§ 1140. Parcels affected by bankruptcy proceedings. 1. Stay of enforcement proceeding. The commencement of a bankruptcy proceeding pursuant to the bankruptcy code of 1978 (title eleven of the United States code) shall stay a proceeding to enforce a delinquent tax lien, to the extent required by the bankruptcy code.

2. Notice to enforcing officer. Whenever an officer or employee of a municipal corporation receives an official notification of the commencement of a bankruptcy proceeding affecting real property therein, such officer or employee shall forthwith forward the same, or a copy thereof, to the enforcing officer of the tax district which enforces taxes on behalf of such municipal corporation.

3. Partial payments. Notwithstanding any law otherwise precluding the acceptance of partial payments of taxes, a partial payment may be accepted in relation to property which is the subject of a bankruptcy proceeding, provided that the payment is accompanied by satisfactory proof of the bankruptcy proceeding, such as a copy of an order or plan issued thereunder.

4. Cancellation and chargebacks. A tax district shall direct the cancellation of a delinquent tax lien to the extent such lien has been rendered permanently unenforceable as the result of a bankruptcy proceeding. The tax district shall not be required to credit or otherwise guarantee to any municipal corporation a delinquent tax against a parcel to the extent the lien thereon has been cancelled pursuant to this section. If such a credit or guarantee shall have been given before the cancellation of the lien, the tax district shall be entitled to charge back to each municipal corporation a proportionate share of the cancelled lien.