

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No. 642 Session of  
1985

---

Report of the Committee of Conference

---

To the Members of the Senate and House of Representatives:

We, the undersigned, Committee of Conference on the part of the Senate and House of Representatives for the purpose of considering Senate Bill No. 642, entitled:

~~"An act providing for a community services block grant program and further providing for powers and duties of the Department of Community Affairs."~~

AMENDING THE ACT OF MARCH 28, 1986 (P.L.75, NO.25), ENTITLED 'AN ACT PROVIDING FOR GRANTS TO PERSONS FOR PROPERTY DAMAGED OR DESTROYED BY TORNADO OR FLOOD; \* \* \*, ' \* \* \* AND MAKING AN APPROPRIATION APPROPRIATIONS TO THE GOVERNOR AND THE PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY FOR DISASTER RELIEF AND FOR ALLOCATIONS TO VARIOUS MUNICIPALITIES IN WESTMORELAND, SOMERSET AND FAYETTE COUNTIES FOR REIMBURSEMENT FOR FLOOD DAMAGES, "

respectfully submit the following bill as our report:

RICHARD A. TILGHMAN

JOHN STAUFFER

H. CRAIG LEWIS

(Committee on the part of the Senate.)

WILLIAM R. LLOYD, JR.

RICHARD J. CESSAR

(Committee on the part of the House of Representatives.)

AN ACT

1 Amending the act of March 28, 1986 (P.L.75, No.25), entitled "An  
2 act providing for grants to persons for property damaged or  
3 destroyed by tornado or flood; establishing the basis for the  
4 grants; and making an appropriation," extending the  
5 provisions of this act to certain disasters occurring in  
6 calendar years 1984 and 1986; providing a moratorium on  
7 certain assessments; and making appropriations to the  
8 Governor and the Pennsylvania Emergency Management Agency for  
9 disaster relief and for allocations to various municipalities  
10 in Westmoreland, Somerset and Fayette Counties for  
11 reimbursement for flood damages.

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

14 Section 1. The title and sections 1, 2 and 3 of the act of  
15 March 28, 1986 (P.L.75, No.25), entitled "An act providing for  
16 grants to persons for property damaged or destroyed by tornado  
17 or flood; establishing the basis for the grants; and making an  
18 appropriation," item vetoed in part, are amended to read:

19 AN ACT

20 Providing for grants to persons for property damaged or  
21 destroyed by tornado or flood; establishing the basis for the  
22 grants and tax moratoria; and making [an appropriation]  
23 appropriations.

24 Section 1. [Power to administer emergency funds to disaster-  
25 stricken counties.

26 (a) The General Assembly hereby finds and declares that:

27 (1) During 1985, tornadoes and flooding occurred in  
28 several counties of this Commonwealth, causing substantial  
29 damages, in excess of \$60,000,000, to private homes, in  
30 addition to the damage to businesses, industry and public  
31 facilities.

32 (2) Federal emergency declarations designated certain  
33 areas as eligible for emergency relief.

1           (3) The combination of private insurance and Federal  
2       grants and loans for private homeowners provides insufficient  
3       compensation for their losses.

4           (4) Because many of the victims of these disasters  
5       reside in areas which prior to the disaster were economically  
6       distressed, and because their losses are inadequately  
7       covered, it is in the public interest pursuant to section 17  
8       of Article VIII of the Constitution of Pennsylvania to  
9       provide additional aid to private homeowners to supplement  
10      the compensation which they receive from private insurance  
11      and the Federal Government.

12      (b) An applicant's request for funding shall be subject to  
13      the following evaluation:

14           (1) Upon receipt and approval of a sworn application by  
15      any homeowner for nonbusiness or nonfarm real or personal  
16      property damaged or destroyed in a declared disaster during  
17      1985, the Department of Public Welfare may make an individual  
18      homeowner grant to cover a portion of the adjusted loss.

19           (2) The adjusted loss shall be the total eligible loss  
20      minus any amount received by or due the applicant from  
21      private insurance and Federal or State grants and shall not  
22      include any insurance deductible paid by the homeowner.

23           (3) Total eligible loss shall be any loss from damage to  
24      an owner-occupied primary residence, and any loss from damage  
25      to personal property, including clothing, household  
26      furnishings and appliances. Eligible loss shall not include  
27      any item used principally for recreational purposes.

28           (4) Homeowners whose household 1985 income does not  
29      exceed 300% of the 1985 poverty income guidelines shall be  
30      eligible to participate in this grant program. The homeowner,

1 in order to be eligible for this program, must have  
2 registered at a disaster assistance center, unless  
3 extenuating circumstances prevented him or her from doing so.  
4 Extenuating circumstances shall be determined on an  
5 individual basis.

6 (5) The amount of the grant shall be determined in  
7 accordance with the following schedule:

8 (i) 75% of the first \$5,000 of adjusted loss.

9 (ii) 50% of the second \$5,000 of adjusted loss.

10 (iii) 10% of the remaining adjusted loss.

11 (iv) No grant shall exceed \$12,500.

12 (c) If the real property was condemned under eminent domain  
13 proceedings and where the measure of damage is calculated under  
14 section 602 of the act of June 22, 1964 (Sp.Sess., P.L.84,  
15 No.6), known as the Eminent Domain Code, the property owner  
16 shall not be eligible for a grant under subsection (b) for  
17 property for which compensation is granted in the eminent domain  
18 proceedings.

19 (d) The Department of Public Welfare shall administer the  
20 program in the following manner:

21 (1) All grants under this act shall be administered by  
22 the Department of Public Welfare in prompt fashion.

23 (2) Applications shall be available to disaster victims  
24 within 60 days of the effective date of this act.

25 (3) If sufficient funds are not allocated under this  
26 act, distribution of the grants shall be on a pro rata basis.

27 (4) The Department of Public Welfare may promulgate  
28 rules and regulations necessary to carry out the provisions  
29 of this act.

30 (e) The sum of \$15,000,000, or as much thereof as may be

1 necessary, is hereby appropriated to the Department of Public  
2 Welfare for the purposes of this act. Notwithstanding the  
3 provisions of any other act to the contrary, the funds hereby  
4 appropriated shall not lapse until June 30, 1987.

5 (f) A person making a false claim under the provisions of  
6 this act shall be subject to a penalty in the amount of three  
7 times the amount of the grant with interest of 6% from the date  
8 of the grant. This penalty may be enforced by the Commonwealth  
9 in an assumpsit action and collected in the manner that other  
10 debts due and owing the Commonwealth are collected.

11 Section 2. Rules and regulations.

12 In order to facilitate the speedy implementation of the  
13 program, the Department of Public Welfare shall have the power  
14 and authority to promulgate and adopt and use regulations that  
15 shall be published in the Pennsylvania Bulletin. The regulations  
16 shall not be subject to review pursuant to the act of June 25,  
17 1982 (P.L.633, No.181), known as the Regulatory Review Act.

18 Section 3. Effective date.

19 This act shall take effect immediately and shall apply  
20 retroactively to all disasters for which the Presidential  
21 Declaration was issued in calendar year 1985.]

22 Legislative intent.

23 The General Assembly hereby finds and declares that:

24 (1) During August 1984, during 1985 and during 1986,  
25 tornadoes and flooding occurred in several counties of this  
26 Commonwealth, causing substantial damages, in excess of  
27 \$60,000,000, to private homes, in addition to the damage to  
28 businesses, industry and public facilities.

29 (2) Federal emergency declarations designated certain  
30 areas as eligible for emergency relief.

1       (3) The combination of private insurance and Federal  
2       grants and loans for private homeowners and persons renting  
3       the homes in which they reside provides insufficient  
4       compensation for their losses.

5       (4) Because many of the victims of these disasters  
6       reside in areas which prior to the disaster were economically  
7       distressed, and because their losses are inadequately  
8       covered, it is in the public interest pursuant to section 17  
9       of Article VIII of the Constitution of Pennsylvania to  
10       provide additional aid to private homeowners and persons  
11       renting the homes in which they reside to supplement the  
12       compensation which they receive from private insurance and  
13       the Federal Government.

14 Section 2. Emergency funds to disaster-stricken counties.

15       (a) Program.--The Department of Public Welfare shall  
16       administer a program which provides emergency funds to residents  
17       of counties stricken by the disastrous floods and tornadoes of  
18       1984, 1985 and 1986 which were the subject of Federal emergency  
19       declarations.

20       (b) Eligibility.--An applicant's request for funding shall  
21       be subject to the following evaluation:

22               (1) Upon receipt and approval of a sworn application by  
23               any homeowner for nonbusiness or nonfarm real property  
24               damaged or destroyed, or any homeowner or tenant of premises  
25               he rents as his primary residence for personal property  
26               damaged or destroyed, in a declared disaster during 1984,  
27               1985 or 1986, the Department of Public Welfare may make an  
28               individual grant to cover a portion of the adjusted loss.

29               (2) The adjusted loss shall be the total eligible loss  
30               minus any amount received by or due the applicant from

1 private insurance and Federal or State grants and shall not  
2 include any insurance deductible paid by the applicant.

3 (3) Total eligible loss shall be any loss from damage to  
4 an owner-occupied primary residence, and any loss from damage  
5 to personal property, including clothing, household  
6 furnishings and appliances incurred by a homeowner in his  
7 owner-occupied primary residence or incurred by a tenant in  
8 premises he rents as a primary residence. Eligible loss shall  
9 not include any item used principally for recreational  
10 purposes.

11 (4) Applicants whose household 1985 income does not  
12 exceed 300% of the 1985 poverty income guidelines shall be  
13 eligible to participate in this grant program. The applicant,  
14 in order to be eligible for this program by reason of a loss  
15 in a declared disaster during 1984, 1985 or 1986, must have  
16 registered at a disaster assistance center, unless  
17 extenuating circumstances prevented him or her from doing so.  
18 Extenuating circumstances shall be determined on an  
19 individual basis.

20 (5) The amount of the grant shall be determined in  
21 accordance with the following schedule:

22 (i) 75% of the first \$5,000 of adjusted loss.

23 (ii) 50% of the second \$5,000 of adjusted loss.

24 (iii) 10% of the remaining adjusted loss.

25 (iv) No grant shall exceed \$12,500.

26 (c) Limitation on eligibility.--If the real property was  
27 condemned under eminent domain proceedings and where the measure  
28 of damage is calculated under section 602 of the act of June 22,  
29 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain Code,  
30 the property owner shall not be eligible for a grant under

1 subsection (b) for property for which compensation is granted in  
2 the eminent domain proceedings.

3 (d) Administration.--The Department of Public Welfare shall  
4 administer the program in the following manner:

5 (1) All grants under this act shall be administered by  
6 the Department of Public Welfare in prompt fashion.

7 (2) Applications shall be available to disaster victims  
8 within 60 days of the effective date of this act.

9 (3) If sufficient funds are not allocated under this  
10 act, distribution of the grants shall be on a pro rata basis.

11 (e) Rules and regulations.--In order to facilitate the  
12 speedy implementation of the program, the Department of Public  
13 Welfare shall have the power and authority to promulgate and  
14 adopt and use regulations that shall be published in the  
15 Pennsylvania Bulletin. The regulations shall not be subject to  
16 review pursuant to the act of June 25, 1982 (P.L.633, No.181),  
17 known as the Regulatory Review Act.

18 (f) Penalty.--A person making a false claim under the  
19 provisions of this act shall be subject to a penalty in the  
20 amount of three times the amount of the grant with interest of  
21 6% from the date of the grant. This penalty may be enforced by  
22 the Commonwealth in an assumpsit action and collected in the  
23 manner that other debts due and owing the Commonwealth are  
24 collected.

25 (g) Appropriation.--The sum of \$15,000,000, or as much  
26 thereof as may be necessary, is hereby appropriated to the  
27 Department of Public Welfare for the purposes of this act.  
28 Notwithstanding the provisions of any other act to the contrary,  
29 the funds hereby appropriated shall not lapse: Provided,  
30 however, That any of the funds remaining unexpended or



1 uncommitted after July 1, 1987, shall be used and are hereby  
2 appropriated for use by the Department of Public Welfare to  
3 reimburse municipalities for documented municipal expenditures  
4 incurred as a result of a declared disaster in 1984, 1985 or  
5 1986 which were not reimbursed by the Federal or State  
6 government. If insufficient funds remain to reimburse such  
7 municipalities in full, reimbursement shall be made on a pro  
8 rata basis.

9 Section 3. Tax moratorium.

10 (a) Exemption for reconstruction and repairs.--Local taxing  
11 authorities may, by ordinance or resolution, exempt from real  
12 property taxation the assessed valuation of reconstruction or  
13 repairs made to properties damaged or destroyed as the result of  
14 a natural disaster which was within any geographic area subject  
15 to a Federal emergency declaration as provided herein. The  
16 exemption shall be limited to the additional assessment  
17 valuation attributable to the actual costs of reconstruction or  
18 repairs on the damaged or destroyed property.

19 (b) Exemption schedule.--For the first year for which such  
20 reconstruction or repairs would otherwise be taxable, 100% of  
21 the eligible assessment shall be exempted; for the second year,  
22 50% of the eligible assessment shall be exempted and for the  
23 third year, 25% of the eligible assessment shall be exempted.  
24 After the third year, the exemption shall terminate. No property  
25 shall be eligible for tax exemption under this section unless  
26 reconstruction or repairs are begun within five years of the  
27 date of the applicable Federal emergency declaration.

28 (c) Right to appeal.--Notwithstanding any other law to the  
29 contrary, persons who have suffered catastrophic losses to their  
30 property due to the disaster emergencies covered by this act

1 shall have the right to appeal before the county commissioners,  
2 acting as a board of revision of taxes, or the board for the  
3 assessment and revision of taxes within the remainder of the  
4 county fiscal year in which the catastrophic loss occurred, or  
5 within three months of the effective date of this act, whichever  
6 time period is longer. The duty of the county commissioners,  
7 acting as a board of revision of taxes, or the board for the  
8 assessment and revision of taxes shall be to reassess the value  
9 of the property in the following manner: the value of the  
10 property before the catastrophic loss, based on the percentage  
11 of the taxable year for which the property stood at its former  
12 value, shall be added to the value of the property after the  
13 catastrophic loss, based on the percentage of the remainder of  
14 the taxable year. Any property improvements made subsequent to  
15 the catastrophic loss in the same tax year shall not be included  
16 in the reassessment described in this subsection for that tax  
17 year. Any adjustments in the tax required pursuant to this  
18 subsection which cannot take effect for the tax year in which  
19 the loss occurs shall be reflected by the appropriate taxing  
20 authorities in the form of a credit for the first succeeding tax  
21 year in which such credit can be effectuated. As used in this  
22 section, "catastrophic loss" means any loss due to natural  
23 disaster covered by this act which affects the physical state of  
24 the real property and which exceeds 40% of the market value of  
25 the real property prior to the loss.

26 (d) Termination upon transfer.--The exemption from taxation  
27 authorized by this section shall terminate upon the sale or  
28 exchange of the property.

29 (e) Notice.--Local taxing authorities shall publish notice  
30 of property owners' rights to appeal their assessed valuations,

1 pursuant to the assessment laws of this Commonwealth, due to the  
2 occurrence of a "catastrophic loss" and of the moratorium on  
3 taxation attributable to increases in assessed valuations due to  
4 reconstruction or repairs as required herein. The notice shall  
5 appear on at least two occasions in newspapers of general  
6 circulation within the affected areas within 60 days of the  
7 effective date of this act.

8 (f) Application.--This section shall apply only to property  
9 damaged or destroyed on or after January 1, 1984.

10 (g) Definition.--As used in this section the term "local  
11 taxing authority" means any political subdivision authorized to  
12 impose real property taxes.

13 Section 2. The act is amended by adding sections to read:

14 Section 4. Retroactivity.

15 This act shall apply retroactively to disasters for which the  
16 Presidential Declaration was issued in calendar year 1984, 1985  
17 or 1986.

18 Section 5. Effective date.

19 This act shall take effect immediately.

20 Section 3. This act shall take effect immediately.