

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1462 Session of 2012

INTRODUCED BY FONTANA, COSTA, FERLO, BREWSTER, SOLOBAY, BOSCOLA,
HUGHES, KASUNIC, YUDICHAK, FARNESE AND TARTAGLIONE,
MAY 11, 2012

REFERRED TO FINANCE, MAY 11, 2012

AN ACT

1 Amending the act of July 28, 1953 (P.L.723, No.230), entitled,
2 as amended, "An act relating to counties of the second class
3 and second class A; amending, revising, consolidating and
4 changing the laws relating thereto," providing for second
5 class county real property assessment and tax elimination;
6 and imposing duties on the Department of Revenue.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The act of July 28, 1953 (P.L.723, No.230), known
10 as the Second Class County Code, is amended by adding an article
11 to read:

12 ARTICLE XIX-C

13 SECOND CLASS COUNTY REAL PROPERTY

14 ASSESSMENT AND TAX ELIMINATION

15 (a) Preliminary Provisions

16 Section 1901-C. Definitions.

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

1 "Business." An enterprise, activity, profession or any other
2 undertaking of an unincorporated nature conducted for profit or
3 ordinarily conducted for profit whether by a person,
4 partnership, association or any other entity.

5 "Corporation." A corporation or joint-stock association
6 organized under the laws of the United States, this
7 Commonwealth, or any other state, territory, foreign country or
8 dependency.

9 "County." A county of the second class.

10 "Department." The Department of Revenue of the Commonwealth.

11 "Earned income." Compensation as determined under section
12 303 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
13 Reform Code of 1971, and by regulations in 61 Pa. Code Pt. I
14 Subpt. B Art. V (relating to personal income tax), not
15 including, however, wages or compensation paid to individuals on
16 active military service. Employee business expenses are
17 allowable deductions as determined under Article III of the Tax
18 Reform Code of 1971. The amount of a housing allowance provided
19 to a member of the clergy may not be taxable as earned income.

20 "Fund." The Second Class County Sales, Use and Occupancy Tax
21 Fund established in section 1931-C.

22 "Governing body."

23 (1) The county council of a county.

24 (2) A city council, borough council, incorporated town
25 council, board of township commissioners, board of township
26 supervisors, governing council of a home rule municipality or
27 optional plan municipality or governing council of a similar
28 general purpose unit of government which may be created by
29 statute after the effective date of this definition and
30 located within a county.

1 (3) A board of school directors of a school district
2 located within a county.

3 "Income tax." A tax on earned income and net profits or a
4 tax on personal income imposed under subarticle (c).

5 "Local Tax Enabling Act." The act of December 31, 1965
6 (P.L.1257, No.511), known as The Local Tax Enabling Act.

7 "Net profits." The net income from the operation of a
8 business, profession or other activity, except corporations,
9 determined under section 303 of the act of March 4, 1971 (P.L.6,
10 No.2), known as the Tax Reform Code of 1971, and regulations in
11 61 Pa. Code Pt. I Subpt. B Art. V (relating to personal income
12 tax). The term does not include income which is not paid for
13 services provided and which is in the nature of earnings from an
14 investment. For taxpayers engaged in the business, profession or
15 activity of farming, the term does not include:

16 (1) Interest earnings generated from any monetary
17 accounts or investment instruments of the farming business.

18 (2) Gain on the sale of farm machinery.

19 (3) Gain on the sale of livestock held 12 months or more
20 for draft, breeding or dairy purposes.

21 (4) Gain on the sale of other capital assets of the
22 farm.

23 "Permanent improvements." Buildings, houses, garages, mobile
24 homes and similar structures connected to one or more of the
25 following utilities:

26 (1) electric;

27 (2) gas;

28 (3) water;

29 (4) sewer; or

30 (5) a similar utility.

1 "Personal income." Income enumerated in section 303 of the
2 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
3 of 1971, as determined by the Department of Revenue, subject to
4 correction for fraud, evasion or error as finally determined by
5 the Commonwealth.

6 "PICAA." The act of June 5, 1991 (P.L.9, No.6), known as the
7 Pennsylvania Intergovernmental Cooperation Authority Act for
8 Cities of the First Class.

9 "Political subdivision." A city, borough, township,
10 incorporated town or school district located within a county of
11 the second class.

12 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,
13 No.2), known as the Tax Reform Code of 1971.

14 "Taxpayer." An individual required under this article to pay
15 a tax.

16 "Taxpayer Relief Act." The act of June 27, 2006 (1st
17 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.

18 (b) Procedure for Eliminating Real
19 Property Assessments and Real Property Taxes
20 Section 1911-C. Elimination of real property assessments.

21 Notwithstanding any other provision of law, the governing
22 body of a county may elect to eliminate its real property
23 assessment system for the purpose of levying property taxes
24 within the county by enacting an ordinance in accordance with
25 section 1912-C.

26 Section 1912-C. Procedure.

27 (a) Deadline for passage.--A county that elects to pass the
28 ordinance authorized under section 1911-C shall enact the
29 ordinance by June 30 of the year prior to the year the
30 elimination of the property tax assessment system will take

1 effect.

2 (a.1) Advertisement of intention to adopt tax ordinance or
3 resolution.--Prior to the passage of any ordinance eliminating
4 the use of property tax assessments in the county pursuant to
5 section 1911-C, the governing body shall give notice of the
6 intention to pass the ordinance. The notice shall be given in
7 addition to all other notices required by law to be given and
8 shall set forth the substantial nature of the proposed ordinance
9 or resolution and the reason which, in the judgment of the
10 governing body of the county, necessitates the passage of the
11 ordinance. Publication of the notice shall be made by
12 advertisement once a week for three consecutive weeks in a
13 newspaper of general circulation within the county.

14 (b) Public hearings.--Prior to adopting an ordinance under
15 section 1911-C, the governing body shall hold at least three
16 public hearings on the proposal. The date, time and location of
17 the hearing shall be advertised in accordance with 65 Pa.C.S. §
18 709 (relating to public notice), and public participation in the
19 hearing shall be permitted in accordance with 65 Pa.C.S. § 710.1
20 (relating to public participation).

21 (c) Adoption of ordinance.--Adoption of the ordinance
22 authorized under section 1911-C shall be by majority vote of the
23 members of the governing body.

24 (d) Content of ordinance.--The ordinance eliminating the use
25 of real property assessments within the county shall be clear
26 and in language that is readily understandable by a layperson
27 and shall be in the following form:

28 Under the provisions of Article XIX-C of the Second Class
29 County Code relating to second class county property tax
30 elimination, the county of (insert name) hereby elects to

prohibit the use of real property assessments for purposes of valuing real property for taxation purposes within the county and to prohibit the imposition of a tax on real property by the county and each political subdivision within the county.

Section 1913-C. Alternative procedure.

(a) Referendum.--If the governing body elects not to adopt the ordinance authorized under section 1911-C in the manner prescribed in section 1912-C, the governing body or the voters of the county may propose the ordinance by petition for consideration of the voters of the county through a public referendum in the manner prescribed by the county home rule charter.

(b) Submittal of referendum.--

(1) If the governing body or the voters of the county petition for a referendum under subsection (a), the governing body of the county shall submit, at the next municipal election, a referendum question to the electors of the county school district seeking voter approval directing the county to prohibit the use of real property assessments for purposes of valuing real estate for taxation purposes within the county.

(2) The governing body shall submit the referendum question to the election officials of the county no later than 60 days prior to the municipal election. The election officials shall cause the referendum question to be submitted to the electors of the county in the manner prescribed by law.

(3) The referendum question shall state the nature of the question and advise the voter of the effect of passage of the question. The question shall be clear and in language

1 that is readily understandable by a layperson and shall be in
2 the following form:

3 Do you favor eliminating real property taxes in the
4 County of (insert name) and all political subdivisions
5 within the county by prohibiting the use of property
6 assessments to value real estate for taxation purposes?

7 (4) The election officials of the county shall, in
8 consultation with the governing body of the county, draft a
9 nonlegal interpretative statement which shall accompany the
10 referendum question in accordance with section 201.1 of the
11 act of June 3, 1937 (P.L.1333, No.320), known as the
12 Pennsylvania Election Code. The nonlegal interpretative
13 statement shall inform the voters that:

14 (i) Approving the referendum will result in the
15 elimination of the assessment of real property and the
16 imposition of real estate taxes within the county and
17 each political subdivision within the county.

18 (ii) The county and each political subdivision
19 within the county will be authorized to impose the taxes
20 or fees authorized under section 201.1 of the
21 Pennsylvania Election Code to replace the revenue lost by
22 eliminating real estate taxes.

23 (c) Majority approval.--Approval of the referendum shall be
24 by a majority of the electors voting on the question in the
25 county.

26 (d) Effective date.--If the referendum question is approved,
27 the governing body of the county and each political subdivision
28 within the county shall be prohibited from levying, assessing
29 and collecting real estate taxes beginning in the county's or
30 political subdivision's upcoming fiscal year.

1 (e) Election Code provisions.--Proceedings under this
2 section shall be in accordance with the provisions of the
3 Pennsylvania Election Code.

4 Section 1914-C. Effect of passage of ordinance; prohibition on
5 levying real estate taxes by county and political
6 subdivisions.

7 (a) General rule.--If the governing body of a county
8 eliminates its real property tax assessment system under section
9 1912-C or 1913-C, the following shall apply:

10 (1) The county and all political subdivisions within the
11 county shall be prohibited from levying any tax on real
12 estate within the territorial limits of its jurisdiction.

13 (2) The county shall be authorized to impose the
14 alternative taxes or fees established under subarticle (c).

15 (b) Construction.--Nothing under this section shall be
16 construed to prohibit a county or a political subdivision from
17 continuing to levy and collect a realty transfer tax in the
18 manner provided by law.

19 (c) Taxation and Other Revenue Sources

20 CHAPTER 1

21 ALTERNATIVE REVENUE SOURCES

22 Section 1921-C. Alternative revenue sources.

23 (a) Authorization.--If the governing body of a county
24 eliminates its real property tax assessment system under section
25 1912-C or 1913-C, the governing body of the county and the
26 governing body of each political subdivision within the county
27 shall be authorized to levy, assess and collect any of the
28 following within the taxing jurisdiction for purposes of
29 replacing lost revenue as a result of the elimination of real
30 estate taxes under section 1914-C:

1 (1) An earned income and net profits tax.

2 (2) A personal income tax.

3 (3) A sales and use tax.

4 (4) A fee per square foot on real property.

5 (5) Any tax authorized under the Local Tax Enabling Act.

6 (b) Initial limitation.--Notwithstanding any other provision
7 of law, the governing body of a county or a political
8 subdivision that for the first time levies any of the taxes or
9 fees authorized under subsection (a) shall be prohibited from
10 levying the taxes or fees at rates that in the aggregate exceed
11 100% of the amount of revenue raised from the imposition of real
12 estate taxes within the county or political subdivision in the
13 year in which the prohibition on levying property taxes was
14 imposed.

15 (c) Increases.--Increases to the rate of any tax or fee
16 authorized under subsection (a) shall be by a majority vote of
17 the governing body.

18 (d) Execution.--A tax or fee imposed under this section
19 shall take effect beginning on the first day of the fiscal year
20 which begins after the tax or fee is authorized. A tax or fee
21 imposed under this section shall continue in force on a fiscal
22 year basis without annual reenactment except in a year in which
23 the rate of the tax or fee is changed or the tax or fee is
24 repealed.

25 (e) Application.--The rate of any tax imposed by a county or
26 political subdivision under subsection (a) (1), (2), (3) or (5)
27 shall be in addition to any rate imposed by the county or
28 political subdivision on the effective date of this section.

29 (f) Local Tax Enabling Act.--A county or political
30 subdivision that elects to increase any tax currently imposed

under the Local Tax Enabling Act may not increase the tax by more than 100% of the current maximum tax rate authorized under the Local Tax Enabling Act.

CHAPTER 2

INCOME TAX

Section 1922-C. Income tax authorization.

A governing body or political subdivision may levy, assess and collect a tax on earned income and net profits or a tax on personal income.

Section 1923-C. Earned income and net profits tax.

(a) Authorization.--Subject to section 1921-C(b) and (c), a governing body or political subdivision may levy or increase a tax on earned income and net profits of a resident individual at a rate determined by the governing body or political subdivision.

(b) Administration.--An earned income and net profits tax shall be administered in accordance with the Local Tax Enabling Act.

Section 1924-C. Personal income tax.

(a) Authorization.--Subject to section 1921-C(b) and (c), a governing body or political subdivision may levy, assess and collect a tax on the personal income of a resident individual at a rate determined by the governing body or political subdivision.

(b) Requirements.--A governing body or political subdivision that levies the tax authorized under subsection (a) must comply with all of the following:

- (1) In a revenue-neutral manner, the governing body or political subdivision shall convert existing earned income and net profits tax rates levied pursuant to any other act to

1 a personal income tax rate.

2 (2) The governing body or political subdivision shall
3 round the rate of the personal income tax levied to the
4 nearest 0.1%.

5 (c) Limitation.--If a governing body or political
6 subdivision imposes the personal income tax, the governing body
7 or political subdivision may not impose an earned income and net
8 profits tax under section 1923-C or under any other act.

9 (d) Imposition.--The personal income tax shall be levied on
10 each of the classes of income as specified in section 303 of the
11 Tax Reform Code of 1971.

12 (e) Inspection.--Notwithstanding the provisions of the Tax
13 Reform Code, the department may permit a proper officer or an
14 authorized agent of a county imposing the personal income tax
15 to inspect the tax return of a resident individual. The
16 department may provide the officer or authorized agent with an
17 abstract of a tax return of a current or former resident
18 individual or supply information concerning an item of income
19 contained in the tax return. The officer or authorized agent
20 shall be provided with the requested information upon payment to
21 the department of the actual cost of providing the requested
22 information.

23 (f) Prohibition.--Except for official purposes,
24 notwithstanding any other provision of law, it shall be unlawful
25 for an officer or authorized agent of a county to do any of the
26 following:

27 (1) Disclose to an individual or entity information
28 concerning an amount or source of income, profits, losses or
29 expenditures contained in a return.

30 (2) Permit an individual or entity to view or examine

1 a return or copy of a return or a book containing an abstract
2 or particulars.

3 (3) Print information contained in or concerning a
4 return, including an amount or source of income, profits,
5 losses or expenditures.

6 (g) Penalties.--An officer or authorized agent of a governing
7 body or political subdivision who violates subsection (f) may be
8 subject to any of the following:

9 (1) A fine of not more than \$1,000 or imprisonment for
10 not more than one year, or both.

11 (2) Removal from office or discharge from employment.
12 Section 1925-C. Tax collector.

13 (a) Designation.--A county imposing an income tax under this
14 chapter shall use the tax officer designated under the Local Tax
15 Enabling Act as the tax collector. The tax collector shall have
16 all the same powers, rights, responsibilities and duties for the
17 collection of the taxes that may be imposed under the Local Tax
18 Enabling Act, 53 Pa.C.S. Ch. 84 Subch. C (relating to local
19 taxpayers bill of rights) or as otherwise provided by law.

20 (b) Conflict.--In a conflict involving the authority
21 conferred on the tax collector by the provisions of the Local
22 Tax Enabling Act and the Tax Reform Code of 1971, the provisions
23 of the Local Tax Enabling Act shall control.

24 Section 1926-C. Credits, exemptions and special provisions.

25 (a) Earned income and net profits tax.--

26 (1) The provisions of section 317 of the Local Tax
27 Enabling Act shall be applied by a county to determine
28 credits applicable to a tax imposed under section 1923-C.

29 (2) A county that imposes an earned income and net
30 profits tax authorized under section 1923-C may exempt from

1 payment of the tax a person whose total income is less than
2 \$12,000.

3 (b) Personal income tax.--Section 304 of the Tax Reform Code
4 of 1971 shall apply to a personal income tax levied by a
5 governing body or political subdivision under section 1924-C.
6 Section 1927-C. Regulations.

7 (a) Earned income and net profits.--A county or political
8 subdivision which imposes an earned income and net profits tax
9 under section 1923-C shall be subject to section 301.1 of the
10 Local Tax Enabling Act and may adopt procedures for the
11 processing of claims for credits or exemptions under section
12 1926-C(a) (1) or (2).

13 (b) Personal income.--A county or political subdivision
14 which imposes a personal income tax under section 1924-C shall
15 be subject to all regulations adopted under Article III of the
16 Tax Reform Code of 1971.

17 CHAPTER 3

18 SALES AND USE TAX

19 Section 1928-C. Sales and use tax and hotel occupancy tax
20 authorization.

21 Subject to section 1921-C(b) and (c), a county or political
22 subdivision may, by ordinance, levy and assess tax on the sale
23 or use of tangible personal property and services and the
24 occupancy of a hotel room at a rate determined by the governing
25 body.

26 Section 1929-C. Construction.

27 The tax under section 1928-C shall be in addition to any tax
28 imposed under:

29 (1) Article XXXI-B; or

30 (2) Article II of the Tax Reform Code of 1971.

1 Section 1930-C. Imposition.

2 (a) Sales.--

3 (1) The governing body of county or political
4 subdivision may levy and assess upon each separate sale at
5 retail of tangible personal property or services, as defined
6 in Article II of the Tax Reform Code of 1971, within the
7 boundaries of the county or political subdivision, a tax on
8 the purchase price.

9 (2) The tax shall be collected by the vendor from the
10 purchaser and shall be paid over to the Commonwealth as
11 provided in this chapter.

12 (b) Use.--

13 (1) In a county or political subdivision within which
14 the tax authorized in subsection (a) is imposed, there shall
15 be levied and assessed upon the use, within the county or
16 political subdivision, of tangible personal property
17 purchased at retail and on services purchased at retail, as
18 defined in Article II of the Tax Reform Code of 1971, a tax
19 on the purchase price.

20 (2) Except as set forth in paragraph (3), the tax shall
21 be paid over to the Commonwealth by the person who makes the
22 use.

23 (3) Paragraph (2) shall apply to a person that:

24 (i) paid the tax imposed by subsection (a); or

25 (ii) paid the tax imposed by this subsection to the
26 vendor with respect to the use.

27 (c) Occupancy.--

28 (1) In a county or political subdivision within which a
29 tax authorized by subsection (a) is imposed, there shall be
30 levied and assessed an excise tax on the rent upon every

1 occupancy of a room or rooms in a hotel in the county.

2 (2) The tax shall be collected by the operator or owner
3 from the occupant and paid over to the Commonwealth.

4 (d) Computation.--A tax imposed under this section shall be
5 computed in the manner set forth in section 503(e)(2) of PICAA.

6 (e) Situs.--The situs of sales at retail or uses shall be
7 determined in the manner specified by:

8 (1) section 504 of PICAA; and

9 (2) Article II-A of the Tax Reform Code of 1971.

10 (f) Licenses.--

11 (1) The license issued under Article II of the Tax
12 Reform Code of 1971 or a separate license for the collection
13 of the tax imposed by this chapter may be issued by the
14 department in the same manner as is provided for in section
15 505 of PICAA.

16 (2) Licensees shall be entitled to the same discount as
17 provided in section 227 of the Tax Reform Code of 1971.

18 (g) Regulations and collection costs.--

19 (1) The department shall administer and enforce the
20 provisions of this chapter. Regulations promulgated under
21 section 270 of the Tax Reform Code of 1971 shall be
22 applicable to the taxes imposed under this section insofar as
23 the regulations are consistent with this section.

24 (2) The department may promulgate and enforce
25 regulations consistent with the provisions of this chapter
26 relating to anything pertaining to the administration and
27 enforcement of this chapter.

28 (3) To cover their respective costs of administration,
29 the department and the Treasury Department shall be entitled
30 to retain a sum equal to costs of collection, but not more

1 than 1% and 0.5%, respectively, of the revenues collected
2 under this chapter. The department shall inform the counties
3 participating under this article monthly in writing of the
4 sum retained and the costs of collection reimbursed. When the
5 annual operating budgets for the department and the Treasury
6 Department are submitted to the General Assembly, each agency
7 shall also submit to the chairman and minority chairman of
8 the Appropriations Committee of the Senate and to the
9 chairman and minority chairman of the Appropriations
10 Committee of the House of Representatives the actual sums
11 retained for costs of collection in the preceding fiscal
12 year, together with all supporting details.

13 (h) Procedure.--

14 (1) The following apply to ordinances:

15 (i) A county or political subdivision desiring to
16 impose the tax authorized by this chapter must give at
17 least 45 days' written notice to each political
18 subdivision within the county of its intent to impose the
19 tax. The notice and ordinance must state the tax rate and
20 refer to this chapter. The ordinance must authorize the
21 imposition of the tax on all subjects provided for in
22 subsections (a), (b) and (c).

23 (ii) Prior to adopting an ordinance under
24 subparagraph (i), the governing body of a county or
25 political subdivision must give public notice of its
26 intent to adopt the ordinance in the manner provided by
27 section 306 of the Local Tax Enabling Act and must
28 conduct at least one public hearing regarding the
29 proposed adoption of the ordinance.

30 (iii) A county or political subdivision that elects

1 to impose the tax authorized in this section must adopt
2 an ordinance under this section by November 30 of the
3 year immediately preceding the year the tax will take
4 effect.

5 (iv) Certified copies of the county or political
6 subdivision ordinance shall be delivered to the
7 department and the municipalities within 15 days
8 following adoption of the ordinance.

9 CHAPTER 4

10 SECOND CLASS COUNTY

11 SALES, USE AND OCCUPANCY TAX FUND

12 Section 1931-C. Second Class County Sales, Use and Occupancy
13 Tax Fund.

14 (a) Establishment.--There is established in the State
15 Treasury the Second Class County Sales, Use and Occupancy Tax
16 Fund. Accounts shall be established within the fund for each
17 county or political subdivision levying a sales, use and
18 occupancy tax under this article.

19 (b) Deposit.--

20 (1) The tax, including interest and penalties and
21 excluding costs allowed under section 1930-C(g)(3), under
22 this subarticle shall be deposited into the fund.

23 (2) The deposit shall be credited to the separate
24 account of each county or political subdivision at least
25 every two weeks. This paragraph includes return under
26 subsection (c).

27 (c) Return.--Return on money in the fund shall be credited
28 to the fund.

29 (d) Nonlapse.--The money in the fund is continuously
30 appropriated into the fund. This appropriation shall not lapse

1 at the end of any fiscal year.

2 Section 1932-C. Disbursements.

3 Not later than the tenth business day following receipt from
4 the department of the necessary calculations, the State
5 Treasurer shall disburse to a county or political subdivision
6 imposing the tax under section 1923-C an amount of money equal
7 to 100% of the tax, minus allowable administrative costs,
8 deposited in the fund and credited to the county's or political
9 subdivision's account established under section 1931-C.

10 CHAPTER 5

11 FEE ON REAL PROPERTY SQUARE FOOTAGE

12 Section 1933-C. Fee on square footage.

13 (a) Authorization.--Subject to section 1921-C(b), the
14 governing body of a county or political subdivision may, through
15 ordinance or resolution, impose a fee on the total square
16 footage of real property and improvements on the real property
17 within the county or political subdivision.

18 (b) Determination of rate.--A county or political
19 subdivision shall determine the rate of a fee on square footage
20 by the following computation: The total area of all real estate
21 parcels in the county as measured in square footage, excluding
22 those parcels provided in subsection (d), shall be added to the
23 total square footage of all permanent improvements located on
24 each parcel of real property, and the sum of those two divided
25 by the average of all taxes paid on the value of that property
26 for the immediately preceding three-year period in the county.

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

28 (1) Prior to adopting an ordinance or resolution
29 imposing a levy under this section, the governing body of a
30 county or political subdivision shall adopt a proposed

1 ordinance or resolution that shall include all of the
2 following information:

3 (i) The content of the ordinance or resolution that
4 will be enacted, including the effective date.

5 (ii) A statement that the proposed ordinance or
6 resolution is being adopted pursuant to and subject to
7 the requirements of this article.

8 (2) The governing body of a county or political
9 subdivision shall make the proposed ordinance or resolution
10 available for public inspection at least 20 days prior to its
11 adoption and shall hold at least one public hearing on the
12 proposed ordinance or resolution prior to its adoption.

13 (3) The governing body of a county or political
14 subdivision shall give public notice of its intent to adopt
15 the proposed ordinance or resolution. Publication of the
16 notice shall be made by advertisement once a week for three
17 weeks in a newspaper of general circulation within the county
18 or political subdivision if there is a newspaper of general
19 circulation and, if there is not, the publication shall be
20 made in a newspaper of general circulation within the county
21 in which the advertising or political subdivision is located.

22 (d) Exceptions.--

23 (1) Nothing in this section may be construed to permit a
24 governing body of a county or political subdivision to impose
25 a levy pursuant to this section on any of the following:

26 (i) Property owned by the Commonwealth.

27 (ii) Property owned by a political subdivision of
28 the Commonwealth.

29 (iii) Property owned by the Commonwealth and local
30 authorities.

1 (iv) Property owned by a police department, fire
2 department, including volunteer fire and relief, public
3 works or emergency services.

4 (v) Property owned by the Federal Government.

5 (2) An ordinance authorizing a levy under this section
6 shall exempt from the fee the first \$200,000 of any levy on
7 property owned by an institution of purely public charity
8 unless otherwise adjusted by the governing body.

9 (e) Collection.--The time, manner and method of collection
10 of the fee imposed pursuant to this section shall be established
11 by the governing body.

12 (d) Special Provisions Relating
13 to School Districts
14 Section 1941-C. Taxpayer Relief Act.

15 (a) Applicability.--Chapter 3 of the Taxpayer Relief Act
16 shall not apply to a school district located in a county of the
17 second class that is prohibited from levying a tax on real
18 estate under this article.

19 (b) State property tax reduction allocation.--A school
20 district located in a county of the second class that received a
21 State property tax reduction allocation under Chapter 5 of the
22 Taxpayer Relief Act shall continue to receive a State property
23 tax reduction allocation in each subsequent year in an amount
24 equal to the amount received in the year prior to the year in
25 which the school district is prohibited from levying a tax on
26 real estate under this article. The governing body of the school
27 district shall include the revenue received under Chapter 5 of
28 the Taxpayer Relief Act in calculating the amount of revenues
29 needed by the school district to replace revenue lost by the
30 school district through eliminating real estate taxes as

1 required under section 1914-C.

2 Section 2. This act shall take effect in 60 days.