

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in assessments of persons and
3 property, providing for senior property tax freeze.

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

6 Section 1. Chapter 85 of Title 53 of the Pennsylvania
7 Consolidated Statutes is amended by adding a subchapter to read:

8 SUBCHAPTER G

9 SENIOR PROPERTY TAX FREEZE

10 Sec.

11 8591. Scope of subchapter.

12 8592. Definitions.

13 8593. Authority.

14 8594. Income eligibility.

15 8595. Tax freeze.

16 8596. Application procedure.

17 8597. Contents of application.

18 8598. Attachment and satisfaction of liens.

1 § 8591. Scope of subchapter.

2 This subchapter relates senior citizen property tax freeze.

3 § 8592. Definitions.

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

7 "Base payment." The amount of property tax paid by an
8 applicant in the base year.

9 "Base year." The tax year preceding the first tax year for
10 which a taxing authority implements the provisions of this
11 subchapter or the tax year immediately preceding an applicant's
12 approval for a tax freeze under section 8595 (relating to tax
13 freeze).

14 "Claimant." A person 62 years of age or older who has
15 established residency in this Commonwealth for five or more
16 years.

17 "Household income." All income as defined in section 1303 of
18 the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known
19 as the Taxpayer Relief Act, received by the claimant and by the
20 claimant's spouse during the calendar year for which a tax
21 deferral is claimed.

22 "Increase in real property taxes." An increase in the
23 property taxes above the base payment resulting from a millage
24 increase, a change in the assessment ratio or method or by a
25 revaluing of all properties.

26 § 8593. Authority.

27 All political subdivisions shall have the power and authority
28 to grant annual tax freezes in the manner provided in this
29 subchapter.

30 § 8594. Income eligibility.

1 A claimant shall be eligible for a tax freeze under section
2 8595 (relating to tax freeze) if the claimant and the claimant's
3 spouse have a household income not exceeding \$60,000 annually.
4 § 8595. Tax freeze.

5 (a) Amount.--A claimant shall have all property taxes frozen
6 at the claimant's base year amount for as long as the claimant
7 remains eligible under this subchapter. Real property taxes
8 under this subchapter shall include all school, municipal and
9 county taxes.

10 (b) Prohibition.--No tax freeze shall be granted if the
11 total amount of deferred taxes plus the total amount of all
12 other unsatisfied liens on the homestead of the claimant plus
13 the outstanding principal on any and all mortgages on the
14 homestead exceeds 85% of the market value of the homestead or if
15 the outstanding principal on any and all mortgages on the
16 homestead exceeds 70% of the market value of the homestead.
17 Market value shall equal assessed value divided by the common
18 level ratio as most recently determined by the State Tax
19 Equalization Board for the county in which the property is
20 located.

21 § 8596. Application procedure.

22 (a) Initial application.--Any person eligible for a tax
23 freeze under this subchapter may apply annually to a political
24 subdivision. In the initial year of application, the following
25 information shall be provided in the application provided under
26 subsection (c):

27 (1) A statement of request for the tax freeze.

28 (2) A certification that the applicant or the
29 applicant's spouse jointly are the owners in fee simple of
30 the homestead upon which the real property taxes are imposed.

1 (3) A certification that the applicant's homestead is
2 adequately insured under a homeowner's policy to the extent
3 of all outstanding liens.

4 (4) Receipts showing timely payment of the immediately
5 preceding year's nondeferred real property tax liability.

6 (5) Proof of income eligibility under section 8574
7 (relating to income eligibility).

8 (6) Other information required by the political
9 subdivision.

10 (b) Subsequent years.--After the political subdivision
11 authorizes a claimant's initial application, the claimant shall
12 remain eligible for a tax freeze in subsequent years so long as
13 the claimant continues to meet the eligibility requirements of
14 this subchapter.

15 (c) Application form.--The Department of Community and
16 Economic Development shall promulgate a standardized application
17 form for use by political subdivisions. The department shall
18 publish the application form in the Pennsylvania Bulletin.
19 § 8597. Contents of application.

20 The application for a tax freeze distributed to persons shall
21 contain the following:

22 (1) A statement that the tax freeze granted under this
23 subchapter is provided in exchange for a lien against the
24 homestead of the applicant.

25 (2) An explanation of the manner in which the frozen
26 taxes shall become due, payable and delinquent and include,
27 at a minimum, the consequences of noncompliance with the
28 provisions of this subchapter.

29 § 8598. Attachment and satisfaction of liens.

30 (a) Nature of lien.--All taxes deferred under this

1 subchapter shall constitute a prior lien on the homestead of the
2 claimant in favor of a political subdivision and shall attach as
3 of the date and in the same manner as other real estate tax
4 liens. The deferred taxes shall be collected as other real
5 estate tax liens, but the deferred taxes shall be due, payable
6 and delinquent only as provided in subsection (b).

7 (b) Payment.--

8 (1) All or part of the deferred taxes may at any time be
9 paid to the political subdivision.

10 (2) In the event that the deferred taxes are not paid by
11 the claimant or the claimant's spouse during his or her
12 lifetime or during their continued ownership of the
13 homestead, the deferred taxes shall be paid either:

14 (i) prior to the conveyance of the homestead to any
15 third party; or

16 (ii) prior to the passing of the legal or equitable
17 title, either by will or by statute, to the heirs of the
18 claimant or the claimant's spouse.

19 (3) The surviving spouse of a claimant shall not be
20 required to pay the deferred taxes by reason of his or her
21 acquisition of the homestead due to death of the claimant as
22 long as the surviving spouse maintains domicile in the
23 property. The surviving spouse may continue to apply for a
24 tax freeze in subsequent years provided the surviving spouse
25 is eligible under the provisions of this subchapter.

26 Section 2. This act shall take effect in 60 days.