

# **Bond Case Briefs**

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## **TAX - PENNSYLVANIA**

### **Lohr v. Saratoga Partners, L.P.**

**Supreme Court of Pennsylvania - October 1, 2020 - A.3d - 2020 WL 5823332**

Property owners filed petition to redeem property that had been sold in an upset tax sale.

The Court of Common Pleas denied the petition. Owners appealed, and the Commonwealth Court affirmed. Owners sought discretionary review, which was granted.

The Supreme Court held that:

- Equal protection challenge to the omission of a post-sale right of redemption from the Real Estate Tax Sale Law (RETSL) was subject to rational basis review, rather than strict scrutiny;
- Legislature had a legitimate interest in enacting provision of RETSL barring redemption of property after an upset tax sale; and
- Legislature's decision to include a post-sale redemption remedy in Municipal Claims and Tax Liens Act (MCTLA) but not in RETSL did not violate equal protection.

Property owners' asserted right to redeem property after an upset tax sale was not a fundamental constitutional right, but a statutory remedy provided as part of the legislative tax collection process, and thus owners' equal protection challenge to the inclusion of that right in the Municipal Claims and Tax Liens Act (MCTLA), which applied to two large urban counties in the state, but not in the Real Estate Tax Sale Law (RETSL), which applied in the county in which their property was located, was subject to rational basis review, rather than strict scrutiny.

Legislature had a legitimate interest in enacting provision of Real Estate Tax Sale Law (RETSL) barring redemption of property after an upset tax sale, for purposes of property owners' equal protection challenge to legislature's omission of the post-sale redemption remedy from the RETSL while including it in the Municipal Claims and Tax Liens Act (MCTLA); purposes of the RETSL were to expedite the collection of delinquent real estate taxes, to retain the productivity of the real estate, and to maintain economic value, which were legitimate state interests.

Legislature's decision to include a post-sale redemption remedy in Municipal Claims and Tax Liens Act (MCTLA), which applied to two large urban counties, but not in Real Estate Tax Sale Law (RETSL), which applied to most other counties, was rationally related to legitimate government purpose of expediting collection of delinquent real estate taxes, and thus distinction did not violate equal protection; lack of a redemption provision in RETSL ensured certainty and finality for tax sales, which, in turn, likely encouraged higher bids based on the greater security provided to the purchaser, RETSL provided greater pre-sale protections than MCTLA, and state constitution specifically granted legislature power to classify counties according to population.