
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1921 Session of
1985

Report of the Committee of Conference

To the Members of the House of Representatives and Senate:

We, the undersigned, Committee of Conference on the part of the House of Representatives and Senate for the purpose of considering House Bill No. 1921, entitled:

"An act empowering certain local taxing authorities to provide exemptions from taxation for certain improvements made to certain unimproved residential property,"

respectfully submit the following bill as our report:

DAVID J. MAYERNIK

FRED A. TRELLO

A. CARVILLE FOSTER, JR.

(Committee on the part of the House of Representatives.)

FRANK A. PECORA

J. DOYLE CORMAN

H. CRAIG LEWIS

(Committee on the part of the Senate.)

AN ACT

1 Empowering certain local taxing authorities to provide
2 exemptions from taxation for certain improvements made to
3 certain unimproved residential property.

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 New Home
8 Construction Local Tax Abatement Act.

9 Section 2. Construction.

10 This act shall be construed to authorize local taxing
11 authorities to exempt improvement to certain unimproved
12 residential property implementing section 2(b)(iv) of Article
13 VIII of the Constitution of Pennsylvania.

14 Section 3. Definitions.

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

18 "Improvement." The erection or construction of one or more
19 residential buildings in compliance with laws, ordinances or
20 regulations governing such actions.

21 "Local taxing authority." A county, city, borough,
22 incorporated town, township, school district or home rule
23 municipality having authority to levy real property taxes.

24 "Unimproved residential property." Any unimproved real
25 estate owned by an individual, association, corporation or
26 governmental entity located in this Commonwealth, which is or
27 may be zoned, in accordance with the provisions of the act of
28 July 31, 1968 (P.L.805, No.247), known as the Pennsylvania
29 Municipalities Planning Code, for residential use.

1 Section 4. New residential construction.

2 (a) Power to grant exemptions.--Each local taxing authority
3 may, by ordinance or resolution, exempt from real property
4 taxation the assessed valuation of improvements to unimproved
5 residential property in the amounts and in accordance with the
6 provisions and limitations set forth in this act. Prior to the
7 adoption of the ordinance or resolution authorizing the granting
8 of tax exemptions, the local taxing authority by ordinance or
9 resolution shall affix the boundaries of the unimproved
10 residential property or properties wholly or partially located
11 within its jurisdiction for which the tax exemption shall be
12 available. Such ordinance or resolution shall also specify the
13 purpose for determining such boundaries, including, but not
14 limited to, maintenance of neighborhoods, consistency of zoning
15 districts, rejuvenation of blighted areas and development of
16 vacant property. Prior to the adoption of the ordinance or
17 resolution authorizing the granting of tax exemptions, the local
18 taxing authority shall conduct at least one public hearing for
19 the purpose of discussion of the provisions of the ordinance,
20 including, but not limited to, the abatement period and the
21 exemption schedule. At the public hearing, local taxing
22 authorities, planning commissioners, redevelopment authorities,
23 and other public and private agencies, individuals, associations
24 and corporations which are knowledgeable and interested in the
25 improvement of unimproved residential property may present their
26 recommendations concerning the location of boundaries of the
27 unimproved residential property or properties for the guidance
28 of the local taxing authority. The ordinance or resolution
29 adopted by a local taxing authority shall specify the cost of
30 improvements per dwelling unit to be exempted, and the schedule

1 of taxes exempted.

2 (b) Cooperation between municipalities.--Two or more local
3 taxing authorities may join together for the purpose of
4 implementing this act. The local taxing authorities may, by
5 implementing ordinance or resolution, agree to adopt tax
6 exemptions contingent upon the similar adoption by an adjacent
7 local taxing authority or by a local taxing authority with
8 mutual jurisdiction, within the limitations provided herein.

9 (c) Limitation.--In the event a local taxing authority
10 enacts an ordinance under section 4(a) of this act and
11 subsequently amends the ordinance to shorten the abatement
12 period provided for in the original or latest version of the
13 ordinance, the taxing authority shall not reduce the abatement
14 period for those property owners eligible for and participating
15 in the previously enacted abatement program. In the event a
16 local taxing authority enacts an abatement ordinance under
17 section 4(a) of this act and subsequently amends the ordinance
18 to extend the abatement period provided for in the original or
19 latest version of the ordinance, the taxing authority may extend
20 the abatement period for those property owners eligible for and
21 participating in the previously enacted abatement program
22 provided, however, that in no case shall the original period
23 plus the extension result in an abatement period that exceeds
24 two years.

25 Section 5. Exemption schedule.

26 (a) Amount of exemption.--A local taxing authority granting
27 a tax exemption pursuant to this act may provide for tax
28 exemption on the assessment attributable to the actual cost of
29 improvements or up to any maximum cost uniformly established by
30 the local taxing authority. The maximum cost shall apply

1 uniformly to all eligible unimproved residential property within
2 the local taxing authority jurisdiction.

3 (b) Schedule of taxes.--Whether or not the assessment
4 eligible for exemption is based upon actual cost or a maximum
5 cost, the actual amount of taxes exempted shall be in accordance
6 with the schedule of taxes exempted established by the local
7 taxing authority, subject to the following limitations:

8 (1) The length of the schedule of taxes exempted which
9 shall be known as the abatement period shall not exceed two
10 years.

11 (2) The schedule of taxes exempted shall stipulate the
12 portion of improvements to be exempted each year.

13 (3) The exemption from taxes shall be limited to the
14 additional assessment valuation attributable to the actual
15 cost of improvements to the property or not in excess of the
16 maximum cost per unit established by the local taxing
17 authority.

18 Section 6. Procedure for obtaining an exemption.

19 (a) Notification.--Any person desiring tax exemption,
20 pursuant to ordinances or resolutions adopted pursuant to this
21 act, shall notify each local taxing authority granting the
22 exemption on a form provided by the local taxing authority. The
23 form shall be submitted at the time the person desiring tax
24 exemption secures the building permit, or if no building permit
25 or other notification of improvement is required, at the time he
26 commences construction. A copy of the exemption request shall be
27 forwarded to the Board of Assessment and Revision of Taxes or
28 other appropriate assessment agency. The assessment agency shall
29 not be required to reassess that portion of the property which
30 has been exempted by the municipality for taxation purposes

1 until the exemption period has expired. Appeals from any
2 reassessment and the amounts eligible for the exemption may be
3 taken by the taxpayer or the local taxing authorities as
4 provided by law.

5 (b) Application of changes.--Except as may be authorized in
6 section 4(c), the cost of improvements to be exempted and the
7 schedule of taxes exempted existing at the time of the
8 submission of the form as provided in subsection (a) shall be
9 applicable to that exemption request.

10 Section 7. Effective date.

11 This act shall take effect immediately.