

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 641 Session of 2017

INTRODUCED BY GROVE, SCHWEYER, JAMES, BARRAR, DeLUCA, ZIMMERMAN, NEILSON, MENTZER, PHILLIPS-HILL, GILLEN AND WHEELAND, FEBRUARY 27, 2017

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 10, 2017

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in assessments of persons and
3 property, providing for senior property tax freeze.

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

6 Section 1. Chapter 85 of Title 53 of the Pennsylvania
7 Consolidated Statutes is amended by adding a subchapter to read:

8 SUBCHAPTER G

9 SENIOR PROPERTY TAX FREEZE

10 Sec.

11 8591. Scope of subchapter.

12 8592. Definitions.

13 8593. Authority.

14 8594. Income eligibility.

15 8595. Tax freeze.

16 8596. Application procedure.

17 8597. Contents of application PROGRAM PERFORMANCE AND ANNUAL



1 revaluing of all properties.

2 § 8593. Authority.

3 All political subdivisions shall have the power and authority  
4 to grant annual tax freezes in the manner provided in this  
5 subchapter.

6 § 8594. Income eligibility.

7 A claimant shall be eligible for a tax freeze under ~~section~~ <--  
8 ~~8595 (relating to tax freeze)~~ THIS SUBCHAPTER if the claimant <--  
9 and the claimant's spouse have a household income not exceeding  
10 \$60,000 annually.

11 § 8595. Tax freeze.

12 ~~(a) Amount.~~ A claimant shall have all REAL property taxes <--  
13 frozen at the claimant's base year amount for as long as the  
14 claimant remains eligible under this subchapter. ~~Real property~~ <--  
15 taxes under this subchapter shall include all school, municipal  
16 and county taxes.

17 ~~(b) Prohibition.~~ No tax freeze shall be granted if the  
18 total amount of deferred taxes plus the total amount of all  
19 other unsatisfied liens on the homestead of the claimant plus  
20 the outstanding principal on any and all mortgages on the  
21 homestead exceeds 85% of the market value of the homestead or if  
22 the outstanding principal on any and all mortgages on the  
23 homestead exceeds 70% of the market value of the homestead.  
24 Market value shall equal assessed value divided by the common  
25 level ratio as most recently determined by the State Tax  
26 Equalization Board for the county in which the property is  
27 located.

28 § 8596. Application procedure.

29 (a) Initial application.--Any person eligible for a tax  
30 freeze under this subchapter may apply annually to a political

1 subdivision. In the initial year of application, the following  
2 information shall be provided in the application provided under  
3 subsection (e) (B): <--

4 (1) A statement of request for the tax freeze. <--

5 (2) A certification that the applicant or the  
6 applicant's spouse jointly are the owners in fee simple of  
7 the homestead upon which the real property taxes are imposed.

8 (3) A certification that the applicant's homestead is  
9 adequately insured under a homeowner's policy to the extent  
10 of all outstanding liens.

11 (4) Receipts showing timely payment of the immediately  
12 preceding year's nondeferred real property tax liability.

13 (5) Proof of income eligibility under section 8574  
14 (relating to income eligibility).

15 (6) Other information required by the political  
16 subdivision.

17 (b) Subsequent years. After the political subdivision  
18 authorizes a claimant's initial application, the claimant shall  
19 remain eligible for a tax freeze in subsequent years so long as  
20 the claimant continues to meet the eligibility requirements of  
21 this subchapter.

22 (c) Application form. The Department of Community and  
23 Economic Development shall promulgate a standardized application  
24 form for use by political subdivisions. The department shall  
25 publish the application form in the Pennsylvania Bulletin.

26 § 8597. Contents of application.

27 The application for a tax freeze distributed to persons shall  
28 contain the following:

29 (1) A statement that the tax freeze granted under this  
30 subchapter is provided in exchange for a lien against the

1 ~~homestead of the applicant.~~

2 ~~(2) An explanation of the manner in which the frozen~~  
3 ~~taxes shall become due, payable and delinquent and include,~~  
4 ~~at a minimum, the consequences of noncompliance with the~~  
5 ~~provisions of this subchapter.~~

6 ~~§ 8598. Attachment and satisfaction of liens.~~

7 ~~(a) Nature of lien. All taxes deferred under this~~  
8 ~~subchapter shall constitute a prior lien on the homestead of the~~  
9 ~~claimant in favor of a political subdivision and shall attach as~~  
10 ~~of the date and in the same manner as other real estate tax~~  
11 ~~liens. The deferred taxes shall be collected as other real~~  
12 ~~estate tax liens, but the deferred taxes shall be due, payable~~  
13 ~~and delinquent only as provided in subsection (b).~~

14 ~~(b) Payment.~~

15 ~~(1) All or part of the deferred taxes may at any time be~~  
16 ~~paid to the political subdivision.~~

17 ~~(2) In the event that the deferred taxes are not paid by~~  
18 ~~the claimant or the claimant's spouse during his or her~~  
19 ~~lifetime or during their continued ownership of the~~  
20 ~~homestead, the deferred taxes shall be paid either:~~

21 ~~(i) prior to the conveyance of the homestead to any~~  
22 ~~third party; or~~

23 ~~(ii) prior to the passing of the legal or equitable~~  
24 ~~title, either by will or by statute, to the heirs of the~~  
25 ~~claimant or the claimant's spouse.~~

26 ~~(3) The surviving spouse of a claimant shall not be~~  
27 ~~required to pay the deferred taxes by reason of his or her~~  
28 ~~acquisition of the homestead due to death of the claimant as~~  
29 ~~long as the surviving spouse maintains domicile in the~~  
30 ~~property. The surviving spouse may continue to apply for a~~

1 ~~tax freeze in subsequent years provided the surviving spouse~~  
2 ~~is eligible under the provisions of this subchapter.~~

3 (1) A CERTIFICATION THAT THE APPLICANT OR THE <--  
4 APPLICANT'S SPOUSE JOINTLY ARE THE OWNERS IN FEE SIMPLE OF  
5 THE HOMESTEAD UPON WHICH THE REAL PROPERTY TAXES ARE IMPOSED.

6 (2) RECEIPTS SHOWING TIMELY PAYMENT OF THE IMMEDIATELY  
7 PRECEDING YEAR'S BASE PAYMENT OF REAL PROPERTY TAXES.

8 (3) PROOF OF INCOME ELIGIBILITY UNDER SECTION 8594  
9 (RELATING TO INCOME ELIGIBILITY).

10 (4) OTHER INFORMATION REQUIRED BY THE POLITICAL  
11 SUBDIVISION FOR THE PURPOSE OF COMPLYING WITH SECTION 8597(C)  
12 (RELATING TO PROGRAM PERFORMANCE AND ANNUAL REPORT).

13 (B) APPLICATION FORM.--THE DEPARTMENT SHALL PROMULGATE A  
14 STANDARDIZED APPLICATION FORM FOR USE BY POLITICAL SUBDIVISIONS.  
15 THE APPLICATION FORM SHALL BE SUBSTANTIALLY SIMILAR TO THE  
16 APPLICATION FORM FOR PROPERTY TAX OR RENT REBATE CLAIMS UNDER  
17 CHAPTER 13 OF THE ACT OF JUNE 27, 2006 (1ST SP.SESS., P.L.1873,  
18 NO.1), KNOWN AS THE TAXPAYER RELIEF ACT. THE DEPARTMENT SHALL  
19 PUBLISH THE APPLICATION FORM IN THE PENNSYLVANIA BULLETIN AND  
20 TRANSMIT THE APPLICATION TO POLITICAL SUBDIVISIONS UPON REQUEST.  
21 THE DEPARTMENT MAY POST THE APPLICATION ON A PUBLICLY ACCESSIBLE  
22 INTERNET WEBSITE.

23 (C) SUBSEQUENT YEARS.--AFTER THE POLITICAL SUBDIVISION  
24 AUTHORIZES A CLAIMANT'S INITIAL APPLICATION, THE CLAIMANT SHALL  
25 REMAIN ELIGIBLE FOR A TAX FREEZE IN SUBSEQUENT YEARS SO LONG AS  
26 THE CLAIMANT ANNUALLY REFILES THE APPLICATION WITH THE POLITICAL  
27 SUBDIVISION SHOWING THAT THE CLAIMANT CONTINUES TO MEET THE  
28 ELIGIBILITY REQUIREMENTS OF THIS SUBCHAPTER.

29 § 8597. PROGRAM PERFORMANCE AND ANNUAL REPORT.

30 (A) DUTIES OF DEPARTMENT.--THE DEPARTMENT SHALL HAVE THE

1 FOLLOWING DUTIES:

2 (1) COMPILING A LIST OF HOW MANY POLITICAL SUBDIVISIONS  
3 GRANT A TAX FREEZE UNDER THIS SUBCHAPTER.

4 (2) COMPILING THE AGGREGATE NUMBER OF INDIVIDUALS  
5 GRANTED A TAX FREEZE IN EACH POLITICAL SUBDIVISION THAT  
6 GRANTS A TAX FREEZE UNDER THIS SUBCHAPTER.

7 (3) CALCULATING THE DIFFERENCE BETWEEN THE TOTAL AMOUNT  
8 OF REAL PROPERTY TAXES PAYABLE BY THE INDIVIDUALS GRANTED A  
9 TAX FREEZE UNDER THIS SUBCHAPTER AND THE TOTAL AMOUNT OF REAL  
10 PROPERTY TAXES THAT WOULD HAVE BEEN PAYABLE BY THOSE  
11 INDIVIDUALS BUT FOR THE TAX FREEZE.

12 (4) PUBLISHING AN ANNUAL REPORT WITH THE INFORMATION  
13 UNDER PARAGRAPHS (1), (2) AND (3) AND POSTING THE ANNUAL  
14 REPORT ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET  
15 WEBSITE.

16 (B) COSTS.--THE DEPARTMENT SHALL COLLECT THE INFORMATION  
17 UNDER SUBSECTION (A) IN A MANNER AS TO MINIMIZE THE COSTS AND  
18 ADMINISTRATIVE REQUIREMENTS ON POLITICAL SUBDIVISIONS.

19 (C) DUTIES OF POLITICAL SUBDIVISIONS.--

20 (1) A POLITICAL SUBDIVISION WHICH HAS GRANTED A TAX  
21 FREEZE UNDER THIS SUBCHAPTER SHALL NOTIFY THE DEPARTMENT IN  
22 WRITING AND ASSIST THE DEPARTMENT IN COMPILING THE  
23 INFORMATION UNDER SUBSECTION (A).

24 (2) THE REPORTING REQUIREMENTS AS PRESCRIBED UNDER THIS  
25 SUBSECTION MAY BE SUBMITTED ELECTRONICALLY TO THE DEPARTMENT.

26 § 8598. REPORT AND EXPIRATION.

27 (A) REPORT.--THE DEPARTMENT SHALL SUBMIT A REPORT WITH THE  
28 INFORMATION UNDER SECTION 8597(A) (1), (2) AND (3) (RELATING TO  
29 PROGRAM PERFORMANCE AND ANNUAL REPORT) AND ANY OTHER RELEVANT  
30 INFORMATION TO THE GENERAL ASSEMBLY BEFORE JANUARY 1, 2027, FOR

1 THE PURPOSE OF REVIEWING THE ELIGIBILITY CRITERIA AND  
2 EFFECTIVENESS OF THE TAX FREEZE UNDER THIS SUBCHAPTER.

3 (B) EXPIRATION.--THIS SUBCHAPTER SHALL EXPIRE JANUARY 1,  
4 2028.

5 SECTION 2. IF ANY PROVISION OF THIS ACT OR THE APPLICATION  
6 THEREOF TO ANY PERSON OR CIRCUMSTANCES IS HELD INVALID, SUCH  
7 INVALIDITY SHALL NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF  
8 THE ACT WHICH CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION  
9 OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS ACT ARE  
10 DECLARED TO BE SEVERABLE.

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

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