
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 290 Session of
1995

INTRODUCED BY WOZNIAK, VAN HORNE, DALEY, CIVERA, TRELLO,
READSHAW, ROONEY AND LAUGHLIN, JANUARY 25, 1995

REFERRED TO COMMITTEE ON FINANCE, JANUARY 25, 1995

AN ACT

1 Providing for the levy of a municipal service charge on tax-
2 exempt property for the benefit of certain municipalities.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Municipal
7 Service Charge Act.

8 Section 2. Legislative findings.

9 The General Assembly finds and declares as follows:

10 (1) Tax-exempt property is one of the most important
11 problems facing local governments because tax-exempt
12 properties pay no taxes, and they do utilize certain local
13 government services.

14 (2) As a result of property tax exemptions, local
15 governments' property tax bases have eroded.

16 (3) There is much concern about tax-exempt property in
17 this Commonwealth's municipalities.

1 Section 3. Definitions.

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

5 "Assessed value." The current assessed value of real
6 property as certified by the chief assessor of the county.

7 "Board." The county commissioners, board of revision of
8 taxes or board for the assessment and revision of taxes.

9 "Chief assessor." The chief assessor of each county.

10 "Department." The Department of Community Affairs of the
11 Commonwealth.

12 "Local tax collector." The appropriate municipal officer
13 authorized to collect real property taxes.

14 "Municipal service charge." The charge authorized by this
15 act to be imposed by municipalities on otherwise tax-exempt
16 property within their jurisdiction.

17 "Municipal services." Essential governmental services
18 provided by municipalities necessary for public health and
19 safety, including, but not limited to, police and fire
20 protection, public utilities and the maintenance of streets and
21 highways. The term shall not include user fees or user charges
22 imposed by a municipality or an authority.

23 "Municipality." A city, borough, incorporated town or
24 township, including a city, borough, incorporated town or
25 township that has adopted a home rule charter or optional plan
26 of government under the act of April 13, 1972 (P.L.184, No.62),
27 known as the Home Rule Charter and Optional Plans Law.

28 "Person." Any individual, firm, partnership, association,
29 company, corporation, organization or any other group.

30 "Tax-exempt property." Real property exempted by the

1 applicable assessment laws from the payment of real property
2 taxes on all or a part of a parcel of real estate. As used in
3 this act for the purposes of subjecting real property to a
4 municipal service charge, the term shall not include real
5 property owned by:

6 (1) the Federal Government, its instrumentalities and
7 agencies;

8 (2) the Commonwealth of Pennsylvania and its political
9 subdivisions and their instrumentalities and agencies;

10 (3) churches, including actual places of worship and
11 buildings in which classes or schools are operated for
12 school-aged children under the authority of a religious
13 institution; or

14 (4) corporations or unincorporated associations governed
15 by the act of June 11, 1968 (P.L.149, No.84), known as the
16 Volunteer Firefighter's Relief Association Act.

17 "Tax liability." The amount of taxes on tax-exempt property
18 that would be due and owing a municipality if the property were
19 not tax exempt.

20 Section 4. Municipal service charge levied.

21 A municipality may levy a municipal service charge by millage
22 in an amount determined pursuant to section 5 on the assessed
23 value of all tax-exempt property within its taxing jurisdiction
24 in this Commonwealth. The municipal service charge shall be
25 payable to the municipality or municipalities in which the real
26 property is located and shall be credited to the municipality's
27 general fund. Revenues from the municipal service charge shall
28 be used by the municipality to offset its expenses in providing
29 municipal services. This municipal service charge shall be in
30 addition to and not in lieu of user fees or user charges imposed

1 by a municipality or an authority.

2 Section 5. Computation of municipal service charge.

3 The municipal service charge authorized under section 4 shall
4 be levied annually at a rate to be determined by the governing
5 body of the municipality; however, the rate shall not exceed 25%
6 of the tax liability of the assessed property if it were
7 taxable.

8 Section 6. Collection.

9 The municipal service charge authorized under this act shall
10 be collected by the local tax collector at the same time and in
11 the same manner as are municipal real property taxes. Any person
12 failing to pay the municipal service charge authorized under
13 this act shall be subject to all the same statutory interest,
14 penalties, liens and other remedies which are imposed by or
15 available to municipalities for the nonpayment of municipal real
16 property taxes.

17 Section 7. Assessment of tax-exempt property.

18 All tax-exempt property shall be assessed in the same manner
19 as is taxable property in the various counties of this
20 Commonwealth. The chief assessor shall prepare and submit to the
21 appropriate board an assessment roll of tax-exempt property,
22 together with the value placed on each parcel or tract of such
23 real property.

24 Section 8. Revisions and notice.

25 Upon receipt of the roll of tax-exempt property and the
26 assessed value of such property, the board shall review the same
27 and may revise the assessed values assigned and may examine the
28 chief assessor's determination as to the tax-exempt status of
29 any real property. Upon the conclusion of its review, the board
30 shall send written notice of its determination to the owners of

1 each parcel or tract of real property for which tax exemption
2 was applied.

3 Section 9. Appeal.

4 Any person aggrieved by either the assessment or the board's
5 determination as to the tax-exempt status of any real property
6 shall have the same right to appeal as any person aggrieved by
7 the board's decision as to any taxable property under the
8 applicable assessment law.

9 Section 10. Department duties.

10 The department may promulgate such regulations as may be
11 necessary for the implementation and administration of this act.
12 The department shall keep a record of all tax-exempt property in
13 the Commonwealth together with a record of its assessed value.
14 The chief assessor of each county shall annually supply this
15 information to the department.

16 Section 11. Applicability of municipal service charge.

17 No municipal service charge shall be collected before January
18 1, 1996.

19 Section 12. Effective date.

20 This act shall take effect in 90 days.