SUPREME COURT OF PENNSYLVANIA

Fouse v. Saratoga Partners, L.P.

Fouse · No. 67 MAP 2019 · Decided October 1, 2020

SUMMARY

The Supreme Court of Pennsylvania considered whether the absence of a post-sale redemption remedy under the Real Estate Tax Sale Law violates equal protection provisions of the United States and Pennsylvania Constitutions. The Court held that the legislative distinction between counties governed by the Real Estate Tax Sale Law and those governed by the Municipal Claims and Tax Liens Act is constitutional under rational basis review. The Court affirmed the denial of the taxpayers' petition to redeem property sold at an upset tax sale in Huntingdon County.

CASE DETAILS

COURT	Supreme Court of Pennsylvania
WRITING FOR THE COURT	Justice Baer; Chief Justice Saylor; Justice Todd; Justice Donohue; Justice Dougherty; Justice Wecht; Justice Mundy
JURISDICTION	Pennsylvania
DECIDED	October 1, 2020
DOCKET	67 MAP 2019
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal by allowance from the Commonwealth Court's order affirming the Huntingdon County Court of Common Pleas' denial of a petition to redeem property after an upset tax sale.
STANDARD OF REVIEW	Constitutional challenges are reviewed under the applicable level of scrutiny, with duly enacted legislation presumed constitutional and invalidated only when it clearly, palpably, and plainly violates the Constitution. The equal protection claim was reviewed under rational-basis scrutiny.
PRECEDENTIAL VALUE	Published Pennsylvania Supreme Court opinion; precedential.
PARTIES	Fred Lohr, Jolene K. Fouse v. Saratoga Partners, L.P., Huntingdon County Tax Claim Bureau

TOPICS

equal protection | tax collection | property tax | constitutional law | remedies

PRACTICE AREAS

constitutional law | tax | real estate | civil rights | remedies

QUESTIONS PRESENTED

1. Whether the Real Estate Tax Sale Law's exclusion of a post-sale redemption remedy, while the Municipal Claims and Tax Liens Act provides such a remedy for properties in certain counties, violates the Equal Protection Clause of the Fourteenth Amendment.
2. Whether the same statutory distinction violates the Pennsylvania Constitution's protections for equal treatment and property rights.
3. Whether the asserted right to redeem property after an upset tax sale is a fundamental constitutional right requiring strict scrutiny.

HOLDINGS

1. The asserted right to redeem property after an upset tax sale by paying delinquent taxes and costs is not a fundamental constitutional right; it is a statutory remedy created and controlled by the Legislature.
2. The Real Estate Tax Sale Law's prohibition on post-sale redemption does not violate the equal protection provisions of the United States or Pennsylvania Constitutions because the distinction between properties governed by the RETSL and those governed by the MCTLA is rationally related to legitimate interests in expediting tax collection, ensuring certainty and finality of tax sales, and maintaining or improving the value of tax-sale titles.

KEY QUOTATIONS

> *"After consideration, we conclude that the asserted right is not a fundamental constitutional right but, instead, a statutory remedy, provided as part of a legislative tax collection process."* (19)

> *"We conclude that the dichotomy between those landholders subject to the RETSL rather than the MCTLA does not violate equal protection, under either the federal or state constitution, because the choice is rationally related to the legislative determination of which system will maximize the collection of delinquent taxes for different types of counties."* (22)

FACTUAL BACKGROUND

Fred Lohr and Jolene K. Fouse owned two parcels in Lincoln Township, Huntingdon County, which they used as their primary residence. They became delinquent on approximately $16,747.50 in 2014 and 2015 property taxes, and the Huntingdon County Tax Claim Bureau conducted an upset tax sale under the Real Estate Tax Sale Law. Saratoga Partners, L.P. submitted the highest bid of $27,795.45, after which the Fouses sought to redeem the property by invoking the Municipal Claims and Tax Liens Act's post-sale redemption provision.

PROCEDURAL HISTORY

The Fouses' two Huntingdon County properties were sold at an upset tax sale under the Real Estate Tax Sale Law after they failed to pay delinquent taxes. They petitioned the trial court to redeem the properties under the Municipal Claims and Tax Liens Act, arguing that the Real Estate Tax Sale Law's prohibition on post-sale redemption violated equal protection. The trial court denied relief, the Commonwealth Court affirmed in a published divided decision, and the Pennsylvania Supreme Court granted discretionary review and affirmed.

DISPOSITION

affirmed

CASES CITED

- Tracy v. County of Chester, Tax Claim Bureau, 489 A.2d 1334 (Pa. 1985)
- Moore v. School District of Pittsburgh, 13 A.2d 29 (Pa. 1940)
- Curtis v. Kline, 666 A.2d 265 (Pa. 1995)
- Povlow v. Brown, 315 A.2d 375 (Pa. Cmwlth. 1974)
- McSwain v. Commonwealth, 520 A.2d 527 (Pa. Cmwlth. 1987)
- Small v. Horn, 722 A.2d 664 (Pa. 1998)
- Pennsylvania Liquor Control Board v. [citation not fully stated in source], 485 A.2d 732 (Pa. 1984)
- Pacella v. Washington County Tax Claim Bureau, 10 A.3d 422 (Pa. Cmwlth. 2010)
- Bernitsky v. Schuylkill County, 112 A.2d 120 (Pa. 1955)
- Cedarbrook Realty, Inc. v. Nahill, 399 A.2d 374 (Pa. 1979)
- Shoul v. Commonwealth, Department of Transportation, Bureau of Driver Licensing, 173 A.3d 669 (Pa. 2017)
- Heller v. Doe, 509 U.S. 312 (1993)
- Armour v. City of Indianapolis, 566 U.S. 673 (2012)
- Bull v. United States, 295 U.S. 247 (1935)
- Appeal of Gault, 33 Pa. 94 (Pa. 1859)
- Fouse v. Saratoga Partners, L.P., 204 A.3d 1028 (Pa. Cmwlth. 2019)