
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1281 Session of
2011

INTRODUCED BY FONTANA, FERLO, SCHWANK AND WASHINGTON,
OCTOBER 3, 2011

REFERRED TO FINANCE, OCTOBER 3, 2011

AN ACT

1 Amending the act of November 26, 1997 (P.L.508, No.55), entitled
2 "An act providing for the tax exemption of institutions of
3 purely public charity; exempting real property owned by
4 State-related universities or Federal Government
5 instrumentalities from taxation; providing for unfair
6 competition; imposing penalties; and making repeals," further
7 providing for legislative findings; and providing for the
8 definition of "governing body," for other contributions and
9 for partial property tax exemption.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 2(a) of the act of November 26, 1997
13 (P.L.508, No.55), known as the Institutions of Purely Public
14 Charity Act, is amended by adding a paragraph to read:

15 Section 2. Legislative intent.

16 (a) Findings.--The General Assembly finds and declares as
17 follows:

18 * * *

19 (8) It is necessary and proper for local governments to
20 have the option to ensure the continued viability of certain
21 essential services it provides or causes to be provided by

1 requiring a contribution from owners of tax-exempt properties
2 toward the cost of the services.

3 * * *

4 Section 2. Section 3 of the act is amended by adding a
5 definition to read:

6 Section 3. Definitions.

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

10 * * *

11 "Governing body." Any city council, borough council,
12 incorporated town council, board of county commissioners or
13 their home rule successor in function, board of township
14 commissioners, board of township supervisors, governing council
15 of a home rule municipality or optional plan municipality or
16 governing council of a similar general purpose unit of
17 government which may be created by statute after the effective
18 date of this definition.

19 * * *

20 Section 3. The act is amended by adding a section to read:
21 Section 7.1. Tax on real estate.

22 (a) Authorization.--Notwithstanding any other provision of
23 law, the governing body of a municipality may, through
24 ordinance, impose the real estate tax authorized under
25 subsection (b) on real property owned by an institution of
26 purely public charity within the municipality.

27 (b) Real estate tax.--The governing body may impose a real
28 estate tax on real property located within the municipality and
29 owned by an institution of purely public charity. The following
30 shall apply:

1 (1) The tax shall be imposed on 100% of the assessed
2 value of the land owned by the institution of purely public
3 charity and shall not be imposed on the assessed value of any
4 structure that sits upon the land.

5 (2) The tax shall not be levied on a per parcel basis
6 but shall be levied against the aggregate assessed value of
7 the real property owned by the institution of purely public
8 charity within the municipality.

9 (3) The ordinance authorizing the real estate tax shall
10 exempt the first \$200,000 of aggregate assessed value of the
11 real property owned by the institution of purely public
12 charity from taxation.

13 (c) Enactment of ordinance or resolution.--

14 (1) Prior to adopting an ordinance imposing a real
15 estate tax under this section, the governing body shall adopt
16 a proposed ordinance which shall include all of the following
17 information:

18 (i) The content of the ordinance that will be
19 enacted, including the effective date.

20 (ii) A statement that the proposed ordinance is
21 being adopted pursuant to and subject to the requirements
22 of this section.

23 (2) The governing body shall make the proposed ordinance
24 available for public inspection at least 20 days prior to its
25 adoption and shall hold at least one public hearing on the
26 proposed ordinance prior to its adoption.

27 (3) The governing body must give public notice of its
28 intent to adopt the proposed ordinance. Publication of the
29 notice shall be made by advertisement once a week for three
30 weeks in a newspaper of general circulation within the

1 municipality if there is a newspaper of general circulation
2 and, if there is not, the publication shall be made in a
3 newspaper of general circulation within the county in which
4 the advertising municipality is located.

5 (d) Prohibition.--Nothing in this section shall be construed
6 to permit a governing body to impose a real estate tax on any of
7 the following:

8 (1) Property owned by the Commonwealth.

9 (2) Property owned by a political subdivision of the
10 Commonwealth.

11 (3) Property owned by the Commonwealth and local
12 authorities.

13 (4) Property owned by police, fire, including volunteer
14 fire and relief, public works or emergency services.

15 (5) Property owned by the Federal Government.

16 (e) Uniformity.--A real estate tax imposed under this
17 section shall apply to all institutions of purely public charity
18 owning tax-exempt property within the municipality.

19 Section 4. This act shall take effect in 60 days.