
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 937 Session of
2007

INTRODUCED BY D. EVANS, BISHOP, PARKER, THOMAS, YOUNGBLOOD AND
JOSEPHS, MARCH 29, 2007

REFERRED TO COMMITTEE ON URBAN AFFAIRS, MARCH 29, 2007

AN ACT

1 Providing for property tax relief in cities of the first class.

2 The General Assembly of the Commonwealth of Pennsylvania

3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the County of the
6 First Class Homeowner Property Tax Relief Act.

7 Section 2. Definitions.

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

11 "Board." The board of revision of taxes in counties of the
12 first class.

13 "City." A city of the first class.

14 "Common level ratio." The ratio of assessed value to current
15 market value used generally in the county as last determined by
16 the State Tax Equalization Board under the act of June 27, 1947
17 (P.L.1046, No.447), referred to as the State Tax Equalization

1 Board Law.

2 "County." A county of the first class.

3 "Established predetermined ratio." The ratio of assessed
4 value to market value established by the board of revision of
5 taxes in counties of the first class and uniformly applied in
6 determining assessed value in any year.

7 "Governing body." The city council of a city of the first
8 class.

9 "Homestead." A dwelling, including the parcel of land on
10 which the dwelling is located and the other improvements located
11 on the parcel for which any of the following apply:

12 (1) The dwelling is primarily used as the domicile of an
13 owner who is a natural person. The homestead for real
14 property qualifying under this paragraph shall not include
15 the land on which the dwelling is located if the land is not
16 owned by a person who owns the dwelling.

17 (2) The dwelling is a unit in a condominium as the term
18 is defined in 68 Pa.C.S. § 3103 (relating to definitions) and
19 the unit is primarily used as the domicile of a natural
20 person who is an owner of the unit; or the dwelling is a unit
21 in a cooperative as the term is defined in 68 Pa.C.S. § 4103
22 (relating to definitions) and the unit is primarily used as
23 the domicile of a natural person who is an owner of the unit.
24 The homestead for a unit in a condominium or a cooperative
25 shall be limited to the assessed value of the unit, which
26 shall be determined in a manner consistent with the
27 assessment of real property taxes on those units under 68
28 Pa.C.S. (relating to real and personal property) or as
29 otherwise provided by law. If the unit is not separately
30 assessed for real property taxes, the homestead shall be a

1 pro rata share of the real property.

2 (3) The dwelling does not qualify under paragraph (1) or
3 (2) and a portion of the dwelling is used as the domicile of
4 an owner who is a natural person. The homestead for real
5 property qualifying under this paragraph shall be the portion
6 of the real property that is equal to the portion of the
7 dwelling that is used as the domicile of an owner.

8 "Homestead property." A homestead for which an application
9 has been submitted and approved under section 4.

10 "Median assessed value." The value which is the middle point
11 in the sequential distribution of assessed values, above and
12 below which exist an equal number of assessed values.

13 Section 3. Exclusion for homestead property.

14 (a) General rule.--After a countywide revision of assessment
15 or revaluation of real property at values based on a
16 predetermined ratio of no less than 100%, the governing body may
17 exclude from tax levied for city purposes a fixed dollar amount
18 of the assessed value of each homestead property in the county
19 consistent with section 5.

20 (b) Split rate taxes.--Where different millage rates are
21 applied to land and the improvements upon land, the exclusion
22 established under subsection (a) shall be applied first to the
23 value of the improvements, and the remainder of the exclusion,
24 if any, shall be applied to the value of the land.

25 (c) New construction.--The exclusion authorized under
26 subsection (a) for a dwelling constructed during the taxable
27 year and used as homestead property shall be prorated in a
28 manner consistent with the assessment of real property taxes on
29 that dwelling.

30 (d) Reassessment.--After a revision of assessments by means

1 of revaluing all properties, the governing body providing an
2 exclusion under this section shall adjust the amount of the
3 exclusion for homestead property as follows:

4 (1) if the assessment base is revised by applying a
5 change in the established predetermined ratio, the exclusion
6 for homestead property shall be adjusted by the percentage
7 change between the existing predetermined ratio and the newly
8 established predetermined ratio; or

9 (2) if the board performs a revision of assessments by
10 revaluing all properties and applying an established
11 predetermined ratio, the exclusion for homestead property
12 shall be adjusted by dividing the exclusion for homestead
13 property for the year preceding the revision of assessments
14 by the common level ratio and multiplying the quotient of
15 that calculation by the newly established predetermined
16 ratio.

17 Section 4. Administration and procedure.

18 (a) Application; determinations.--The owner or owners of
19 real property seeking to have property approved as homestead
20 property shall file an application with the board on the form
21 developed under section 6. Determinations with respect to the
22 qualification of all or a part of a parcel of real property as
23 homestead property shall be made by the board.

24 (b) Filing deadlines; renewal of application.--Applications
25 shall be filed with the board not later than March 1 of each
26 year. The board may adopt a schedule for review or reapplication
27 for real property previously approved as homestead property.

28 (c) Notice of applications and deadlines.--The board shall
29 provide sufficient notice to the public regarding the
30 availability of applications to designate real property as

1 homestead property and all filing deadlines. The board shall
2 make applications available at least 75 days before the filing
3 deadline.

4 (d) Denial of application.--The board shall provide to each
5 property owner whose application for approval as homestead
6 property is being denied in whole or in part a written notice of
7 denial by first class mail not later than 120 days after the
8 filing deadline. The notice shall include all reasons for
9 denial. Failure by the board to provide notice under this
10 subsection shall be deemed to be approval of the application.

11 (e) Appeals of board's decision.--An owner aggrieved by the
12 decision of the board may appeal to the board for a review of
13 the decision in a manner consistent with the provisions for
14 appeal of assessments under the applicable assessment law.
15 Appeals under this subsection shall be limited to whether the
16 application meets the requirements of subsections (a) and (b) or
17 whether the parcel for which the appeal is made meets the
18 definition of "homestead property."

19 (f) Other appeals.--Appeals regarding the assessed value of
20 real property under the applicable assessment law shall be based
21 on the assessed value of the real property before application of
22 the exclusions for homestead property. The issue of
23 qualification as homestead property shall not be raised in an
24 appeal except as provided in subsection (e).

25 (g) False or fraudulent applications.--The board may select,
26 randomly or otherwise, applications filed under subsection (a)
27 to review for false or fraudulent information.

28 (h) Penalties.--Any person who files an application under
29 subsection (a) which is false as to any material matter shall:

30 (1) pay any taxes which would have been due but for the

1 false application, plus simple interest computed at the rate
2 provided in section 806 of the act of April 9, 1929 (P.L.343,
3 No.176), known as The Fiscal Code;

4 (2) pay a penalty equal to 10% of the unpaid taxes
5 computed under paragraph (1); and

6 (3) upon conviction for filing an application under
7 subsection (a) which a person knows to be fraudulent, be
8 guilty of a misdemeanor of the third degree and be sentenced
9 to pay a fine not exceeding \$2,500.

10 (i) Reports.--At the same time as the board certifies the
11 tax duplicate, the board shall provide to the governing body
12 upon request and at no charge a certified report listing at
13 least all of the following information:

14 (1) The parcel number of each parcel which is approved,
15 in whole or in part, as homestead property.

16 (2) The assessed value of each parcel which is approved,
17 in whole or in part, as homestead property.

18 (3) The portion of the assessed value of each parcel
19 listed under paragraph (2) which is approved as homestead
20 property.

21 (4) The median assessed value of the homestead property
22 listed in paragraph (3).

23 The board may set reasonable fees for providing customized
24 reports or services not otherwise required under this act or
25 other applicable law.

26 (j) Notification on change of use.--

27 (1) A property owner whose property is approved as
28 homestead property and which property no longer qualifies as
29 homestead property shall notify the board within 45 days of
30 the date the property no longer qualifies as homestead

1 property. Failure to notify the board as required by this
2 subsection shall be treated in the same manner as a false
3 application under subsection (g).

4 (2) The recorder of deeds shall periodically provide to
5 the board a list of real property conveyance documents which
6 have been presented for recording. The list shall include the
7 name of the grantor and the address of the property. For the
8 purposes of this paragraph, the word "document" shall have
9 the meaning given to it under section 1101-C of the act of
10 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
11 1971.

12 Section 5. Limitations.

13 (a) Limit on exclusion.--In accordance with the limits
14 established on the exclusion for homestead property in Article
15 VIII of the Constitution of Pennsylvania, the governing body
16 shall not authorize an exclusion for homestead property in
17 excess of the amount which is one-half of the median assessed
18 value of homestead property in the county. The median assessed
19 value of homestead property shall be determined by the
20 information provided to the governing body under section 4(i).

21 (b) Prohibition.--Following implementation of a countywide
22 revision of assessment or revaluation of real property at values
23 based on a predetermined ratio of no less than 100%, the
24 governing body may not increase the millage rate of its tax on
25 real property to pay for the exclusion authorized by section 3.

26 Section 6. Uniform application.

27 An application form for use by the board under section 4(a)
28 shall be developed by the Department of Community and Economic
29 Development and published in the Pennsylvania Bulletin by
30 September 30, 2007.

1 Section 7. Effective date.

2 This act shall take effect in 60 days.