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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 150

Session of  
1971

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INTRODUCED BY LAMB, ARLENE, MURPHY, WOOD, WADE, GERHART,  
STAUFFER, McCREESH, CONFAIR AND STAPLETON, JANUARY 26, 1971

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REFERRED TO LOCAL GOVERNMENT, JANUARY 26, 1971

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AN ACT

1 Authorizing local taxing authorities to provide for tax  
2 exemption for certain improvements to deteriorated dwellings;  
3 providing for an exemption schedule and other limitations.

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

6 Section 1. Construction.--This act shall be construed to  
7 authorize local taxing authorities to exempt improvements to  
8 certain deteriorated residential property thereby implementing  
9 clause (iii) of subsection (b) of section 2 of Article VIII of  
10 the Constitution of Pennsylvania.

11 Section 2. Definitions.--As used in this act: (1)

12 "Deteriorated property" means a dwelling unit located in a  
13 deteriorated neighborhood, as hereinafter provided, or a  
14 dwelling unit which has been or upon request is certified by  
15 a health, housing or building inspection agency as unfit for  
16 human habitation for rent withholding, or other health or  
17 welfare purposes, or has been the subject of an order by such  
18 an agency requiring the unit to be vacated, condemned or

demolished by reason of noncompliance with laws, ordinances or regulations.

(2) "Dwelling unit" means, unless otherwise defined in the ordinance or resolution providing for tax exemption, a house, apartment, or group of rooms intended for occupancy as separate living quarters by family or other groups or a person living alone, containing a kitchen or cooking equipment for the exclusive use of the occupants.

(3) "Improvement" means repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a structure so that it becomes habitable or attains higher standards of housing safety, health or amenity, or is brought into compliance with laws, ordinances or regulations governing housing standards; ordinary upkeep and maintenance shall not be deemed an improvement.

(4) "Local taxing authority" means a county, city, borough, incorporated town, township or school district having authority to levy real property taxes.

Section 3. Deteriorated Neighborhoods; Procedures.--(a)  
Each local taxing authority may by ordinance or resolution exempt from real property taxation the assessed valuation of improvements to deteriorated properties in the amounts and in accordance with the schedules and limitations hereinafter provided. Prior to the adoption of the ordinance or resolution authorizing the granting of tax exemptions, the local taxing authority shall affix the boundaries of a deteriorated neighborhood or neighborhoods, wholly or partially located within its jurisdiction, if any. At least one public hearing shall be held by the local taxing authority for the purpose of determining said boundaries. At the public hearing the planning

1 commission or redevelopment authority and other public and  
2 private agencies and individuals, knowledgeable and interested  
3 in the improvement of deteriorated neighborhoods, shall present  
4 their recommendations concerning the location of boundaries of a  
5 deteriorated neighborhood or neighborhoods for the guidance of  
6 the local taxing authorities, such recommendations taking into  
7 account the criteria set forth in the act of May 24, 1945  
8 (P.L.991), known as the "Urban Redevelopment Law," for the  
9 determination of "blighted areas," and the criteria set forth in  
10 the act of November 29, 1967 (P.L.636), known as the  
11 "Neighborhood Assistance Act," for the determination of  
12 "impoverished areas," and the following criteria: unsafe,  
13 unsanitary and overcrowded buildings; vacant, overgrown and  
14 unsightly lots of ground; a disproportionate number of tax  
15 delinquent properties; excessive land coverage, defective design  
16 or arrangement of buildings, street or lot layouts; economically  
17 and socially undesirable land uses. The ordinance shall specify  
18 a description of each such neighborhood as determined by the  
19 local taxing authority, as well as the cost of improvements per  
20 dwelling unit to be exempted, and the schedule of taxes exempted  
21 as hereinafter provided.

22 (b) Two or more local taxing authorities may join together  
23 for the purpose of determining the boundaries of a deteriorated  
24 neighborhood, and such local taxing authorities shall cooperate  
25 fully with each other for the purposes of implementing this act.  
26 The local taxing authorities may by implementing ordinance or  
27 resolution agree to adopt tax exemptions contingent upon the  
28 similar adoption by an adjacent or conterminous local taxing  
29 authority, within the limitations provided herein.

30 Section 4. Exemption Schedules; Maximum Exemption.--(a) A

1 local taxing authority granting a tax exemption pursuant to the  
2 provisions of this act may provide for tax exemption on the  
3 assessment attributable to the actual cost of improvements up to  
4 the maximum cost per dwelling unit herein specified or up to any  
5 lesser multiple of one thousand dollars (\$1,000). If a local  
6 taxing authority by ordinance or resolution specifies a lesser  
7 cost than the maximum provided by this act, such amount shall  
8 not be increased by any subsequent ordinance or resolution for a  
9 period of two years, nor shall the schedule of taxes exempted be  
10 changed for such period. Whether or not the assessment eligible  
11 for exemption is based upon a maximum cost or a lesser cost, the  
12 actual amount of taxes exempted shall be in accordance with one  
13 of the following schedules:

14 (1) For the first year for which improvements would  
15 otherwise be taxable, one hundred per cent of the eligible  
16 assessment shall be exempted; for the second year, ninety per  
17 cent of the eligible assessment shall be exempted; for the third  
18 through tenth years, eighty, seventy, sixty, fifty, forty,  
19 thirty, twenty, and ten per cent, respectively, of the eligible  
20 assessment shall be exempted; after the tenth year, the  
21 exemption shall terminate, or

22 (2) For the first year for which improvements would  
23 otherwise be taxable, one hundred per cent of the eligible  
24 assessment shall be exempted; for the second year, eighty per  
25 cent of the eligible assessment shall be exempted; for the third  
26 through fifth years, sixty, forty, and twenty per cent,  
27 respectively, of the eligible assessment shall be exempted;  
28 after the fifth year, the exemption shall terminate.

29 (b) The exemption from taxes shall be limited to the  
30 additional assessment valuation attributable to the actual costs

1 of improvements to deteriorated property not in excess of the  
2 maximum cost per dwelling unit specified herein. The maximum  
3 cost shall be ten thousand dollars (\$10,000) per dwelling unit  
4 for improvements constructed during 1971. Maximum cost for  
5 improvements constructed during each year thereafter shall be  
6 the maximum cost for the preceding year multiplied by the ratio  
7 of the United States Bureau of the Census New One-Family Houses  
8 Price Index for the current year to such index for the preceding  
9 year. The date of the construction shall be the date of issuance  
10 of the building permit, improvement record or other required  
11 notification of construction. No tax exemption shall be granted  
12 under the provisions of this act for any improvements to any  
13 dwelling unit in excess of the maximum cost specified above.

14 (c) The exemption from taxes authorized by this act shall be  
15 upon the property exempted and shall not terminate upon the sale  
16 or exchange of the property, unless otherwise provided in this  
17 act.

18 Section 5. Nonrecognition for Other Purposes of Increased  
19 Assessed Valuation.--If a deteriorated property is granted tax  
20 exemption pursuant to this act, the improvement shall not during  
21 the exemption period be considered as a factor in assessing  
22 other properties.

23 Section 6. Procedure for Obtaining Exemption.--Any person  
24 desiring tax exemption pursuant to ordinances or resolutions  
25 adopted pursuant to this act, shall notify each local taxing  
26 authority granting such exemption in writing on a form provided  
27 by it submitted at the time he secures the building permit, or  
28 if no building permit or other notification of improvement is  
29 required, at the time he commences construction. A copy of the  
30 exemption request shall be forwarded to the board of assessment

1 and revision of taxes or other appropriate assessment agency.  
2 The assessment agency shall, after completion of the  
3 improvement, assess separately the improvement and calculate the  
4 amounts of the assessment eligible for tax exemption in  
5 accordance with the limits established by the local taxing  
6 authorities and notify the taxpayer and the taxing authorities  
7 of the reassessment and amounts of the assessment eligible for  
8 exemption. Appeals from the reassessment and the amounts  
9 eligible for the exemption may be taken by the taxpayer or the  
10 local taxing authorities as provided by law.

11 The cost of improvements per dwelling unit to be exempted and  
12 the schedule of taxes exempted existing at the time of the  
13 initial request for tax exemption shall be applicable to that  
14 exemption request, and subsequent amendments to the ordinance,  
15 if any, shall not apply to requests initiated prior to their  
16 adoption.

17 Section 7. This act shall take effect January 1, 1971.