

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2192 Session of 2010

INTRODUCED BY SOLOBAY, BUXTON, CALTAGIRONE, DEASY, HORNAMAN,
SIPTROTH, THOMAS, WHITE AND YOUNGBLOOD, JANUARY 5, 2010

REFERRED TO COMMITTEE ON FINANCE, JANUARY 5, 2010

AN ACT

1 Amending the act of November 26, 1997 (P.L.508, No.55), entitled
2 "An act providing for the tax exemption of institutions of
3 purely public charity; exempting real property owned by
4 State-related universities or Federal Government
5 instrumentalities from taxation; providing for unfair
6 competition; imposing penalties; and making repeals," further
7 providing for legislative findings; and providing for the
8 definition of "governing body," for other contributions and
9 for partial property tax exemption.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 2(a) of the act of November 26, 1997
13 (P.L.508, No.55), known as the Institutions of Purely Public
14 Charity Act, is amended by adding a paragraph to read:

15 Section 2. Legislative intent.

16 (a) Findings.--The General Assembly finds and declares as
17 follows:

18 * * *

19 (8) It is necessary and proper for local governments to
20 have the option to ensure the continued viability of certain
21 essential services they provide or cause to be provided by

requiring a contribution from tax-exempt properties toward
the cost of the services.

* * *

Section 2. Section 3 of the act is amended by adding a
definition to read:

Section 3. Definitions.

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

* * *

"Governing body." Any city council, borough council,
incorporated town council, board of county commissioners or
their home rule successor in function, board of township
commissioners, board of township supervisors, governing council
of a home rule municipality or optional plan municipality or
governing council of a similar general purpose unit of
government which may be created by statute after the effective
date of this definition.

* * *

Section 3. The act is amended by adding a section to read:
Section 7.1. Other contributions.

(a) Authorization.--Notwithstanding any other provision of
law, in lieu of executing voluntary agreements under section 7,
the governing body of a municipality may, through ordinance or
resolution, impose the fees authorized under subsection (b) on
each property for which an exemption from real property tax is
claimed by an institution of purely public charity.

(b) Essential services fee.--The governing body of a
municipality may impose an essential services fee annually on
each property for which an exemption from real property tax is

1 claimed by an institution of purely public charity. The fee
2 shall not exceed the amount of tax that would be imposed on 25%
3 of the assessed value of the property on a parcel claimed to be
4 exempt, except that the fee shall not be imposed on the first
5 5,000 square feet of all structures, in the aggregate, on such a
6 parcel.

7 (c) Enactment of ordinance or resolution.--

8 (1) Prior to adopting the ordinance, the governing body
9 shall adopt a proposed ordinance which shall include all of
10 the following information:

11 (i) The content of the ordinance that will be
12 enacted, including the effective date.

13 (ii) A statement that the proposed ordinance is
14 being adopted pursuant to and subject to the requirements
15 of this section.

16 (2) The governing body shall make the proposed ordinance
17 available for public inspection at least 20 days prior to its
18 adoption and shall hold at least one public hearing on the
19 proposed ordinance prior to its adoption.

20 (3) The governing body must give public notice of its
21 intent to adopt the proposed ordinance. Publication of the
22 notice shall be made by advertisement once a week for three
23 weeks in a newspaper of general circulation within the
24 municipality if there is a newspaper of general circulation
25 and, if there is not, the publication shall be made in a
26 newspaper of general circulation within the county in which
27 the advertising municipality is located.

28 (d) Administration.--

29 (1) The governing body may adopt regulations regarding
30 the application process, calculation and payment of the

essential services fee and the enforcement of this section.

(2) The governing body shall develop a uniform form and instructions to be used by the municipality in imposing the essential services fee authorized under this section. The form shall require the applicant to do all of the following:

(i) Identify all properties claimed by the applicant to be tax exempt.

(ii) Provide the legal basis for the tax exemption for each property.

(iii) Provide a description of each property, including the total gross square footage of all structures thereon.

(e) Prohibition.--Nothing in this section shall be construed to permit a governing body to impose an essential service fee on any of the following:

(1) Property owned by the Commonwealth.

(2) Property owned by a political subdivision of the Commonwealth.

(3) Property owned by a Commonwealth or local authority.

(4) Property owned by police, fire, including volunteer fire and relief, public works or emergency services.

(5) Property owned by the Federal Government.

(f) Uniformity.--The essential services fee imposed under this section shall apply to all institutions of purely public charity owning tax-exempt property within the municipality to the extent the imposition would not conflict with subsection (g).

(g) Existing voluntary agreements.--Nothing in this section shall be construed to affect, impair, terminate or supersede any contract, agreement or other arrangement in effect on or before

1 the effective date of this section between an institution and a
2 political subdivision which authorizes or requires payment of
3 taxes, amounts in lieu of taxes or other charges or fees for the
4 services of a political subdivision.

5 Section 4. This act shall take effect in 60 days.