
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 445

Session of
1981

INTRODUCED BY PERZEL, GANNON, WOGAN, WESTON AND SALVATORE,
FEBRUARY 9, 1981

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 9, 1981

AN ACT

1 Authorizing economically disadvantaged senior citizens to defer
2 their property tax liabilities.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the "Senior
7 Citizens Property Tax Deferral Act."

8 Section 2. Declaration of policy.

9 In recognition of the severe economic plight of certain
10 senior citizens and permanently disabled persons with fixed and
11 limited income who own real property and who are faced with
12 rising living costs and constantly increasing property tax
13 burdens, and further in recognition that the State Lottery Fund
14 created by the act of August 26, 1971 (P.L.351, No.91), known as
15 the "State Lottery Law," does not generate sufficient revenue in
16 order to pay the full amount of percentage refunds of property
17 tax allowed by section 4(a) act of March 11, 1971 (P.L.104,

1 No.3), known as the "Senior Citizens Property Tax or Rent Rebate
2 and Older Persons Inflation Needs Act," but can only pay refunds
3 less than or equal to \$400, and in further recognition that
4 property tax millage increases, assessment ratio adjustments,
5 and reassessments can have devastating impacts on elderly
6 persons living on fixed incomes, therefore the General Assembly,
7 pursuant to section 2(b) of Article VIII, of the Constitution of
8 the Commonwealth of Pennsylvania, considers it to be a matter of
9 sound public policy to allow economically disadvantaged senior
10 citizens to defer their property tax liabilities and to remain
11 in peaceful possession of their homesteads.

12 Section 3. Eligible applicants.

13 All persons who meet the following eligibility requirements
14 shall be granted a tax deferral. To be eligible for a deferral
15 under this act, a claimant shall be:

16 (1) Sixty-five years of age or older or permanently
17 disabled and shall have a household income of less than
18 \$12,000.

19 (2) "Household income." All income, from whatever
20 source derived, received during a calendar year by the
21 claimant and by the claimant's spouse while residing in the
22 homestead. The term shall not include income from interest or
23 dividends.

24 Section 4. Tax deferral.

25 (a) Amount.--All persons who meet the eligibility
26 requirements contained herein shall be entitled to a real estate
27 tax deferral amounting to the lesser of the following:

28 (1) The increase in real property taxes in excess of the
29 claimant's "base payment".

30 (2) The total amount that a claimant, who is also

1 eligible and receives a rebate under the act of March 11,
2 1971 (P.L.104, No.3), known as the "Senior Citizens Property
3 Tax or Rent Rebate and Older Persons Inflation Needs Act,"
4 would be entitled to receive under that act were there no
5 maximum rebate, less such maximum.

6 No tax deferrals shall be granted if the total amount of
7 deferred taxes plus the total amount of all other unsatisfied
8 liens on the homestead of the claimant exceed 85% of the market
9 value of the homestead, or if the outstanding principle on the
10 primary mortgage financing on the homestead is an amount which
11 exceeds 70% of the market value of the homestead. "Market value"
12 shall equal assessed value divided by the ratio of assessed to
13 market value as most recently determined by the State Tax
14 Equalization Board for the school district in which the property
15 is located.

16 (b) Definitions.--For the purpose of this section the
17 following words and phrases shall have the meanings given to
18 them in this subsection:

19 "Base payment." The amount of property tax paid by the
20 claimant either in the tax year beginning January 1, 1981, or in
21 the first tax year during which the claimant or the claimant's
22 spouse first becomes eligible, whichever occurs later, on the
23 personal residence in which the claimant has maintained
24 continuous occupancy and ownership since either January 1, 1981,
25 or the date upon which either the claimant or the claimant's
26 spouse first became eligible. In the event the claimant
27 purchases a residence after January 1, 1981, or after the date
28 upon which either the claimant or the claimant's spouse first
29 become eligible, the base payment means property taxes paid
30 during the tax year in which the purchase was made.

1 "Increases in property taxes." The additional payments due
2 above the base amount, resulting from millage increases,
3 modifications in the assessment ratio, or assessment increase.

4 Section 5. Application procedure.

5 Any person eligible for tax deferrals under section 3 may
6 apply for such deferrals by filing with the taxing authorities
7 the following documents:

8 (1) A statement of request for tax deferrals.

9 (2) A certification that the claimant, the claimant's
10 spouse, or else the claimant and his or her spouse jointly
11 are the owners in fee simple of the residence upon which the
12 property taxes are imposed.

13 (3) A certification that the claimant's residence is
14 adequately insured to the extent of all outstanding liens.

15 (4) Receipts showing prompt payment of the current
16 year's property tax liability.

17 Section 6. Contents of application.

18 Forms distributed to claimants pursuant to section 5 shall:

19 (1) Clearly state the tax deferral granted pursuant to
20 this act is provided in exchange for a lien against the
21 homestead of the claimant.

22 (2) Explain the manner in which the deferred taxes shall
23 become due, payable, and delinquent.

24 Section 7. Attachment and satisfaction of liens.

25 (a) Nature of lien.--All taxes deferred pursuant to this act
26 shall constitute a prior lien on the homestead of the claimant
27 in favor of the taxing authority, and shall attach as of the
28 date and in the same manner and shall be collected as other
29 liens for taxes, but such deferred taxes shall only be due,
30 payable, and delinquent as provided in this act and no interest

1 shall be collected on the lien.

2 (b) Payment.--All or part of the deferred taxes may at any
3 time be paid to the taxing authority by:

4 (1) the owner of the property or the spouse of the
5 owner; or

6 (2) the next of kin of the owner, heir of the owner,
7 child of the owner, or any person having or claiming a legal
8 or equitable interest in the property, provided no objection
9 is made by the owner within 30 days after the tax collector
10 notifies the owner of the fact that such payment has been
11 tendered.

12 Section 8. Effective date.

13 This act shall take effect immediately and shall apply to tax
14 years beginning January 1, 1982.