

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 72

Session of
2005

INTRODUCED BY THOMAS, JOSEPHS, KIRKLAND, WILLIAMS, MYERS,
MANDERINO, WATERS, COHEN AND CALTAGIRONE, JANUARY 25, 2005

REFERRED TO COMMITTEE ON FINANCE, JANUARY 25, 2005

AN ACT

1 Authorizing the Board of Revision of Taxes in cities of the
2 first class to grant tax deferrals to longtime owner-
3 occupants of certain properties in the cities.

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 First Class
8 City Residential Property Tax Deferral 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 "Board." The Board of Revision of Taxes of a city of the
14 first class.

15 "City." A city of the first class.

16 "Longtime owner-occupant." Either of the following:

17 (1) A person who for at least ten continuous years has
18 owned and occupied the same dwelling as a principal residence

1 and domicile within a city of the first class.

2 (2) A person who for at least five years has owned or
3 occupied the same dwelling as a principal residence and
4 domicile within the city of the first class if that person
5 received assistance in the acquisition of the property as
6 part of a government or nonprofit housing program.

7 "Low-income longtime owner-occupant." A longtime owner-
8 occupant having an annual income of not more than 80% of the
9 median income for the standard metropolitan statistical area of
10 the city of the first class for a family of similar size, as
11 determined under the Housing and Community Development Act of
12 1974 (Public Law 93-383, 88 Stat. 633).

13 "Principal residence." The dwelling place of a person,
14 including the principal house and lot, and such lots as are used
15 in connection therewith which contribute to its enjoyment,
16 comfort and convenience. The term also includes a building with
17 a maximum of one commercial establishment and a maximum of three
18 residential units of which one residential unit must be the
19 principal residence of a longtime owner-occupant.

20 Section 3. Eligibility for deferral of real property taxes.

21 Any deferral of payment of an increase in real property taxes
22 granted pursuant to this act shall be limited to real property
23 which meets all of the following conditions:

24 (1) The property is owned and occupied by a low-income
25 longtime owner-occupant.

26 (2) The property is the principal residence and domicile
27 of the low-income longtime owner-occupant.

28 (3) The property is located in an eligible area as
29 identified under section 4 (relating to eligible areas).

30 (4) The market value of the real property has increased

1 in whole or in part as a consequence of the refurbishing or
2 renovating of other residences or the construction of new
3 residences in the area surrounding the property.

4 Section 4. Eligible areas.

5 Low-income longtime owner-occupants of principal residences
6 located within an established residential area or area of
7 deteriorated, vacant or abandoned homes and properties in a city
8 shall be deemed eligible for benefits under this act.

9 Section 5. Benefit determinations.

10 (a) Establishment of program.--Each city shall establish a
11 program of real property tax deferrals which shall grant low-
12 income longtime owner-occupants who reside in a city a deferral
13 in the payment of that portion of an increase in their property
14 tax obligation which is attributable to an increase in the
15 market value of property arising from the refurbishing or
16 renovating of other residences or the construction of new
17 residences in the area surrounding the property. Any increase in
18 the market value of real estate which exceeds 10% from the
19 previously established market value and which is not
20 attributable to the physical improvement of the subject property
21 shall be considered to be attributable to the refurbishing or
22 renovating of other residences or the construction of new
23 residences.

24 (b) Penalties and interest.--No penalties and interest shall
25 accrue on the portion of the deferral pursuant to this act.

26 (c) Any resident of a city who meets the criteria set forth
27 in section 3 (relating to eligibility for deferral of real
28 property taxes) and who wishes to participate in the program
29 must apply to the board for certification as a participant in
30 the program. The board shall solicit applications for the

1 program through notices sent to every owner of real property
2 located within the eligible area at least once per year. The
3 notices shall accompany every invoice sent to property owners of
4 records relating to property tax assessments on properties
5 located within an eligible area.

6 (d) Rules and regulations.--The board shall promulgate such
7 rules, regulations, schedules or procedures as it deems
8 necessary for the submission and establishment of proof of the
9 eligibility of the taxpayer for the real property tax deferral
10 provisions of this act, including, but not limited to, rules and
11 regulations to establish forms and procedures:

12 (1) To make application for deferral of real property
13 taxes.

14 (2) To obtain recognition as a low-income longtime
15 owner-occupant.

16 (3) To calculate the amount of deferral of real property
17 taxes to which a taxpayer is entitled.

18 (e) Review of application.--The board shall approve or deny
19 the application in whole or in part and in approving the same
20 shall determine the deferral amount to which the longtime owner-
21 occupant is entitled. The board may also deny the application
22 for lack of complete documentation with leave to the low-income
23 longtime owner-occupant to refile within a stated period of
24 time.

25 (f) Construction.--Nothing in this act shall be construed as
26 a limitation on the eligibility or the amount of any special tax
27 provisions of any longtime owner-occupant who qualifies for
28 special tax provisions applicable to senior citizens and certain
29 low-income residents of a city.

30 Section 6. Prohibited conduct.

1 No taxpayer shall intentionally make any false statement when
2 making application for eligibility to receive a deferral of real
3 property taxes. If it is determined that a taxpayer made
4 application for the real property tax deferral program on the
5 basis of a false statement, the eligibility for the deferral
6 provisions is null and void, and the applicant shall be required
7 to pay a city outstanding tax liability and any additions,
8 interest or penalties computed as if the taxpayer had never been
9 granted any deferral.

10 Section 7. Review by Tax Review Board.

11 The Tax Review Board of a city shall review any adverse final
12 decision or determination of the Board of Revision of Taxes
13 relating to a taxpayer's initial and continued eligibility for
14 the real property tax deferral program as provided in this act
15 in like manner and with the same effect as a petition for
16 review, filed under other provision of law applicable to the
17 city.

18 Section 8. Effective date.

19 This act shall take effect in 60 days.