

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1921 Session of 1985

INTRODUCED BY MAYERNIK, TRELLO, MARKOSEK, J. L. WRIGHT, ANGSTADT, JOHNSON, HALUSKA, TELEK, NAHILL, LEVDANSKY, SIRIANNI, STABACK, BUNT, COY, MERRY, PISTELLA, COWELL, HOWLETT, BELARDI, SEMMEL AND HERMAN, NOVEMBER 20, 1985

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JANUARY 28, 1986

AN ACT

1 Empowering certain local taxing authorities to provide
2 exemptions from taxation for certain improvements made to
3 certain unimproved residential property.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the New Home
8 Construction Local Tax Abatement Act.

9 Section 2. Construction.

10 This act shall be construed to authorize local taxing
11 authorities to exempt improvement to certain unimproved
12 residential property implementing section 2(b)(iv) of Article
13 VIII of the Constitution of Pennsylvania.

14 Section 3. Definitions.

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

1 "Improvement." The erection or construction of one or more
2 residential buildings in compliance with laws, ordinances or
3 regulations governing such actions.

4 "Local taxing authority." A county, city, borough,
5 incorporated town, township, school district or home rule
6 municipality having authority to levy real property taxes.

7 "Municipal governing body." A city, borough, incorporated
8 town, township or home rule municipality.

9 "Unimproved residential property." Any unimproved real
10 estate owned by an individual, association, corporation or
11 governmental entity located in this Commonwealth, which is or
12 may be zoned, in accordance with the provisions of the act of
13 July 31, 1968 (P.L.805, No.247), known as the Pennsylvania
14 Municipalities Planning Code, for residential use.

15 Section 4. New residential construction.

16 (a) Power to grant exemptions.--Each local taxing authority
17 may, by ordinance or resolution, exempt from real property
18 taxation the assessed valuation of improvements to unimproved
19 residential property in the amounts and in accordance with the
20 provisions and limitations set forth in this act. Prior to the
21 adoption of the ordinance or resolution authorizing the granting
22 of tax exemptions, ~~the municipal governing body by ordinance or~~ <—
23 ~~resolution shall affix the boundaries of the unimproved~~
24 ~~residential property or properties wholly or partially located~~
25 ~~within its jurisdiction for which the tax exemption shall be~~
26 ~~available.~~ The THE municipal governing body shall conduct at <—
27 least one public hearing for the purpose of ~~determining the~~ <—
28 ~~boundaries~~ DISCUSSION OF THE PROVISIONS OF THE ORDINANCE, <—

29 INCLUDING, BUT NOT LIMITED TO, THE ABATEMENT PERIOD AND THE
30 EXEMPTION SCHEDULE. At the public hearing, local taxing

1 authorities, planning commissioners, redevelopment authorities,
2 and other public and private agencies, individuals, associations
3 and corporations which are knowledgeable and interested in the
4 improvement of unimproved residential property shall present
5 their recommendations. ~~concerning the location of boundaries of~~ <—
6 ~~the unimproved residential property or properties for the~~
7 ~~guidance of the municipal governing bodies.~~ The ordinance or
8 resolution adopted by a local taxing authority shall specify a <—
9 description of the boundaries of the unimproved residential
10 property or properties as determined by the municipal governing
11 body, the cost of improvements per dwelling unit to be exempted,
12 and the schedule of taxes exempted.

13 (b) Cooperation between municipalities.--Two or more
14 municipal governing bodies may join together for the purpose of
15 ~~determining the boundaries of the unimproved residential~~ <—
16 ~~property and to establish the uniform maximum cost per dwelling~~
17 ~~unit, and the municipal governing bodies shall cooperate fully~~
18 ~~with each other for the purposes of implementing~~ this act. The
19 local taxing authorities may, by implementing ordinance or
20 resolution, agree to adopt tax exemptions contingent upon the
21 similar adoption by an adjacent local taxing authority or by a
22 local taxing authority with mutual jurisdiction, within the
23 limitations provided herein.

24 (c) Limitation.--In the event a local taxing authority
25 enacts an abatement ordinance under section 4(a) of this act and
26 subsequently amends the ordinance to shorten the abatement
27 period provided for in the original or latest version of the
28 ordinance, the taxing authority shall not reduce the abatement
29 period for those property owners eligible for and participating
30 in the previously enacted abatement program. In the event a

1 local taxing authority enacts an abatement ordinance under
2 section 4(a) of this act and subsequently amends the ordinance
3 to extend the abatement period provided for in the original or
4 latest version of the ordinance, the taxing authority may extend
5 the abatement period for those property owners eligible for and
6 participating in the previously enacted abatement program:
7 Provided, however, That in no case shall the original period
8 plus the extension result in an abatement period that exceeds
9 two years.

10 Section 5. Exemption schedule.

11 (a) Amount of exemption.--A local taxing authority granting
12 a tax exemption pursuant to this act may provide for tax
13 exemption on the assessment attributable to the actual cost of
14 improvements or up to any maximum cost uniformly established by
15 the local taxing authority. The maximum cost shall apply
16 uniformly to all eligible unimproved residential property within
17 the local taxing authority jurisdiction.

18 (b) Schedule of taxes.--Whether or not the assessment
19 eligible for exemption is based upon actual cost or a maximum
20 cost, the actual amount of taxes exempted shall be in accordance
21 with the schedule of taxes exempted established by the local
22 taxing authority, subject to the following limitations:

23 (1) The length of the schedule of taxes exempted, which
24 shall be known as the abatement period, shall not exceed two
25 years.

26 (2) The schedule of taxes exempted shall stipulate the
27 portion of improvements to be exempted each year.

28 (3) The exemption from taxes shall be limited to the
29 additional assessment valuation attributable to the actual
30 cost of improvements to the property or not in excess of the

1 maximum cost per unit established by the local taxing
2 authority.

3 Section 6. Procedure for obtaining an exemption.

4 (a) Notification.--Any person desiring tax exemption,
5 pursuant to ordinances or resolutions adopted pursuant to this
6 act, shall notify each local taxing authority granting the
7 exemption on a form provided by the local taxing authority. The
8 form shall be submitted at the time the person desiring tax
9 exemption secures the building permit, or if no building permit
10 or other notification of improvement is required, at the time
11 the person commences construction. A copy of the exemption
12 request shall be forwarded to the Board of Assessment and
13 Revision of Taxes or other appropriate assessment agency. The
14 assessment agency shall, after completion of the improvement,
15 assess separately the improvement and calculate the amounts of
16 the assessment eligible for tax exemption in accordance with the
17 limits established by the local taxing authorities and notify
18 the taxpayer and local taxing authorities of the reassessment
19 and the amounts of the assessment eligible for exemption.
20 Appeals from the reassessment and the amounts eligible for the
21 exemption may be taken by the taxpayer or the local taxing
22 authorities as provided by law.

23 (b) Application of changes.--Except as may be authorized in
24 section 4(c), the cost of improvements to be exempted and the
25 schedule of taxes exempted existing at the time of the
26 submission of the form as provided in subsection (a) shall be
27 applicable to that exemption request.

28 Section 7. Effective date.

29 This act shall take effect immediately.