

Bond Case Briefs

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Roethlein v. Portnoff Law Associates, Ltd.

Supreme Court of Pennsylvania - November 20, 2013 - A.3d - 2013 WL 6096757

Delinquent taxpayer brought class action against law firm and attorney, who acted as private tax collector for various municipalities and school districts, for unjust enrichment and violation of Pennsylvania Loan Interest and Protection Law (Act 6). The Court of Common Pleas entered judgment in favor of taxpayers for approximately \$1.06 million, and attorney fees for approximately \$1.27 million. Defendants appealed, and ordered an accounting.

The Supreme Court held that:

- Act 6 did not provide taxpayers with a cause of action to challenge costs imposed for collection of delinquent taxes, and
- Administrative cost fees of \$35 incurred by the municipalities in their effort to collect delinquent taxes were recoverable from taxpayers.

Loan Interest and Protection Law, which was also known as Act 6, applied only to claims involving the loan or use of money, and, thus, did not provide taxpayers with a cause of action to challenge costs imposed for the collection of delinquent taxes or to seek damages and attorney fees for improperly-imposed costs. Legislature intended law to apply only to claims involving the loan or use of money, and title and the language of preamble clearly contemplated an act applying to claims arising from the loan or use of money.

Administrative cost fees of \$35 incurred by municipalities in their effort to collect delinquent taxes were recoverable from taxpayers pursuant to statute that stated that municipality could recover charges, expenses, and fees incurred in the collection of delinquent taxes, including, under certain circumstances, charges, expenses, and fees of third-party tax collectors retained by the municipality.