLA, the township does not pay any fee or commission for the use of our services. Unlike typical collection companies, Portnoff Law Associates is a fully-staffed law firm, providing our clients with access to our entire legal team to assist with difficult collection issues. Because PLA is a law firm, our clients are provided with additional security, as we are held to higher ethical standards than non-legal collection companies, and are subject to professional rules of ethical conduct.

What time commitment is required on the part of the township?

Portnoff Law Associates requires a point person at the township to answer factual questions and provide instructions to PLA when needed. It is estimated that the time commitment is less than 5 hours per month.

How does the township ensure that those people who cannot pay are treated fairly?

PLA administers a hardship program at no cost to the township or the property owner. The hardship program is designed to help low-income property owners pay the delinquency owed on their homes. Once a property owner is deemed a hardship, it is their ability to pay that drives the payment arrangement. There is no minimum payment that we will accept (though the township has the right to establish one), and there is no surcharge for a long-term payment plan.

Will the township own real estate?

In 2015, PLA listed 512 properties for sheriff sale (of approximately 40,000 delinquent accounts). Of the 512 properties listed for sale, 73 properties actually sold, all of which were bought by third-party bidders. The township must be prepared to own real estate, but the frequency of ownership is statistically insignificant. PLA will seek the township's approval prior to listing a property for sale.

How will the township's future collection efforts be affected by the services of PLA?

Under our program, the delinquent property owner is provided with an incentive for prompt payment due to the addition of legal fees if PLA's collection efforts are ignored. By providing a strong incentive to make payment, our clients typically report a decrease in the overall delinquency rate during the second year of our representation, and each successive year thereafter. By hiring our firm, the township sends a strong message to its property owners that the township is serious about collecting its delinquent accounts, and most property owners subsequently meet the expectation of a timely payment.

What steps does the township need to take to hire Portnoff Law Associates?

The township needs to sign a contract and enact an ordinance imposing our fee schedule as the fair and reasonable costs of collection, which will be passed through to the delinquent property owner. We will meet with a township representative to review payment and collection parameters. Once we receive the data, we will commence collection proceedings.

Whom can I contact for additional information?

Please contact Susan Anderson at sanderson@portnoffonline.com or (866) 776-1308 with any questions or for additional information.

PORTNOFF LAW ASSOCIATES, LTD.
CLIENT LIST

Allegheny County

Borough of Braddock
Braddock Water Authority
Leet Township
Borough of McKees Rock
Borough of North Braddock
Municipality of Penn Hills
Borough of Rankin

Beaver County

Aliquippa School District
Big Beaver Falls Area School District
Big Beaver Municipal Authority
Borough of Midland
Rochester Area School District

Berks County

Upper Perkiomen School District (split)

Bucks County

Bristol Township
Morrisville School District*
Palisades School District
Souderton Area School District (split)

Carbon County

Lehighton Area School District
Panther Valley School District (split)

Chester County

Township of Caln
Caln Township Municipal Authority
City of Coatesville*
East Bradford Township
East Fallowfield Township
Municipal Authority of Borough of Elverson
Easttown Township*
Modena Borough
Northwestern Chester County Municipal Authority
Penn Township
Phoenixville Borough
Tredyffrin/Easttown School District
Valley Township
West Bradford Township
West Brandywine Township Municipal Authority
West Chester Borough*

Chester County (cont'd)

Westtown Township
West Whiteland Township

Clarion County

Farmington Township
Sligo Borough Authority*

Delaware County

City of Chester
Borough of Colwyn
Borough of East Lansdowne
Haverford Township*
Borough of Lansdowne
Marple Township
Media Borough
Millbourne Borough
Morton Borough
Township of Nether Providence
Ridley Park Borough
Swarthmore Borough
Borough of Yeadon

Franklin County

Antrim Township

Fulton County

Hustontown Joint Sewage Authority

Lackawanna County

Abington Heights School District
Jefferson Township Sewer Authority
North Pocono School District (split)
Scott Township Sewer and Water Authority
South Abington Township*
Spring Brook Township Sewer Authority

Lancaster County

Penn Township*
Sadsbury Township Municipal Authority*
Solanco School District*

Lawrence County

City of New Castle*
Wayne Township Municipal Authority

*New clients in 2015/2016

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CLIENT LIST

Lehigh County

Allentown School District
City of Bethlehem (split)
Bethlehem Area School District (split)
Catasauqua Area School District (split)
Borough of Coplay*
Northern Lehigh School District (split)
Northwestern Lehigh School District
North Whitehall Township*
Parkland School District
Salisbury Township School District
Southern Lehigh School District*
South Whitehall Township
South Whitehall Township Municipal Authority*
Weisenberg Township
Whitehall-Coplay School District
Whitehall Township

Luzerne County

Nuangola Borough Sewer Authority*

McKean County

City of New Castle*
Township of Otto
Otto Township Sanitary Authority

Montgomery County

Township of Abington
Township of Cheltenham
Township of Cheltenham School District
Township of Lower Merion
Lower Moreland Township School District
Township of Lower Pottsgrove
Lower Pottsgrove Township Authority
Municipality of Norristown
Norristown Municipal Waste Authority
Perkiomen Valley School District
Pottsgrove School District
Borough of Pottstown
Pottstown Borough Municipal Authority
Pottstown Downtown Improvement District Authority
Pottstown School District
Rockledge Borough
Souderton Area School District (split)
Souderton Borough
Upper Dublin School District

Montgomery County (cont'd)

Upper Moreland-Hatboro Joint Sewer Authority
Upper Perkiomen School District (split)
Township of Upper Pottsgrove
West Norriton Township

Northampton County

Bath Borough
City of Bethlehem (split)
Bethlehem Area School District (split)
Bethlehem Township
Catasauqua Area School District (split)
City of Easton
Borough of Freemansburg*
Northampton Area School District
Northampton Borough*
Northern Lehigh School District (split)
Wilson Area School District

Schuylkill County

Girardville Area Municipal Authority*
Gordon Borough*
Panther Valley School District (split)
Rush Township*
Saint Clair Area School District
Schuylkill County Municipal Authority
Borough of Shenandoah Municipal Authority*
Shenandoah Valley School District
Tamaqua Area School District

Susquehanna County

Thompson Borough*

Washington County

East Washington Borough
Ringgold School District
City of Washington
Washington Business District Authority
Washington School District
Washington-East Washington Joint Authority

Wayne County

North Pocono School District (split)

Westmoreland County

City of Monessen

*New clients in 2015/2016