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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 684 Session of  
2003

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INTRODUCED BY CURRY, BARRAR, BEBKO-JONES, BELARDI, BUNT,  
CAPPELLI, CAWLEY, COY, DALEY, FABRIZIO, GEORGE, GRUCELA,  
HORSEY, HUTCHINSON, LAUGHLIN, LEVDANSKY, LEWIS, MACKERETH,  
KOTIK, PETRARCA, PISTELLA, ROONEY, SAINATO, SOLOBAY, STERN,  
J. TAYLOR, THOMAS, TRAVAGLIO, WEBER AND YOUNGBLOOD,  
MARCH 5, 2003

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REFERRED TO COMMITTEE ON FINANCE, MARCH 5, 2003

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AN ACT

1 Providing school district property tax exemption to certain  
2 senior citizens, widows, widowers and permanently disabled  
3 persons with limited incomes; providing for in-lieu-of-tax  
4 payments; and providing for State reimbursement.

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

7 Section 1. Short title.

8 This act shall be known and may be cited as the Senior  
9 Citizen School Real Property Tax Exemption Act.

10 Section 2. Declaration of policy.

11 In recognition of the severe economic plight of senior  
12 citizens, widows, widowers and permanently disabled persons who  
13 are real property owners with fixed and limited incomes and who  
14 are faced with rising living costs and constantly increasing  
15 taxes which threaten their homesteads and self-sufficiency, the  
16 General Assembly, pursuant to section 2(b)(iii) of Article VIII  
17 of the Constitution of Pennsylvania, considers it to be a matter

1 of sound public policy to exempt such property owners from  
2 certain school district taxes to enable them to remain in  
3 peaceable possession of their homes and relieve their economic  
4 burdens.

5 Section 3. Definitions.

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

9 "Claimant." A person who files a claim for real property tax  
10 exemption and was:

11 (1) 65 years of age or older, or whose spouse, if a  
12 member of the household, was 65 years of age or older, during  
13 a calendar year in which real property taxes were due and  
14 payable;

15 (2) a widow or widower and was 50 years of age or older  
16 during a calendar year in which real property taxes were due  
17 and payable; or

18 (3) a permanently disabled person 18 years of age or  
19 older during a calendar year in which real property taxes  
20 were due and payable.

21 "Homestead." An owned dwelling and as much of the land  
22 surrounding it as is reasonably necessary for use of the  
23 dwelling as a home occupied by a claimant. The term includes all  
24 of the following:

25 (1) Premises occupied by reason of ownership in a  
26 cooperative housing corporation, mobile homes which are  
27 assessed as realty for local real property tax purposes and  
28 the land, if owned by the claimant, upon which the mobile  
29 home is situated and other similar living accommodations, as  
30 well as a part of a multidwelling or multipurpose building

1 and a part of the land upon which it is built.

2 (2) Premises occupied by reason of the claimant's  
3 ownership of a dwelling located on land owned by a nonprofit  
4 incorporated association, of which the claimant is a member,  
5 if the claimant is required to pay a pro rata share of the  
6 real property taxes levied against the association's land.

7 (3) Premises occupied by a claimant if the claimant is  
8 required by law to pay a real property tax by reason of his  
9 ownership, including a possessory interest, in the dwelling,  
10 the land or both.

11 An owner includes a person in possession under a contract of  
12 sale, deed of trust, life, estate, joint tenancy or tenancy in  
13 common or by reason of statutes of descent and distribution.

14 "Household income." Household income defined in the act of  
15 March 11, 1971 (P.L.104, No.3), known as the Senior Citizens  
16 Rebate and Assistance Act.

17 "Permanently disabled person." A person who is unable to  
18 engage in any substantial gainful activity by reason of any  
19 medically determinable physical or mental impairment which can  
20 be expected to continue indefinitely.

21 "Real property taxes." All school district taxes on a  
22 homestead, exclusive of municipal assessments, delinquent  
23 charges and interest, due and payable during a calendar year.

24 "Widow" or "widower." The surviving wife or the surviving  
25 husband, as the case may be, of a deceased individual and who  
26 has not remarried.

27 Section 4. Property tax exemption.

28 (a) Amount of exemption.--The amount of any claim for real  
29 property tax exemption shall be determined in accordance with  
30 the following schedule:

Household Income	Percentage of Real Estate Tax Exemption
\$ 0 - \$14,999	100%
15,000 - 19,999	90%
20,000 - 24,999	75%
25,000 - 29,999	60%
30,000 - 34,999	40%
35,000 - 39,999	20%

(b) Time period for filing.--The claimant must file claim for exemption with the taxing school district within two months of receipt of a real property tax bill.

(c) Income basis.--Income for a claim of exemption shall be the income of the prior calendar year.

(d) Partial occupation of homestead.--If a homestead is owned and occupied by an eligible claimant for only a portion of a year, the school district shall apportion the real estate taxes in accordance with the period for which the claimant was eligible.

#### Section 5. In-lieu-of-tax payment.

All claimants filing a claim for exemption shall include an in-lieu-of-tax payment of 1% of the household income used in making such claim.

#### Section 6. Proof of claim.

School districts may require proof of claim as required in the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act.

#### Section 7. Incorrect claim.

Whenever a school district finds a claim to be incorrectly determined, the school district shall redetermine the correct amount of the claim and notify the claimant of the reason for the redetermination and the amount of the correct claim.

1 Section 8. Fraudulent claim.

2 (a) Claim rejection.--In any case in which a claim is  
3 excessive and was filed with fraudulent intent, the claim shall  
4 be disallowed in full and a penalty of 25% of the amount claimed  
5 shall be imposed. The penalty and the amount of the disallowed  
6 claim, if the claim has been paid, shall bear interest at the  
7 rate of 1/2 of 1% per month from the date of the claim until  
8 repaid.

9 (b) Penalty.--The preparation of or filing of a fraudulent  
10 claim shall be a misdemeanor, punishable by a fine of not more  
11 than \$1,000 or a term of imprisonment of not more than one year,  
12 or both.

13 (c) Disallowance of claim.--A claim shall be disallowed if  
14 the claimant received title to the homestead primarily for the  
15 purpose of receiving a real property tax exemption.

16 Section 9. State reimbursement.

17 All school districts shall report to the Department of  
18 Revenue the amount of exemptions granted under this act, within  
19 three months of granting such exemptions. The Commonwealth shall  
20 pay the full amount of such exemptions to the school district  
21 within 60 days of the report. The Commonwealth payment shall be  
22 for real property tax exemption only. No administrative costs  
23 shall be reimbursed.

24 Section 10. Regulations.

25 The Secretary of Revenue may promulgate such rules and  
26 regulations as necessary to administer this act.

27 Section 11. Application.

28 Exemption shall begin with the school district real estate  
29 taxes due on or after July 1 next succeeding the effective date  
30 of this act.

1 Section 12. Effective date.

2 This act shall take effect in 60 days.