

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1175 Session of
1983

INTRODUCED BY FRYER, SWEET, STUBAN, A. C. FOSTER, JR. AND LEVI,
JUNE 7, 1983

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, OCTOBER 2, 1984

AN ACT

1 ~~Amending the act of December 31, 1965 (P.L.1257, No.511),~~ <—
2 ~~entitled "An act empowering cities of the second class,~~
3 ~~cities of the second class A, cities of the third class,~~
4 ~~boroughs, towns, townships of the first class, townships of~~
5 ~~the second class, school districts of the second class,~~
6 ~~school districts of the third class and school districts of~~
7 ~~the fourth class including independent school districts, to~~
8 ~~levy, assess, collect or to provide for the levying,~~
9 ~~assessment and collection of certain taxes subject to maximum~~
10 ~~limitations for general revenue purposes; authorizing the~~
11 ~~establishment of bureaus and the appointment and compensation~~
12 ~~of officers, agencies and employes to assess and collect such~~
13 ~~taxes; providing for joint collection of certain taxes,~~
14 ~~prescribing certain definitions and other provisions for~~
15 ~~taxes levied and assessed upon earned income, providing for~~
16 ~~annual audits and for collection of delinquent taxes, and~~
17 ~~permitting and requiring penalties to be imposed and~~
18 ~~enforced, including penalties for disclosure of confidential~~
19 ~~information, providing an appeal from the ordinance or~~
20 ~~resolution levying such taxes to the court of quarter~~
21 ~~sessions and to the Supreme Court and Superior Court,"~~
22 ~~excluding from the authority to levy realty transfer taxes~~
23 ~~transfers between brothers and sisters or their spouses.~~
24 AMENDING THE ACT OF APRIL 13, 1972 (P.L.184, NO.62), ENTITLED <—
25 "AN ACT GIVING MUNICIPALITIES THE RIGHT AND POWER TO ADOPT
26 HOME RULE CHARTERS OR ONE OF SEVERAL OPTIONAL PLANS OF
27 GOVERNMENT AND TO EXERCISE THE POWERS AND AUTHORITY OF LOCAL
28 SELF-GOVERNMENT SUBJECT TO CERTAIN RESTRICTIONS AND
29 LIMITATIONS; PROVIDING PROCEDURES FOR SUCH ADOPTION AND
30 DEFINING THE EFFECT THEREOF," FURTHER PROVIDING FOR <—
31 CLARIFYING THE TAXATION OF RESIDENTS AND NONRESIDENTS BY <—

1 TAXING AUTHORITY OF HOME RULE MUNICIPALITIES. <—

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

4 ~~Section 1. Section 2(1) of the act of December 31, 1965~~ <—
5 ~~(P.L.1257, No.511), known as The Local Tax Enabling Act, amended~~
6 ~~July 1, 1981 (P.L.184, No.53) and June 23, 1982 (P.L.593,~~
7 ~~No.168), is amended to read:~~

8 ~~Section 2. Delegation of Taxing Powers and Restrictions~~
9 ~~Thereon. The duly constituted authorities of the following~~
10 ~~political subdivisions, cities of the second class, cities of~~
11 ~~the second class A, cities of the third class, boroughs, towns,~~
12 ~~townships of the first class, townships of the second class,~~
13 ~~school districts of the second class, school districts of the~~
14 ~~third class, and school districts of the fourth class, in all~~
15 ~~cases including independent school districts, may, in their~~
16 ~~discretion, by ordinance or resolution, for general revenue~~
17 ~~purposes, levy, assess and collect or provide for the levying,~~
18 ~~assessment and collection of such taxes as they shall determine~~
19 ~~on persons, transactions, occupations, privileges, subjects and~~
20 ~~personal property within the limits of such political~~
21 ~~subdivisions, and upon the transfer of real property, or of any~~
22 ~~interest in real property, situate within the political~~
23 ~~subdivision levying and assessing the tax, regardless of where~~
24 ~~the instruments making the transfers are made, executed or~~
25 ~~delivered or where the actual settlements on such transfer take~~
26 ~~place. The taxing authority may provide that the transferee~~
27 ~~shall remain liable for any unpaid realty transfer taxes imposed~~
28 ~~by virtue of this act. Each local taxing authority may, by~~
29 ~~ordinance or resolution, exempt any person whose total income~~
30 ~~from all sources is less than five thousand dollars (\$5,000) per~~

~~annum from the per capita or similar head tax, occupation tax and occupational privilege tax, or earned income tax, or any portion thereof, and may adopt regulations for the processing of claims for exemptions. Such local authorities shall not have authority by virtue of this act:~~

~~(1) To levy, assess and collect or provide for the levying, assessment and collection of any tax on the transfer of real property when the transfer is by will or mortgage or the intestate laws of this Commonwealth or on a transfer by the owner of previously occupied residential premises to a builder of new residential premises when such previously occupied residential premises is taken in trade by such builder as part of the consideration from the purchaser of a new previously unoccupied single family residential premises or on a transfer between corporations operating housing projects pursuant to the housing and redevelopment assistance law and the shareholders thereof, or on a transfer between nonprofit industrial development agencies and industrial corporations purchasing from them, or on transfer to or from nonprofit industrial development agencies, or on a transfer between husband and wife, or on a transfer between persons who were previously husband and wife but who have since been divorced; provided such transfer is made within three months of the date of the granting of the final decree in divorce, or the decree of equitable distribution of marital property, whichever is later, and the property or interest therein, subject to such transfer, was acquired by the husband and wife, or husband or wife, prior to the granting of the final decree in divorce, or on a transfer between parent and child or the spouse of such a child, or between parent and trustee for the benefit of a child or the spouse of such child,~~

~~1 or on a transfer between a grandparent and grandchild or the
2 spouse of such grandchild, or on a transfer between brother and
3 sister or brother and brother or sister and sister or the spouse
4 of such brother or sister, or on a transfer to a conservancy
5 which possesses a tax exempt status pursuant to section
6 501(c)(3) of the Internal Revenue Code, and which has as its
7 primary purpose the preservation of land for historic,
8 recreational, scenic, agricultural or open space opportunities,
9 by and between a principal and straw party for the purpose of
10 placing a mortgage or ground rent upon the premises, or on a
11 correctional deed without consideration, or on a transfer to the
12 United States, the Commonwealth of Pennsylvania, or to any of
13 their instrumentalities, agencies or political subdivisions, by
14 gift, dedication or deed in lieu of condemnation, or deed of
15 confirmation in connection with condemnation proceedings, or
16 reconveyance by the condemning body of the property condemned to
17 the owner of record at the time of condemnation which
18 reconveyance may include property line adjustments provided said
19 reconveyance is made within one year from the date of
20 condemnation, leases, or on a conveyance to a trustee under a
21 recorded trust agreement for the express purpose of holding
22 title in trust as security for a debt contracted at the time of
23 the conveyance under which the trustee is not the lender and
24 requiring the trustee to make reconveyance to the grantor
25 borrower upon the repayment of the debt, or in any sheriff sale
26 instituted by a mortgagee in which the purchaser of said sheriff
27 sale is the mortgagee who instituted said sale, or on a
28 privilege, transaction, subject, occupation or personal property
29 which is now or does hereafter become subject to a State tax or
30 license fee;~~

~~1 OR INTENDED TO BE APPLICABLE THROUGHOUT THE COMMONWEALTH AND~~
~~2 WHICH APPLIES OR IS INTENDED TO APPLY TO EACH AND EVERY~~
~~3 MUNICIPALITY OF THE COMMONWEALTH WITHOUT EXCEPTION IN THE SAME~~
~~4 MANNER AND TO THE SAME EXTENT. FOR THE PURPOSES OF THIS~~
~~5 DEFINITION, THE TERM "MUNICIPALITY" SHALL MEAN ALL COUNTIES,~~
~~6 CITIES, BOROUGH, INCORPORATED TOWNS AND TOWNSHIPS WITHIN THE~~
~~7 COMMONWEALTH.~~

8 SECTION 2. SECTION 302 OF THE ACT, AMENDED JULY 3, 1974
9 (P.L.421, NO.148), IS AMENDED TO READ:

10 SECTION 302. (A) 【THE】 WITH RESPECT TO THE FOLLOWING <—
11 SUBJECTS, THE HOME RULE CHARTER ADOPTED IN ACCORDANCE WITH THE
12 PROVISIONS OF THIS ACT SHALL NOT GIVE ANY POWER OR AUTHORITY TO
13 THE MUNICIPALITY CONTRARY TO, OR IN LIMITATION OR ENLARGEMENT OF
14 POWERS GRANTED BY ACTS OF THE GENERAL ASSEMBLY WHICH ARE
15 APPLICABLE TO A CLASS OR CLASSES OF MUNICIPALITIES 【ON THE <—
16 FOLLOWING SUBJECTS】: <—

17 (1) THE FILING AND COLLECTION OF MUNICIPAL TAX CLAIMS OR
18 LIENS AND THE SALE OF REAL OR PERSONAL PROPERTY IN SATISFACTION
19 THEREOF.

20 (2) THE PROCEDURES IN THE EXERCISE OF THE POWERS OF EMINENT
21 DOMAIN, AND THE ASSESSMENT OF DAMAGES AND BENEFITS FOR PROPERTY
22 TAKEN, INJURED OR DESTROYED.

23 (3) BOUNDARY CHANGES OF MUNICIPALITIES.

24 (4) REGULATION OF PUBLIC SCHOOLS.

25 (5) THE REGISTRATION OF ELECTORS AND THE CONDUCT OF
26 ELECTIONS.

27 †(6) THE FIXING OF SUBJECTS OF TAXATION. <—

28 (7) THE FIXING OF THE RATES OF NONPROPERTY OR PERSONAL TAXES
29 LEVIED UPON NONRESIDENTS.

30 (8) THE ASSESSMENT OF REAL OR PERSONAL PROPERTY AND PERSONS

1 FOR TAXATION PURPOSES.†

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2 (9) DEFINING OR PROVIDING FOR THE PUNISHMENT OF ANY FELONY
3 OR MISDEMEANOR.

4 (10) MUNICIPAL PLANNING UNDER THE PROVISIONS OF THE ACT OF
5 JULY 31, 1968 (P.L.805, NO.247), KNOWN AS THE "PENNSYLVANIA
6 MUNICIPALITIES PLANNING CODE."

7 ~~(A.1) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT OR~~ <—
8 ~~THE PROVISIONS OF ANY ACT OF THE GENERAL ASSEMBLY TO THE~~
9 ~~CONTRARY UNLESS PROHIBITED BY THE CONSTITUTION OF PENNSYLVANIA,~~ <—
10 ~~THE PROVISIONS OF ANY OTHER ACT OF THE GENERAL ASSEMBLY, THE~~
11 ~~PROVISIONS OF THIS ACT OR ITS HOME RULE CHARTER, A MUNICIPALITY~~
12 ~~WHICH HAS ADOPTED A HOME RULE CHARTER SHALL HAVE, WITHOUT~~ <—
13 ~~LIMITATION, THE POWER AND AUTHORITY TO ENACT AND ENFORCE LOCAL~~
14 ~~TAX ORDINANCES UPON ANY SUBJECT OF TAXATION GRANTED BY THE~~ <—
15 ~~GENERAL ASSEMBLY TO THE CLASS OF MUNICIPALITY OF WHICH IT WOULD~~
16 ~~BE A MEMBER BUT FOR THE ADOPTION OF A HOME RULE CHARTER, AT ANY~~
17 ~~RATE OF TAXATION DETERMINED BY THE GOVERNING BODY. UNLESS~~ <—
18 ~~PROHIBITED BY THE CONSTITUTION OF PENNSYLVANIA, ITS HOME RULE~~
19 ~~CHARTER, OR THE PROVISIONS OF THIS SUBSECTION. ACT. NO HOME RULE~~ <—
20 ~~MUNICIPALITY SHALL ESTABLISH OR LEVY A RATE OF TAXATION UPON~~
21 ~~NONRESIDENTS WHICH IS GREATER THAN THE RATE WHICH SUCH~~
22 ~~MUNICIPALITY WOULD HAVE BEEN AUTHORIZED TO LEVY ON NONRESIDENTS~~
23 ~~BUT FOR THE ADOPTION OF A HOME RULE CHARTER. THE GOVERNING BODY~~
24 ~~OF A HOME RULE MUNICIPALITY SHALL NOT BE SUBJECT TO ANY~~
25 ~~LIMITATION ON THE RATES OF TAXATION IMPOSED UPON RESIDENTS.~~

26 ~~(1) SUCH MUNICIPALITY IS DENIED ANY POWER AND AUTHORITY TO~~ <—
27 ~~FIX A SUBJECT OF TAXATION OR IMPOSE A TAX UNLESS SUCH POWER AND~~
28 ~~AUTHORITY HAS BEEN GRANTED BY THE GENERAL ASSEMBLY TO THE CLASS~~
29 ~~OF MUNICIPALITY OF WHICH IT WOULD BE A MEMBER BUT FOR THE~~
30 ~~ADOPTION OF A HOME RULE CHARTER.~~

1 ~~(2) SUCH MUNICIPALITY SHALL NOT ESTABLISH OR LEVY A RATE OF~~
2 ~~TAXATION UPON NONRESIDENTS WHICH IS GREATER THAN THE RATE WHICH~~
3 ~~THE MUNICIPALITY WOULD HAVE BEEN AUTHORIZED TO LEVY ON~~
4 ~~NONRESIDENTS BUT FOR THE ADOPTION OF A HOME RULE CHARTER. NO~~
5 ~~LIMITATION ON RATE OF TAXATION SHALL APPLY TO RESIDENTS AS~~
6 ~~DETERMINED BY THE GOVERNING BODY.~~

7 ~~(3) NO MUNICIPALITY SHALL ASSESS THE VALUE OF REAL OR~~
8 ~~PERSONAL PROPERTY OR ASSESS PERSONS FOR TAXATION PURPOSES UNLESS~~
9 ~~AUTHORIZED BY AN ACT OF THE GENERAL ASSEMBLY WHICH APPLIES TO~~
10 ~~THE CLASS OF MUNICIPALITY OF WHICH IT WOULD BE A MEMBER BUT FOR~~
11 ~~THE ADOPTION OF A HOME RULE CHARTER.~~

12 (B) NO MUNICIPALITY SHALL (I) ENGAGE IN ANY PROPRIETARY OR
13 PRIVATE BUSINESS EXCEPT AS AUTHORIZED BY THE GENERAL ASSEMBLY,
14 (II) EXERCISE POWERS CONTRARY TO, OR IN LIMITATION OR
15 ENLARGEMENT OF POWERS GRANTED BY ACTS OF THE GENERAL ASSEMBLY
16 WHICH ARE ~~{APPLICABLE IN EVERY PART OF THE COMMONWEALTH} UNIFORM~~ <—
17 ~~ACTS~~, (III) BE GIVEN THE POWER TO DIMINISH THE RIGHTS OR
18 PRIVILEGES OF ANY FORMER MUNICIPAL EMPLOYE ENTITLED TO BENEFITS
19 OR ANY PRESENT MUNICIPAL EMPLOYE IN HIS PENSION OR RETIREMENT
20 SYSTEM, (IV) ENACT OR PROMULGATE ANY ORDINANCE OR REGULATION
21 WITH RESPECT TO DEFINITIONS, SANITATION, SAFETY, HEALTH,
22 STANDARDS OF IDENTITY OR LABELING PERTAINING TO THE MANUFACTURE,
23 PROCESSING, STORAGE, DISTRIBUTION AND SALE OF ANY FOODS, GOODS
24 OR SERVICES SUBJECT TO ANY COMMONWEALTH LAWS OR REGULATIONS
25 UNLESS SUCH MUNICIPAL ORDINANCE OR REGULATION IS UNIFORM IN ALL
26 RESPECTS WITH SUCH COMMONWEALTH LAWS AND REGULATIONS. NOTHING
27 HEREIN CONTAINED SHALL BE CONSTRUED TO IN ANY WAY AFFECT THE
28 POWER OF ANY MUNICIPALITY TO ENACT AND ENFORCE ORDINANCES
29 RELATING TO BUILDING CODES OR ANY OTHER SAFETY, SANITATION OR
30 HEALTH REGULATION PERTAINING THERETO, NOR (V) ENACT ANY

1 PROVISION INCONSISTENT WITH ANY STATUTE HERETOFORE ENACTED BY
2 THE GENERAL ASSEMBLY AFFECTING THE RIGHTS, BENEFITS OR WORKING
3 CONDITIONS OF ANY EMPLOYE OF A POLITICAL SUBDIVISION OF THE
4 COMMONWEALTH.

5 (C) ACTS OF THE GENERAL ASSEMBLY IN EFFECT ON THE EFFECTIVE
6 DATE OF THIS ACT THAT ARE UNIFORM ~~{AND APPLICABLE [THROUGHOUT]~~ <—
7 ~~IN EVERY PART OF THE COMMONWEALTH}~~ ~~ACTS~~ SHALL REMAIN IN EFFECT <—
8 AND SHALL NOT BE CHANGED OR MODIFIED BY THIS ACT. ACTS OF THE
9 GENERAL ASSEMBLY ENACTED AFTER THE EFFECTIVE DATE OF THIS ACT
10 THAT ARE UNIFORM ~~{AND APPLICABLE [THROUGHOUT]~~ IN EVERY PART OF <—
11 ~~THE COMMONWEALTH}~~ ~~ACTS~~ SHALL SUPERSEDE ANY MUNICIPAL ORDINANCE <—
12 OR RESOLUTION ON THE SAME SUBJECT.

13 (D) NO MUNICIPALITY WHICH ADOPTS A HOME RULE CHARTER SHALL
14 AT ANY TIME THEREUNDER DETERMINE DUTIES, RESPONSIBILITIES OR
15 REQUIREMENTS PLACED UPON BUSINESSES, OCCUPATIONS AND EMPLOYERS,
16 INCLUDING THE DUTY TO WITHHOLD, REMIT OR REPORT TAXES OR
17 PENALTIES LEVIED OR IMPOSED UPON THEM OR UPON PERSONS IN THEIR
18 EMPLOYMENT, EXCEPT AS EXPRESSLY PROVIDED BY ACTS OF THE GENERAL
19 ASSEMBLY, WHICH ARE ~~{APPLICABLE IN EVERY PART OF THE~~ <—
20 COMMONWEALTH OR WHICH ARE APPLICABLE TO ALL MUNICIPALITIES OR TO
21 A CLASS OR CLASSES OF MUNICIPALITIES} ~~UNIFORM ACTS: PROVIDED,~~ <—
22 HOWEVER, THAT THIS SUBSECTION SHALL NOT BE CONSTRUED AS A
23 LIMITATION IN FIXING PERMISSIBLE SUBJECTS AND RATES OF TAXATION <—
24 ON PERMISSIBLE SUBJECTS OF TAXATION. <—

25 (E) NO MUNICIPALITY SHALL ENACT ANY ORDINANCE OR TAKE ANY
26 OTHER ACTION DEALING WITH THE REGULATION OF THE TRANSFER,
27 OWNERSHIP, TRANSPORTATION OR POSSESSION OF FIREARMS.

28 (F) NOTHING CONTAINED HEREIN SHALL LIMIT OR TAKE AWAY ANY
29 RIGHT OF A MUNICIPALITY WHICH ADOPTS A HOME RULE CHARTER FROM
30 LEVYING ANY TAX WHICH IT HAD THE POWER TO LEVY HAD IT NOT

1 ADOPTED A HOME RULE CHARTER.

2 (G) NO PROVISION OF THIS OR ANY OTHER ACT OF THE GENERAL
3 ASSEMBLY SHALL LIMIT A MUNICIPALITY WHICH ADOPTS A HOME RULE
4 CHARTER FROM ESTABLISHING ITS OWN RATES OF TAXATION UPON ALL
5 AUTHORIZED SUBJECTS OF TAXATION EXCEPT THOSE SPECIFIED IN
6 SUBSECTION (A)(7) HEREIN.

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7 SECTION 3. SECTION 8 OF THE ACT OF DECEMBER 31, 1965
8 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT, IS
9 REPEALED INsofar AS IT RELATES TO LIMITATIONS ON RATES OF TAXES
10 IMPOSED ON RESIDENTS OF HOME RULE MUNICIPALITIES.

11 SECTION 4. THIS ACT SHALL BE RETROACTIVE TO APRIL 13, 1972.

12 SECTION 5. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.