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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 801

Session of  
1987

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INTRODUCED BY WOZNIAK, MICHLOVIC, MERRY, GAMBLE, DALEY, NAHILL,  
R. C. WRIGHT, RITTER, BUNT AND RAYMOND, MARCH 11, 1987

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REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 11, 1987

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AN ACT

1 Authorizing the levy of a municipal service charge on all real  
2 property, including tax-exempt property, for the benefit of  
3 municipalities.

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 Municipal  
8 Service Charge Act.

9 Section 2. Definitions.

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

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

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

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

18 "Department." The Department of Community Affairs of the

1 Commonwealth.

2 "Local tax collector." The appropriate municipal officer  
3 authorized to collect real property taxes.

4 "Municipal service charge." The charge authorized by this  
5 act to be imposed by municipalities on property within their  
6 jurisdiction.

7 "Municipal services." Essential governmental services  
8 provided by municipalities necessary for public health and  
9 safety, including, but not limited to, police and fire  
10 protection, public utilities and the maintenance of streets and  
11 highways. The term shall not include proprietary functions.

12 "Municipality." Any city, borough, incorporated town,  
13 township or home rule or optional plan form of government  
14 adopted by a city, borough, incorporated town or township.

15 "Tax-exempt property." Real property exempted by the  
16 applicable assessment laws from the payment of real property  
17 taxes on all or a part of a parcel of real estate. As used in  
18 this act for the purposes of subjecting real property to a  
19 municipal service charge, the term shall not include real  
20 property owned by the Federal Government, its instrumentalities  
21 and agencies or by the Commonwealth and its political  
22 subdivisions and their instrumentalities and agencies, and  
23 actual places of worship.

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

27 Section 3. Municipal service charge.

28 A municipality may levy a municipal service charge in an  
29 amount determined pursuant to section 4 on the assessed value of  
30 all real property, including tax-exempt property, within its

1 taxing jurisdiction. The municipal service charge shall be  
2 payable to the municipality or municipalities in which the real  
3 property is located and shall be credited to the municipality's  
4 general fund. Revenues from the municipal service charge shall  
5 be used by the municipality to offset its expenses in providing  
6 municipal services.

7 Section 4. Computation of municipal service charge.

8 The municipal service charge imposed by section 3 shall be  
9 levied annually by the governing body of the municipality at a  
10 rate which will spread the cost of all municipal services over  
11 all taxable and tax-exempt real property within the  
12 municipality. After calculation of the revenue to be derived  
13 from the spread of this cost, the municipality shall make a  
14 proportionate reduction in the real property tax rates currently  
15 imposed on taxable property.

16 Section 5. Collection.

17 The municipal service charge levied by this act shall be  
18 collected by the local tax collector at the same time and in the  
19 same manner as are municipal real property taxes. Any person  
20 failing to pay the municipal service charge imposed by this act  
21 shall be subject to interest, penalties, liens and other  
22 remedies which are imposed by or available to municipalities for  
23 the nonpayment of municipal real property taxes, as provided by  
24 law.

25 Section 6. Assessment of tax-exempt property.

26 All tax-exempt property shall be annually assessed in the  
27 same manner as is taxable property in the various counties of  
28 this Commonwealth. The chief assessor shall prepare and submit  
29 to the appropriate board an assessment roll of tax-exempt  
30 property, together with the value placed on each parcel or tract

1 of real property.

2 Section 7. Duties of Department.

3 The department may promulgate such regulations as may be  
4 necessary for the implementation and administration of this act.

5 The department shall keep a record of all tax-exempt property in  
6 this Commonwealth together with a record of its assessed value.

7 The chief assessor of each county shall annually supply this  
8 information to the department.

9 Section 8. Effective date.

10 This act shall take effect in 60 days.