

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 682

Session of
1981

INTRODUCED BY BOWSER, HAYES, D. R. WRIGHT, DIETZ, BRANDT,
DOMBROWSKI, WILT, PUNT, LEVI, PETERSON, A. C. FOSTER, JR.,
STUBAN, DeVERTER, COLE, BURD, GEIST, CAPPABIANCA, WENGER,
DeWEESE, CALTAGIRONE, VROON, BITTLE, CIMINI, MERRY, SWIFT,
BOYES, MACKOWSKI, LEHR, GRIECO, ANDERSON, WASS, JOHNSON,
HONAMAN, NOYE, MILLER, ARMSTRONG, LIVENGOD, LETTERMAN,
PETRARCA, STEWART, GRUITZA, ZWIKL, RITTER, STEIGHNER,
VAN HORNE, TIGUE, BLAUM, CAWLEY, SIRIANNI, WOZNIAK, PHILLIPS,
DORR, TELEK, J. L. WRIGHT, SIEMINSKI AND LLOYD,
FEBRUARY 18, 1981

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 9, 1982

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," further providing for the definition of "utility
11 realty" ~~and~~, the payment of taxes AND EXCLUDING TRANSFERS TO
12 NATURE CONSERVANCIES FROM THE REALTY TRANSFER TAX. <—

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Clause (3) of section 1101-A and subsection (a)
16 of section 1104-A, act of March 4, 1971 (P.L.6, No.2), known as
17 the "Tax Reform Code of 1971," added July 4, 1979 (P.L.60,
18 No.27), are amended to read:

1 Section 1101-A. Definitions.--The following words, terms and
2 phrases when used in this article shall have the meaning
3 ascribed to them in this section, except where the context
4 clearly indicates a different meaning:

5 * * *

6 (3) "Utility realty." All lands, together with all
7 buildings, towers, smokestacks, dams, dikes, canals, cooling
8 towers, storage tanks, reactor structures, pump houses,
9 supporting foundations, enclosing structures, supporting
10 structures, containment structures, reactor containment outer
11 shells, reactor containment vessels, turbine buildings, recovery
12 tanks, solid waste area enclosures, primary auxiliary buildings,
13 containment auxiliary safeguard structures, fuel buildings,
14 decontamination buildings, and, all other structures and
15 enclosures whatsoever which are physically affixed to the land,
16 no matter how such structures and enclosures are designated and
17 without regard to the classification thereof for local real
18 estate taxation purposes, but not including machinery and
19 equipment, whether or not housed within such building, structure
20 or enclosure, located within this Commonwealth and owned by a
21 public utility either directly or by or through a subsidiary,
22 which are used or are in the course of development or
23 construction for use, in the furnishing, including producing,
24 storing, distributing or transporting, of public utility service
25 and which are not subject to local real estate taxation under
26 any law in effect on April 23, 1968: Provided, however, That the
27 following specified items shall be exempt from the tax hereby
28 imposed:

29 (i) Easements or similar interests.

30 (ii) Railroad rights-of-way and superstructures thereon.

(iii) Pole, transmission tower, pipe, rail or other lines whether or not said lines are attached to the land or to any structure or enclosure which is physically affixed to the land.

(iv) All lands, together with all buildings, dams, dikes, canals, pump houses, supporting structures, supporting foundations, turbine buildings and all other structures and enclosures whatsoever which are physically affixed to the land, no matter how such structures and enclosures are designated and without regard to the classification thereof for local real estate taxation purposes which are used or useful in the furnishing, including producing, storing, distributing or transporting, of hydroelectric power and energy: Provided, however, That the exemptions under this subclause shall not apply to items and lands which on the effective date of this act were used to furnish hydroelectric power and energy; and that the exemptions under this subclause shall commence in the first year in which the item or land is used and useful in furnishing hydroelectric power and energy, and shall remain in effect for a period of ten consecutive years thereafter.

* * *

Section 1104-A. Effect of Payment; Additional Assessment.--

(a) Payment of, or any exemption, created as the result of this act, from the tax imposed by the act of March 10, 1970 (P.L.168, No.66), known as the "Public Utility Realty Tax Act," or section 1102-A, or section 1103-A, and the distribution to local taxing authorities prescribed by section 1107-A, shall be in lieu of local taxes upon utility realty, as contemplated by Article VIII, section 4, of the Constitution of Pennsylvania: Provided, That in exempting the tax imposed by this article, the Commonwealth shall reimburse local taxing authorities for

1 property taxes foregone by this act.

2 * * * SECTION 2. THE DEFINITION OF "DOCUMENT" IN SECTION <—
3 1101-C OF THE ACT, ADDED MAY 5, 1981 (P.L.36, NO.14), IS AMENDED
4 TO READ:

5 SECTION 1101-C. DEFINITIONS.--THE FOLLOWING WORDS WHEN USED
6 IN THIS ARTICLE SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS
7 SECTION, EXCEPT IN THOSE INSTANCES WHERE THE CONTEXT CLEARLY
8 INDICATES A DIFFERENT MEANING:

9 * * *

10 "DOCUMENT." ANY DEED, INSTRUMENT OR WRITING WHEREBY ANY
11 LANDS, TENEMENTS OR HEREDITAMENTS WITHIN THIS COMMONWEALTH OR
12 ANY INTEREST THEREIN SHALL BE QUITCLAIMED, GRANTED, BARGAINED,
13 SOLD, OR OTHERWISE CONVEYED TO THE GRANTEE, PURCHASER, OR ANY
14 OTHER PERSON, BUT DOES NOT INCLUDE WILLS, MORTGAGES, TRANSFERS
15 BETWEEN CORPORATIONS OPERATING HOUSING PROJECTS PURSUANT TO THE
16 HOUSING AND REDEVELOPMENT ASSISTANCE LAW AND THE SHAREHOLDERS
17 THEREOF, TRANSFERS BETWEEN NONPROFIT INDUSTRIAL DEVELOPMENT
18 AGENCIES AND INDUSTRIAL CORPORATIONS PURCHASING FROM THEM, ANY
19 TRANSFERS TO NONPROFIT INDUSTRIAL DEVELOPMENT AGENCIES,
20 TRANSFERS TO A NATURE CONSERVANCY OR SIMILAR ORGANIZATION WHICH
21 POSSESSES A TAX-EXEMPT STATUS PURSUANT TO SECTION 501(C)(3) OF
22 THE INTERNAL REVENUE CODE, AND WHICH HAS AS ITS PRIMARY PURPOSE
23 THE PRESERVATION OF LAND FOR HISTORIC, RECREATIONAL, SCENIC,
24 AGRICULTURAL OR OPEN SPACE OPPORTUNITIES, AND TRANSFERS BETWEEN
25 HUSBAND AND WIFE, TRANSFERS BETWEEN PERSONS WHO WERE PREVIOUSLY
26 HUSBAND AND WIFE BUT WHO HAVE SINCE BEEN DIVORCED PROVIDED SUCH
27 TRANSFER IS MADE WITHIN THREE MONTHS OF THE DATE OF THE GRANTING
28 OF THE FINAL DECREE IN DIVORCE, OR THE DECREE OF EQUITABLE
29 DISTRIBUTION OF MARITAL PROPERTY, WHICHEVER IS LATER, AND THE
30 PROPERTY OR INTEREST THEREIN SUBJECT TO SUCH TRANSFER WAS

1 ACQUIRED BY THE HUSBAND AND WIFE OR HUSBAND OR WIFE PRIOR TO THE
2 GRANTING OF THE FINAL DECREE IN DIVORCE, TRANSFERS BETWEEN
3 PARENT AND CHILD OR THE SPOUSE OF SUCH A CHILD OR BETWEEN PARENT
4 AND TRUSTEE FOR THE BENEFIT OF A CHILD OR THE SPOUSE OF SUCH
5 CHILD, TRANSFERS BETWEEN A GRANDPARENT AND GRANDCHILD OR THE
6 SPOUSE OF SUCH GRANDCHILD, BY AND BETWEEN A PRINCIPAL AND STRAW
7 PARTY FOR THE PURPOSE OF PLACING A MORTGAGE OR GROUND RENT UPON
8 THE PREMISES, CORRECTIONAL DEEDS WITHOUT CONSIDERATION,
9 TRANSFERS TO THE UNITED STATES, THE COMMONWEALTH OF
10 PENNSYLVANIA, OR TO ANY OF THEIR INSTRUMENTALITIES, AGENCIES OR
11 POLITICAL SUBDIVISIONS, BY GIFT, DEDICATION OR DEED IN LIEU OF
12 CONDEMNATION, OR DEED OF CONFIRMATION IN CONNECTION WITH
13 CONDEMNATION PROCEEDINGS, OR RECONVEYANCE BY THE CONDEMNING BODY
14 OF THE PROPERTY CONDEMNED TO THE OWNER OF RECORD AT THE TIME OF
15 CONDEMNATION WHICH RECONVEYANCE MAY INCLUDE PROPERTY LINE
16 ADJUSTMENTS PROVIDED SAID RECONVEYANCE IS MADE WITHIN ONE YEAR
17 FROM THE DATE OF CONDEMNATION, LEASES, A CONVEYANCE TO A TRUSTEE
18 UNDER A RECORDED TRUST AGREEMENT FOR THE EXPRESS PURPOSE OF
19 HOLDING TITLE IN TRUST AS SECURITY FOR A DEBT CONTRACTED AT THE
20 TIME OF THE CONVEYANCE UNDER WHICH THE TRUSTEE IS NOT THE LENDER
21 AND REQUIRING THE TRUSTEE TO MAKE RECONVEYANCE TO THE GRANTOR-
22 BORROWER UPON THE REPAYMENT OF THE DEBT, OR A TRANSFER BY THE
23 OWNER OF PREVIOUSLY OCCUPIED RESIDENTIAL PREMISES TO A BUILDER
24 OF NEW RESIDENTIAL PREMISES WHEN SUCH PREVIOUSLY OCCUPIED
25 RESIDENTIAL PREMISES IS TAKEN IN TRADE BY SUCH BUILDER AS PART
26 OF THE CONSIDERATION FROM THE PURCHASER OF A NEW PREVIOUSLY
27 UNOCCUPIED RESIDENTIAL PREMISES OR ANY TRANSFER FROM A PURCHASE
28 MONEY MORTGAGOR TO THE VENDOR HOLDING THE PURCHASE MONEY
29 MORTGAGE WHETHER PURSUANT TO A FORECLOSURE OR IN LIEU THEREOF,
30 OR CONVEYANCES TO MUNICIPALITIES, TOWNSHIPS, SCHOOL DISTRICTS

1 AND COUNTIES PURSUANT TO ACQUISITION BY MUNICIPALITIES,
2 TOWNSHIPS, SCHOOL DISTRICTS AND COUNTIES OF TAX DELINQUENT
3 PROPERTIES AT SHERIFF SALE OR TAX CLAIM BUREAU, OR ANY TRANSFER
4 BETWEEN RELIGIOUS ORGANIZATIONS OR OTHER BODIES OR PERSONS
5 HOLDING TITLE TO REAL ESTATE FOR A RELIGIOUS ORGANIZATION IF
6 SUCH REAL ESTATE IS NOT BEING OR HAS NOT BEEN USED BY SUCH
7 TRANSFEROR FOR COMMERCIAL PURPOSES, OR IN ANY SHERIFF SALE
8 INSTITUTED BY A MORTGAGEE IN WHICH THE PURCHASER OF SAID SHERIFF
9 SALE IS THE MORTGAGEE WHO INSTITUTED SAID SALE.

10 * * *

11 Section ~~2~~ 3. This act shall take effect in 60 days.

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