AN ACT

Authorizing local taxing authorities to provide for tax exemptions for improvements to deteriorated areas and dwellings to incentivize the creation and improvement of affordable housing units.

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

CHAPTER 1
GENERAL PROVISIONS

Section 101. Short title. This act shall be known and may be cited as the Affordable Housing Unit Tax Exemption Act.

Section 102. Definitions. The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Affordable housing unit."

(1) A multiunit residential dwelling where at least 30% of the residential units meet all of the following:
(i) Are rent-restricted.
(ii) Are occupied by an individual or family whose income is not more than 60% of area median income.

(2) The term includes single family residences that are subject to deed restrictions and occupied by an individual or family whose income is not more than 60% of the area median gross income.

"Area median income." The median household income within the boundaries of a local taxing authority.

"Blighted property." The term shall have the same meaning as defined in 1 Pa.C.S. § 1991 (relating to definitions).

"Deteriorated area." An area designated by a municipal corporation which consists of blighted property.

"Dwelling unit." A house, apartment, or group of rooms intended for occupancy as separate living quarters by family or other groups or a person living alone, containing a kitchen or cooking equipment for the exclusive use of the occupants.

"Homestead." As follows:

(1) A dwelling used as a home which is occupied by a taxpayer as a primary residence.

(2) The term includes:

   (i) A mobile home which is assessed as realty for local property tax purposes and the land on which the mobile home is situated and other similar living accommodations, including a part of a multidwelling or multipurpose building and a part of the land upon which the multidwelling or multipurpose building is built to the extent that the eligible taxpayer is chargeable by a local taxing authority for property taxes.

   (ii) A premises occupied by an eligible taxpayer if
the eligible taxpayer is required by law to pay a
property tax by reason of the taxpayer's ownership or
rental of, include a possessory interest in, the
dwelling, land or both. As used in this subparagraph:
(A) The term "by law" shall not include a
contractual obligation between the eligible taxpayer
and a person who would otherwise be responsible to a
local taxing authority for the payment of the tax.
(B) An owner shall include a person in
possession under a contract of sale, deed of trust,
life estate, joint tenancy or tenancy in common.

"Improvement." Repair, construction or reconstruction,
including alterations and additions, having the effect of
rehabilitating a blighted property so that the blighted property
becomes habitable or attains higher standards of safety, health,
economic use or amenity, or is brought into compliance with
laws, ordinances or regulations governing safety, health,
economic use or amenity standards. The term shall not include
ordinary upkeep and maintenance.

"Local taxing authority." A county, city, borough,
incorporated town, township, institution district or school
district having authority to levy real property taxes.

"Low-income taxpayer." A taxpayer whose income does not
exceed the maximum annual income allowable for an eligible
claimant to participate in the Pharmaceutical Assistance
Contract for the Elderly Needs Enhancement Tier (PACENET).

"Municipal code." A building, housing, property maintenance,
fire, health or other public safety ordinance, related to the
use or maintenance of real property, enacted by a municipality.
The term does not include a subdivision and land development
ordinance or a zoning ordinance enacted by a municipality.

"Municipal corporation." A city, borough, incorporated town or township.

"Property maintenance code." A municipal ordinance which regulates the maintenance or development of real property. The term includes a building code, housing code and public safety code.

"Real estate taxes." A tax on a homestead imposed or authorized to be imposed by a local taxing authority.

"Rent-restricted." The maximum rent an owner may charge for a unit does not exceed 30% of the adjusted income of a family or taxpayer whose annual income is less than or equal to 60% of the area median gross income.

"Serious violation." A violation of a State law or a municipal code that poses an immediate imminent threat to the health and safety of a dwelling occupant, an occupant in a surrounding structure or a passerby.

"Special tax provision." The standards and qualifications provided under this act to establish the eligibility for and the refund or forgiveness of a portion of the taxpayer's real estate tax liability.

"SUBJECT PROPERTY." REAL PROPERTY SUBJECT TO REAL ESTATE TAXES WITHIN THE BOUNDARIES OF A LOCAL TAXING AUTHORITY.

"Substantial step." An affirmative action as determined by a property code official or officer of the court on the part of a property owner or managing agent to remedy a serious violation of a State law or code, including, but not limited to, physical improvements or repairs to the property, which affirmative action is subject to appeal in accordance with applicable law.

A tax exemption or special tax provision permitted under this act shall not be enforceable until the governing body of each local taxing authority with mutual jurisdiction to levy real estate taxes on a subject property has approved an ordinance or resolution adopting the tax exemption or special tax provision. Upon adoption of an ordinance or resolution, each local taxing authority must post a notice of the approval of the tax exemption or special tax provision on its publicly accessible internet website. If a local taxing authority does not possess a publicly accessible internet website, notice of the approval of the tax exemption or special tax provision must be published in a newspaper of general circulation in the area. Upon adoption of an ordinance or resolution by each local taxing authority with mutual jurisdiction to levy real estate taxes on a subject property, a joint notice of implementation of the tax exemption or special tax provision must be published in a newspaper of general circulation in the area.

CHAPTER 2

SPECIAL TAX PROVISIONS FOR IMPOVERISHED PENNSYLVANIANS

Section 201. Construction.

This chapter shall be construed to authorize a local taxing authority to provide by ordinance or resolution for the implementation of the special tax provisions contained in this act which allow for the refund or forgiveness of real property tax liability of low-income families attributable to real property tax rate increases and increases in the assessed value.
of the low-income family's homestead, implementing section 2(b)
(ii) of Article VIII of the Constitution of Pennsylvania.

Section 202. Declaration of policy (Reserved).

Section 203. Special tax provisions and refund or forgiveness
of real estate taxes.

(a) General rule.--A taxpayer residing within the boundaries
of a local taxing authority who meets the standards and
qualifications established by this act shall be deemed a
separate class of subjects of taxation, and, as such, each
governing body of a local taxing authority may by ordinance
provide that the taxpayer shall be entitled to the benefit of
the special tax provisions of this act.

(b) Refund or forgiveness of real estate taxes.--Under an
ordinance or resolution referenced under subsection (a), an
eligible taxpayer shall receive a refund or forgiveness which
has been paid over to or would, except for this act, be payable
to the local taxing authority for real estate taxes authorized
or imposed by a local taxing authority in accordance with the
following:

(1) A low-income taxpayer shall receive a refund or
forgiveness of the part of the low-income taxpayer's real
estate tax liability attributable to a real estate tax rate
increase or an increase in the assessed value of the
taxpayer's homestead occurring after the effective date of an
ordinance implementing this act.

(2) If a taxpayer who had previously been eligible to
receive a refund or forgiveness of real estate taxes under
this act is no longer eligible by reason of failing to meet
the low-income requirement provided under this act, the
taxpayer shall be billed and shall pay real estate taxes at
the then current real estate tax rate and assessed value. If for subsequent tax years a taxpayer reestablishes eligibility for refunds or forgiveness of real estate taxes by again meeting the low-income requirements provided under this act, the amount of real estate taxes that the taxpayer is eligible to have refunded or forgiven shall be the part of the taxpayer's real estate tax liability attributable to a real estate tax rate increase or an increase in the assessed value of the taxpayer's homestead occurring no earlier than the calendar year prior to the tax year for which the taxpayer reestablishes eligibility.

(3) The maximum amount of real estate taxes which may be refunded or forgiven may be limited by ordinance.

(4) If a homestead is owned for only a portion of a year or is owned in part by a person who is not a low-income taxpayer, the tax collector shall apportion the real estate taxes in accordance with the period or portion of ownership of the eligible taxpayer in determining the amount of refund or forgiveness for which a taxpayer is eligible.

Section 204. Application and proof of claim.

(a) Application.--A taxpayer desiring to take advantage of the special tax provisions under an ordinance or resolution adopted under this act shall notify the local taxing authority granting the special tax provisions in writing on a form provided by the local taxing authority submitted at the time provided in the ordinance or resolution. Only one taxpayer for each homestead shall receive real estate tax refund or forgiveness of taxes. If at least two taxpayers are residing at a homestead meet the qualification for a real estate tax refund or forgiveness of taxes, the taxpayers may determine who shall
receive the refund or forgiveness of taxes. If the taxpayers are unable to agree, each local taxing authority shall determine to whom the refund or forgiveness of taxes shall apply.

(b) Proof of claim.--Each application shall include reasonable proof of household income, the location and nature of the property claimed as a homestead and the tax bill or receipt for the real estate taxes owed or paid in connection with the occupancy of the homestead. For the purposes of this subsection, a taxpayer shall not be required to directly pay the real estate taxes.

Section 205. Administration and enforcement.

Each local taxing authority shall provide by ordinance or resolution, rule or regulation for the administration and enforcement of an ordinance or resolution adopted under this act.

CHAPTER 3

CREATING AND IMPROVING AFFORDABLE HOUSING UNITS IN DETERIORATED AREAS

Section 301. Construction.

This chapter shall be construed to authorize a local taxing authority to provide for tax exemption incentives for new construction for, and improvements to, deteriorated areas of this Commonwealth to create and improve affordable housing units. This chapter shall implement section 2(b)(iii) of Article VIII of the Constitution of Pennsylvania.

Section 302. Exemption.

(a) Real property tax exemption.--

(1) A local taxing authority may, by ordinance or resolution, exempt from real property taxation the assessed valuation of improvements to blighted properties for the
creation of, or improvements to, affordable housing units, and the assessed valuation of new construction within a
deteriorated area in the amounts and in accordance with the
provisions and limitations specified in this act.

(2) An ordinance or resolution under paragraph (1) shall specify a description of each deteriorated area, the cost of improvements per unit to be exempted and the schedule or taxes exempted as provided under this act.

(b) Boundaries.--Prior to the adoption of the ordinance or resolution authorizing the granting of a tax exemption under this section, a municipal corporation must designate the boundaries of the deteriorated area, wholly or partially located within its jurisdiction, if any.

(c) Public hearing.--

(1) At least one public hearing must be held by the municipal corporation for the purpose of determining the boundaries of a deteriorated area.

(2) At a public hearing under paragraph (1), the local taxing authorities, planning commission or redevelopment authority and other interested public and private agencies and individuals, shall present their recommendations concerning the location of boundaries of a deteriorated area for the guidance of the municipal corporation.

(3) The public hearing shall be held in accordance with 65 Pa.C.S. Ch. 7 (relating to open meetings).

(d) Adjacent property inclusions.--Property adjacent to a deteriorated area may be included within the deteriorated area if the local taxing authority determines that new construction on the property would encourage, enhance or accelerate the development of affordable housing units.
(e) Municipal cooperation.--

(1) Two or more municipal corporations may join together for the purpose of determining the boundaries of a deteriorated area and establishing the uniform maximum cost per unit. Each municipal corporation joining together under this paragraph shall cooperate fully with each other for the purpose of implementing this act.

(2) A local taxing authority may, by implementing an ordinance or resolution, agree to adopt a tax-exemption schedule contingent upon the similar adoption by an adjacent local taxing authority or by a local taxing authority with mutual jurisdiction, within the limitations provided under this act.

(f) Rescinding deteriorated area designation.--A local taxing authority may rescind an ordinance or resolution adopted under subsection (a) if the local taxing authority determines that the tax exemption in the deteriorated area within the boundaries established under subsection (b) has accomplished the goal of creating and improving affordable housing units in the deteriorated area. Property granted tax exemption within the boundaries of the deteriorated area prior to the ordinance or resolution being rescinded shall continue to receive the tax exemption granted until the tax exemption is terminated in accordance with the exemption schedule.

Section 303. Exemption schedule.

(a) Provision.--A local taxing authority granting a tax exemption under this chapter may provide for a tax exemption on the assessment attributable to the actual cost of new construction or improvements for affordable housing units or up to any maximum cost uniformly established by the local taxing
authority. The maximum cost shall uniformly apply to each eligible blighted property within the deteriorated area within the local taxing authority's jurisdiction.

(b) Schedule.--Notwithstanding if the assessment eligible for exemption is based on actual cost or a maximum cost, the actual amount of real estate taxes exempted shall be in accordance with one of the following schedules, as determined by the local taxing authority:

(1) For the following years for which improvements would otherwise be taxable:
   (i) for the first year, 100% of the eligible assessment shall be exempted;
   (ii) for the second year, 90% of the eligible assessment shall be exempted;
   (iii) for the third through tenth years, 80%, 70%, 60%, 50%, 40%, 30%, 20% and 10%, respectively; and
   (iv) after the tenth year, the exemption shall terminate.

(2) For the following years for which improvements would otherwise be taxable:
   (i) for the first year, 100% of the eligible assessment shall be exempted;
   (ii) for the second year, 80% of the eligible assessment shall be exempted;
   (iii) for the third through fifth years, 60%, 40% and 20%, respectively, of the eligible assessment shall be exempted; and
   (iv) after the fifth year, the exemption shall terminate.

(3) For the following years for which improvements would otherwise be taxable:
otherwise be taxable:

(i) for the first through third years, 100% of the
eligible assessment shall be exempted; and
(ii) after the third year, the exemption shall
terminate.

(4) For the first through tenth years for which
improvements would otherwise be taxable, 100% of the eligible
assessment shall be exempted and after the tenth year the
exemption shall terminate.

(5) A local taxing authority may provide for tax
exemption on the assessment attributable to the actual cost
of construction of the dwelling unit in accordance with a
schedule established by the taxing authority, if the
exemption schedule does not exceed a period of 10 years.

(c) Limitation.--The exemption from taxes shall be limited
to the additional assessment valuation attributable to the
actual costs of new construction or improvements to blighted
property or not in excess of the maximum cost per unit
established by a local taxing authority.

(d) Sale or exchange.--The exemption from taxes shall be
upon the property exempted and shall not terminate upon the sale
or exchange of the property.

(e) Estimate.--A local taxing authority shall provide upon
request an estimate of the amount of assessment exempted for
each eligible property based on the exemption schedule under
subsection (b).

(f) Repayment.--

(1) A local taxing authority shall be entitled to a
return of its proportional share of real estate taxes
exempted under the provisions of this act if, within five
years following completion of the new construction or improvements:

(i) there exists on the property a serious violation of State law or a municipal code and the owner has taken no substantial steps to correct the serious violation within six months following notification of the serious violation and for which fines or other penalties or a judgment to abate or correct were imposed by a magisterial district judge or municipal court, and a final judgment at law or in equity, not subject to appellate review, was imposed by a court of common pleas; or

(ii) the taxpayer is subject to a municipal permit denial under 53 Pa.C.S. Ch. 61 (relating to neighborhood blight reclamation and revitalization).

(2) At the time the agreement is entered into between a local taxing authority and the taxpayer who desires tax exemption, if the taxpayer has completed all requirements under section 305, the local taxing authorities shall file a lien against the tax-exempt properties at the rate of the estimated amount of assessment under subsection (b). The lien shall be forgiven by the local taxing authority at the end of the fifth year following the completion of the new construction or improvements, if there have been no serious violations against the property that have not been corrected. The lien on the property shall transfer under subsection (d) in cases of sale or exchange of the property.

Section 304. Procedure for obtaining exemption incentives.

(a) Notification.—A taxpayer desiring tax exemption authorized by an ordinance or resolution adopted under this
chapter shall notify the local taxing authority granting the
exemption in writing on an application form provided by the
local taxing authority, submitted at the time the taxpayer
secures the building permit or, if no building permit or other
notification of new construction or improvement is required, at
the time the taxpayer commences construction. The application
shall include the following information:

(1) Statement of tax obligations, signed by the
applicant and the local taxing authority and notarized.
(2) Outline of specifications for the new construction
or improvement, indicating with as much specificity as
practicable, the materials to be used for exterior and
interior finishes.
(3) An itemized cost estimate for the new construction
or improvement. The itemization must:
   (i) Be on contractor letterhead.
   (ii) Indicate the property address of the project.
   (iii) Be signed by the applicant.
(4) Preliminary architectural drawings or blueprints for
the new construction or improvement.
(5) A recent appraisal of the property, if available.
(6) An applicable building permit application or
building permit.
(7) An income and expense report for the property, which
may be submitted directly to the county assessment office in
order to protect the confidentiality of the information.
(8) The final decision of the zoning authority or other
regulatory agency granting relief, if applicable.
(9) The signature of the applicant and the date of
signing.
(b) Estimate.--The amount of assessment deemed eligible for tax exemption under subsection (c) shall be available for public inspection and copying so that a subsequent purchaser is informed of the amount of taxes to be paid after the 10-year exemption period.

(c) County assessment office.--

(1) A copy of the exemption request shall be forwarded to the county assessment office. The county assessment office shall, after completion of the new construction or improvement, assess separately the new construction or improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by the local taxing authorities and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption.

(2) Appeals from the reassessment and the amounts eligible for the exemption may be taken by the taxpayer or the local taxing authorities.

(d) Amendment of ordinance or resolution.--The cost of new construction or improvements to be exempted and the schedule of taxes exempted which exist at the time of the initial request for tax exemption shall apply to the exemption request. A subsequent amendment to the ordinance or resolution shall not apply to a request initiated prior to adoption of the amendment.

Section 305. Eligibility requirements.

(a) General rule.--The completed new construction or improvement must:

(1) Conform to zoning ordinance requirements.

(2) Increase the value of the property by at least 25%.

(3) Correct each municipal code violation.
(b) Ineligibility.--A property shall be ineligible for tax exemption under section 304(a) if:

1. The property receives other property tax abatement or exemption incentives for new construction or improvement.
2. The property receives tax relief through a State program, except as provided under subsection (d).
3. The property owner or developer is delinquent on property taxes related to the subject property, except if the delinquent taxes are paid prior to construction or payment of delinquent taxes has been arranged with the local taxing authority in accordance with an installment plan.
4. The property owner has a legal or equitable interest in other property for which property taxes are delinquent, except if the delinquent taxes are paid prior to construction or payment of delinquent taxes has been arranged with the local taxing authority in accordance with an installment plan.
5. New construction or improvement has commenced prior to filing an application under section 305.
6. The property includes an improvement under subsection (c) that poses a health or safety risk to an individual residing above the first floor.

(c) Exception.--The amount of assessment eligible for exemption under this act shall be offset by the amount of property tax rebate received under Chapter 13 of the Taxpayer Relief Act.

(d) Limitations.--The property qualifying and receiving a tax exemption under this chapter shall be ineligible for or receive additional tax exemptions under the act of July 9, 1971 (P.L.206, No.34), known as the Improvement of Deteriorating Real

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Property or Areas Tax Exemption Act, and the act of December 1, 1977 (P.L.237, No.76), known as the Local Economic Revitalization Tax Assistance Act, for a minimum of 15 years from the date the property received a tax exemption under this chapter.

(e) Prohibitions.--For the period of time that a property receives a tax exemption under this chapter, a purchase or sale of the property or any portion of the property may not be structured to exclude or exempt the transaction from a realty transfer tax due to a taxing authority that would not be excluded or exempt, except for the following:

(1) A sheriff sale or tax claim bureau sale.
(2) A corrective deed.
(3) A transfer by a mortgagor to the holder of a bona fide mortgage in default in lieu of a foreclosure.
(4) A transfer to a judicial sale in which the successful bidder is the bona fide holder of a mortgage.

CHAPTER 4
CREATING AND IMPROVING AFFORDABLE HOUSING UNITS

Section 401. Construction.
This chapter shall be construed to authorize local taxing authorities to provide for special tax provisions on an increase in value of real estate resulting from construction of affordable housing units or improvements to an existing affordable housing unit within the boundaries of the local taxing authority, implementing section 2(b)(iv) of Article VIII of the Constitution of Pennsylvania.

Section 402. Exemption schedule.

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(a) General rule.--A local taxing authority granting a tax exemption under this chapter may provide for a tax exemption on the assessment attributable to the actual cost of new construction or improvements for affordable housing units or up to a maximum cost uniformly established by the municipal corporation. The maximum cost shall uniformly apply to each eligible affordable housing unit constructed or improved within the local taxing authority's jurisdiction.

(b) Schedule.--Notwithstanding if an assessment eligible for exemption is based upon actual cost or a maximum cost, the actual amount of taxes exempted shall be in accordance with one of the following schedules, as determined by the local taxing authority:

(1) For the following years for which new construction or improvements would otherwise be taxable:
   (i) for the first year, 100% of the eligible assessment shall be exempted;
   (ii) for the second year, 100% of the eligible assessment shall be exempted; and
   (iii) after the second year, the exemption shall terminate.

(2) For the following years for which new construction or improvements would otherwise be taxable:
   (i) for the first year, 100% of the eligible assessment shall be exempted;
   (ii) for the second year, 50% of the eligible assessment shall be exempted; and
   (iii) after the second year, the exemption shall terminate.

(c) Limitation.--An exemption from a tax under this chapter
shall be limited to the additional assessment valuation:

- attributable to the actual costs of new construction or improvements to affordable housing units; or
- not in excess of the maximum cost per unit established by a local taxing authority.

(d) Sale or exchange.--An exemption from a tax under this chapter shall be on the property exempted and shall not terminate upon the sale or exchange of the property.

(e) Estimate.--A local taxing authority shall provide upon request an estimate of the amount of assessment exempted for each eligible property based on the exemption schedule under subsection (b).

(f) Repayment.--

1. A local taxing authority shall receive a return of the local taxing authority's proportional share of taxes exempted under this act if, within five years following completion of the new construction or improvements:
   - a serious violation of State law or a municipal code exists on the property and the owner has taken no substantial steps to correct the violation within six months following notification of the violation and for which fines or other penalties or a judgment to abate or correct were imposed by a magisterial district judge or municipal court and a final judgment at law or in equity, not subject to appellate review, was imposed by a court of common pleas; or
   - the taxpayer is subject to a municipal permit denial under 53 Pa.C.S. Ch. 61 (relating to neighborhood blight reclamation and revitalization).

2. At the time the agreement is entered into between a
local taxing authority and the taxpayer who desires tax
exemption, if the taxpayer has completed each requirement
under section 404, the local taxing authority shall file a
lien against the tax-exempt properties at the rate of the
estimated amount of assessment under subsection (b). The lien
shall be forgiven by the local taxing authority at the end of
the fifth year following the completion of the new
construction or improvements, if there have been no serious
violations against the property that have not been corrected.
The lien on the property shall transfer under subsection (d)
for a sale or exchange of the property.

Section 403. Exemption incentives procedure.
(a) Notification.—A taxpayer desiring tax exemption
authorized by an ordinance or resolution adopted under this
chapter shall notify the local taxing authority granting the
exemption in writing on an application form provided by the
local taxing authority, submitted at the time the taxpayer
secures the building permit or, if no building permit or other
notification of new construction or improvement is required, at
the time the taxpayer commences construction. The application
shall include the following information:
(1) A statement of tax obligations, signed by the
applicant and the local taxing authority and notarized.
(2) An outline of specifications for the new
construction or improvement, indicating with as much
specificity as practicable, the materials to be used for
exterior and interior finishes.
(3) An itemized cost estimate for the new construction
or improvement. The itemization must:
   (i) Be on contractor letterhead.
(ii) Indicate the property address of the project.

(iii) Be signed by the applicant.

(4) A preliminary architectural drawing or blueprint for
the new construction or improvement.

(5) A recent appraisal of the property, if available.

(6) An applicable building permit application or
building permit.

(7) An income and expense report for the property, which
may be submitted directly to the county assessment office in
order to protect the confidentiality of the information.

(8) The final decision of the zoning authority or other
regulatory agency granting relief, if applicable.

(9) The signature of the applicant and the date of
signing.

(b) Estimate.--The amount of assessment deemed eligible for
tax exemption under subsection (c) shall be available for public
inspection and copying so a subsequent purchaser is informed of
the amount of taxes to be paid after the 10-year exemption
period.

(c) County assessment office.--

(1) A copy of the exemption request shall be forwarded
to the county assessment office. After completion of the new
construction or improvement, the county assessment office
shall:

(i) Separately assess the new construction or
improvement and calculate the amounts of the assessment
eligible for tax exemption in accordance with the limits
established by the local taxing authorities.

(ii) Notify the taxpayer and the local taxing
authorities of the reassessment and amounts of the
assessment eligible for exemption.

(2) Appeals from a reassessment and the amounts eligible for the exemption may be taken by the taxpayer or the local taxing authorities.

(d) Amendment of ordinance or resolution.--The cost of new construction or improvements to be exempted and the schedule of taxes exempted which exist at the time of the initial request for tax exemption shall apply to the exemption request. A subsequent amendment to the ordinance or resolution shall not apply to a request initiated prior to adoption of the amendment.

Section 404. Eligibility requirements.

(a) General rule.--The completed new construction or improvement must:

(1) Conform to zoning ordinance requirements.
(2) Increase the value of the property by at least 25%.
(3) Correct each municipal code violation.

(b) Ineligibility.--A property shall be ineligible for tax exemption under section 404(a) if:

(1) The property receives other property tax abatement or exemption incentives for new construction or improvement.
(2) The property receives tax relief through a State program, except as provided under subsection (d).
(3) The property owner or developer is delinquent on property taxes related to the subject property, except if the delinquent taxes are paid prior to construction or payment of delinquent taxes has been arranged with the local taxing authority in accordance with an installment plan.
(4) The property owner has a legal or equitable interest in other property for which property taxes are delinquent, except if the delinquent taxes are paid prior to construction.
or payment of delinquent taxes has been arranged with the
local taxing authority in accordance with an installment
plan.

(5) New construction or improvement has commenced prior
to filing an application under section 305.

(6) The property includes an improvement under
subsection (c) that poses a health or safety risk to an
individual residing above the first floor. 403.

(c) Exception.--The amount of assessment eligible for
exemption under this act shall be offset by the amount of
property tax rebate received under Chapter 13 of the Taxpayer
Relief Act.

(d) Limitations.--The property qualifying and receiving a
tax exemption under this chapter shall be ineligible for or
receive additional tax exemption under the act of July 9, 1971
(P.L.206, No.34), known as the Improvement of Deteriorating Real
Property or Areas Tax Exemption Act, and the act of December 1,
1977 (P.L.237, No.76), known as the Local Economic
Revitalization Tax Assistance Act, for a minimum of 15 years
from the date the property received a tax exemption under this
chapter.

(e) Prohibitions.--For the period of time that a property
receives a tax exemption under this chapter, a purchase or sale
of the property or a portion of the property may not be
structured to exclude or exempt the transaction from a realty
transfer tax due to a taxing authority that would not be
excluded or exempt, except for the following:

(1) A sheriff sale or tax claim bureau sale.

(2) A corrective deed.

(3) A transfer by a mortgagor to the holder of a bona
fide mortgage in default in lieu of a foreclosure.

(4) A transfer to a judicial sale in which the successful bidder is the bona fide holder of a mortgage.


CHAPTER 5

MISCELLANEOUS PROVISIONS

Section 501. Effective date.

This act shall take effect in 60 days.