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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 351

Session of  
1983

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INTRODUCED BY MURPHY, DAWIDA, GEIST, GAMBLE, O'DONNELL, COWELL,  
PISTELLA, MICHLOVIC AND SEVENTY, MARCH 14, 1983

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REFERRED TO COMMITTEE ON URBAN AFFAIRS, MARCH 14, 1983

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AN ACT

1 Providing for an original and cyclical annual assessment and  
2 review of tax-exempt property; providing a municipal service  
3 charge; and providing fixed assessment for senior citizens.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Definitions.

7 The following words and phrases when used in this act shall  
8 have the meanings given to them in this section unless the  
9 context clearly indicates otherwise:

10 "Assessed value." The current assessed value of real  
11 property as certified by the chief assessor of the county.

12 "Board." The county commissioners, board of revision of  
13 taxes or board for the assessment and revision of taxes.

14 "Chief assessor." The chief assessor of each county.

15 "Dormant tax-exempt property." Any tax-exempt property,  
16 including publicly owned land, that has lain dormant for a  
17 period of three years or more.

18 "Local tax collector." The appropriate municipal officer

1 authorized to collect real property taxes.

2 "Municipal service charge." The charge authorized by this  
3 act to be imposed by municipalities on otherwise tax-exempt  
4 property within their jurisdiction.

5 "Municipal services." Services provided by municipalities  
6 which are funded in whole or in part by real estate taxes and  
7 for which special fees, charges or assessments are not made to  
8 recover the costs of providing such services.

9 "Person." Any individual, firm, partnership, association,  
10 company, corporation, organization or any other group.

11 "Tax-exempt property." Real property exempted by the  
12 applicable assessment laws from the payment of real property  
13 taxes on all or a part of a parcel of real estate, including  
14 publicly owned property.

15 "Tax liability." The amount of taxes on tax-exempt property  
16 that would be due and owing a municipality if the property were  
17 not tax exempt.

18 "Tax-levying body." Any county, municipality or school  
19 board.

20 Section 2. Annual assessment of tax-exempt property.

21 (a) Three-year assessment.--All tax-exempt property shall be  
22 assessed every three years in the same manner as is taxable  
23 property in each county of the Commonwealth. The chief assessor  
24 of each county shall prepare and submit to the appropriate tax  
25 board an assessment roll of tax-exempt property, together with  
26 the value placed on each parcel or tract of real property due  
27 and owing a municipality if the property were not tax exempt.  
28 Each tax levying body within the county shall be required to  
29 reimburse the county assessor for its proportionate share of the  
30 expenses of reassessment.

1 (b) Tax-exempt certificate.--Any real property or part and  
2 parcel thereof determined to be tax-exempt shall have a tax-  
3 exempt certificate issued to the owner of such property  
4 identifying and certifying it as tax exempt under this act. Such  
5 certificate shall be valid only for a period of three years for  
6 which it is issued and only for so long as the ownership or use  
7 of property upon which the exemption was conditioned is not  
8 changed.

9 (c) Conformity to purposes.--Such certificate shall be  
10 issued by the tax-levying body in which the property is located.  
11 The governing body of each tax-levying body shall establish a  
12 process whereby all property to be considered for tax-exempt  
13 status be performing the purposes that qualify it for tax-exempt  
14 status pursuant to section 2 of Article 8 of the Constitution of  
15 Pennsylvania. The governing body shall require each property to  
16 be considered for tax-exempt status to show the amount of taxes  
17 that would be generated if this property were, by publishing in  
18 a newspaper of general circulation, to be taxed according to  
19 current millage and assessment rates. When voting whether or not  
20 to grant tax-exempt status, the governing body shall vote in a  
21 public forum, pursuant to the act of July 19, 1974 (P.L.486,  
22 No.175), referred to as the Public Agency Open Meeting Law. A  
23 simple majority vote of all members shall constitute approval.  
24 Any party that does not agree with the decision rendered by the  
25 body may petition the body to conduct a public hearing on the  
26 matter upon securing and presenting 100 signatures on a petition  
27 to the governing body. Any party otherwise aggrieved by the  
28 decision rendered by the governing body shall have 30 days to  
29 appeal to the court of common pleas in the county in which the  
30 property is located.

1 (d) Change in zoning.--In the event of a change in the  
2 zoning of the area in which the tax-exempt property is located  
3 or the granting of a variance, the governing body may rightfully  
4 deny the tax-exempt status if it determines it is not in the  
5 public's interest.

6 (e) Listing of tax-exempt property.--The county assessor  
7 shall record and make available to the public a listing of tax-  
8 exempt properties according to type of property, its value, the  
9 percentage each property represents to the total and the taxing  
10 jurisdiction in which the property is located.

11 (f) Review.--The tax-levying body shall, every three years,  
12 review tax-exempt property to determine whether such properties  
13 continue to provide services for which the exemption was  
14 granted.

15 (g) Amusement tax exemptions.--The tax levying body shall  
16 not revoke amusement tax exemptions previously granted to the  
17 tax-exempt organization prior to the effective date of this act.  
18 Section 3. Municipal service charge.

19 (a) Annual levy.--A municipal service charge may be levied  
20 annually by ordinance of the municipal body and collected by the  
21 municipal tax collector upon all real estate within its  
22 jurisdiction which is exempt from taxation within its  
23 jurisdiction for public services provided to the tax-exempt  
24 property.

25 (b) Interest.--Any person failing to pay the municipal  
26 service charge imposed by this act shall be subject to statutory  
27 interest, penalties and liens for nonpayment of municipal real  
28 property taxes.

29 (c) Service charge calculation.--Expenditures for services  
30 not provided for certain real estate shall not be applicable to

1 the calculation of a service charge for such real estate.

2 (d) Excess of tax.--Service charges shall not exceed the  
3 amount of tax which would be received on the assessed value were  
4 it not exempt.

5 (e) Classes of service charge.--Each municipality shall  
6 establish different classes of a municipal service charge to be  
7 levied depending upon the degree of use of municipal services  
8 the amount of public and charitable work that it does and other  
9 pertinent and relative factors that the municipality believes to  
10 be applicable.

11 (f) Exempt.--A municipal service charge shall not be levied  
12 against any actual place of worship or elementary or high school  
13 in the Commonwealth. Such places of worship and schools must  
14 provide religious or educational services on a regular basis.

15 Section 4. Assessment of real property of senior citizens.

16 (a) Senior citizens.--Funds derived from this act shall  
17 first be used to provide that the assessment of real property  
18 owned by a person 62 years of age or older, by a husband and  
19 wife where the principal wage earner is 62 years of age or  
20 older, or by a widow 55 years of age or older, shall not be  
21 increased so long as the real property is used by the owner or  
22 owners as the residence of such owner. In addition, millage  
23 increases shall be inapplicable to those qualifying under this  
24 section.

25 (b) Affidavit.--In order to qualify for the provisions of  
26 subsection (a), the owner or owners must file an affidavit with  
27 the board for the assessment and revision of taxes on a form  
28 prepared and supplied by each county, stating under oath that:

29 (1) Such person is the owner of record.

30 (2) The property is used as his or her residence.

1           (3) The address of the property, the municipality in  
2           which it is located, its lot and block and its present  
3           assessed valuation.

4           (4) Such person is 62 years of age or older, or if the  
5           property is owned by a husband and wife, that the principal  
6           wage earner is 62 years of age or older, or if a widow, that  
7           she is 55 years of age or older.

8           (5) The property in question is not rental property nor  
9           used in whole or in part for commercial purposes.

10          (6) Combined income, earned and unearned, does not  
11          exceed \$15,000 per year.

12          (c) Rental or commercial.--This section shall not apply to  
13          property used for rental or commercial purposes.

14          (d) Qualifying property.--The assessment of any property  
15          subject to this section shall not be increased so long as the  
16          owner and the subject property continue to qualify under the  
17          provisions of this section. It shall be the owner's obligation  
18          to renew the affidavit required in subsection (b) by notifying  
19          the board in writing each year that the property continues to  
20          qualify. Failure to file the yearly renewal shall terminate the  
21          assessment freeze.

22          (e) Reassessment.--When the property subject to this section  
23          is sold or passes by inheritance, the property shall be  
24          reassessed within six months in accordance with the standards  
25          and procedures applicable to other property in the municipality.  
26          Section 5. Action on dormant tax-exempt property.

27          All tax-levying jurisdictions shall have the ability to  
28          direct owners of dormant tax-exempt property to furnish them  
29          plans that provide for the development and utilization of the  
30          property for charitable and public use. If such plans are not

1 provided, the tax-levying body shall revoke the tax-exempt  
2 status of said property and shall levy and collect taxes at the  
3 current assessed value and millage rates of their jurisdiction.

4 Section 6. Applicability.

5 This act is applicable to land owned by all levels of  
6 government, including land owned by the Commonwealth.

7 Section 7. Effective date.

8 This act shall take effect in 90 days.