

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1391 Session of
1985

INTRODUCED BY O'DONNELL, MAIALE, HOWLETT, CARN, RICHARDSON,
DONATUCCI, KENNEY, WIGGINS, HARPER, PERZEL, WESTON AND
LINTON, JUNE 10, 1985

REFERRED TO COMMITTEE ON FINANCE, JUNE 10, 1985

AN ACT

1 Establishing standards and qualifications by which local
2 authorities in counties of the first class may defer payment
3 of certain real property taxes.

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 County Property Tax Deferral Act.

9 Section 2. Authorization.

10 This act is pursuant to the permission granted to the General
11 Assembly by an amendment to section 2(b) of Article VIII of the
12 Constitution of Pennsylvania adopted by the people of the
13 Commonwealth of Pennsylvania on November 6, 1984, which reads as
14 follows:

15 § 2. Exemptions and special provisions.

16 * * *

17 (b) The General Assembly may, by law:

18 * * *

(v) Establish standards and qualifications by which local taxing authorities in counties of the first and second class may make uniform special real property tax provisions applicable to taxpayers who are longtime owner-occupants as shall be defined by the General Assembly of residences in areas where real property values have risen markedly as a consequence of the refurbishing or renovating of other deteriorating residences or the construction of new residences.

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Section 3. Deferral authority.

(a) Adoption of uniform provisions.--The governing body of a county of the first class shall have the power to adopt uniform special real property tax provisions granting longtime owner-occupants a deferral in the payment of that portion of an increase of real property taxes which is due to an increase in the assessed value of the real property as a consequence of the refurbishing or renovating of other residences or the construction of new residences in areas of deteriorated, vacant or abandoned homes and properties.

(b) Designation of areas.--The governing body of a county of the first class is authorized to designate areas eligible for the special real property tax provisions pursuant to this act.

(c) Definition.--As used in this act the term "longtime owner-occupant" means any person who for at least ten continuous years has owned and has been primarily residing in the same single-family dwelling.

Section 4. Conditions for deferral.

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

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

(2) The property is a single-family dwelling.

(3) The property is the sole residence of the owner.

(4) The owner of the property is determined to be in financial need, as determined by the governing body of the county of the first class.

Section 5. Payment of deferred tax.

(a) Lien.--The portion of tax deferred pursuant to this act shall be a first lien on the property and shall be filed as a lien as provided in the act of May 16, 1923 (P.L.207, No.153), referred to as the Municipal Claim and Tax Lien Law.

(b) Transfer.--The tax deferred pursuant to this act shall be due and payable if all or any part of the property or an interest therein is sold or transferred. The following shall not constitute a sale or transfer:

(1) Creation of a lien or encumbrance subordinate to the tax deferred.

(2) Creation of a purchase money security interest for household appliances.

(3) Transfer by operation of law to a surviving tenant by the entireties.

(c) Penalties and interest.--No penalties or interest shall accrue on the portion of tax deferred until there is a sale or transfer of the property as provided in subsection (b).

(d) Costs.--The cost of filing the claim and any revivals thereof shall be due and payable by the recipient of the tax deferral at the time of the sale or transfer.

(e) Effect of nonpayment of tax not deferred.--If at any time the tax on the property, exclusive of the portion of tax

1 deferred, is not paid in accordance with law, action may be
2 taken to enforce the claim for all taxes on the property,
3 including all previously deferred taxes.

4 Section 6. Effective date.

5 This act shall take effect immediately.