
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2495

Session of
1994

INTRODUCED BY GAMBLE, LAUGHLIN, ROBINSON, MAYERNIK, CESSAR,
GIGLIOTTI, ITKIN, MARKOSEK, FAJT, VAN HORNE, LEVDANSKY,
KAISER, COWELL, DeLUCA, DERMODY, FARMER, McNALLY, MICHLOVIC,
OLASZ, PETRONE, PISTELLA, PRESTON, PETTIT AND TRELLO,
JANUARY 31, 1994

SENATOR TILGHMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, MARCH 16, 1994

AN ACT

1 ~~Amending the act of December 13, 1988 (P.L.1190, No.146),~~ <—
2 ~~entitled "An act establishing standards and qualifications by~~
3 ~~which local tax authorities in counties of the first and~~
4 ~~second class may make special real property tax relief~~
5 ~~provisions," further defining "longtime owner occupant;~~
6 ~~further providing for deferral or exemption authority and for~~
7 ~~conditions of deferral or exemption; providing for~~
8 ~~applications for relief; and further providing for data used~~
9 ~~to determine eligibility.~~
10 AMENDING THE ACT OF JUNE 21, 1939 (P.L.626, NO.294), ENTITLED <—
11 "AN ACT PROVIDING FOR AND REGULATING THE ASSESSMENT AND
12 VALUATION OF ALL SUBJECTS OF TAXATION IN COUNTIES OF THE
13 SECOND CLASS; CREATING AND PRESCRIBING THE POWERS AND DUTIES
14 OF A BOARD OF PROPERTY ASSESSMENT, APPEALS AND REVIEW;
15 IMPOSING DUTIES ON CERTAIN COUNTY AND CITY OFFICERS;
16 ABOLISHING THE BOARD FOR THE ASSESSMENT AND REVISION OF TAXES
17 IN SUCH COUNTIES; AND PRESCRIBING PENALTIES," LIMITING THE
18 RATE OF INCREASE IN THE ASSESSED VALUE OF CERTAIN PROPERTY.
19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:
21 ~~Section 1. The definition of "longtime owner occupant" in~~ <—
22 ~~section 3 of the act of December 13, 1988 (P.L.1190, No.146),~~
23 ~~known as the First and Second Class County Property Tax Relief~~

1 ~~Act, is amended to read:~~

2 ~~Section 3. Definitions.~~

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

6 ~~"Longtime owner occupant." [Any] For counties of the first~~
7 ~~class, any person who for at least ten continuous years has~~
8 ~~owned and has occupied the same dwelling place as a principal~~
9 ~~residence and domicile, or any person who for at least five~~
10 ~~years has owned and occupied the same dwelling as a principal~~
11 ~~residence and domicile if that person received assistance in the~~
12 ~~acquisition of the property as part of a government or nonprofit~~
13 ~~housing program. For counties of the second class, any person~~
14 ~~who for at least three continuous years has owned and has~~
15 ~~occupied the same dwelling place as a principal residence and~~
16 ~~domicile.~~

17 ~~* * *~~

18 ~~Section 2. Sections 4 and 5 of the act are amended to read:~~

19 ~~Section 4. [Deferral or exemption] Exemption authority.~~

20 ~~(a) Adoption of uniform provisions. The governing body of a~~
21 ~~county of the first and second class shall have the power to~~
22 ~~provide, by ordinance or resolution, for uniform special real~~
23 ~~property tax provisions granting longtime owner occupants [a~~
24 ~~deferral or exemption or combination thereof] an exemption, in~~
25 ~~the payment of that portion of an increase of real property~~
26 ~~taxes which is due to an increase in the market value of the~~
27 ~~real property as a consequence of the refurbishing or renovating~~
28 ~~of other residences or the construction of new residences in~~
29 ~~long established residential areas or areas of deteriorated,~~
30 ~~vacant or abandoned homes and properties.~~

~~(b) Designation of areas. The governing body of a county of the first and second class is authorized to enact ordinances or resolutions which provide for the designation of areas eligible for the special real property tax provisions pursuant to this act. Before enacting an ordinance or resolution which proposes designating such an area, the governing body shall conduct a public hearing on the proposed ordinance or resolution.~~

~~(c) Second class county school districts and municipalities. School districts and municipalities within second class counties shall not have the authority to determine their participation in this program within their taxing jurisdiction. Ordinances or resolutions adopted under subsections (a) and (b) shall be applicable to school districts and municipalities within second class counties.~~

~~Section 5. Conditions of [deferral or] exemption.~~

~~(a) General rule. Any [deferral or] exemption 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 the principal residence and domicile of the longtime owner occupant.~~

~~[(b) Penalties and interest. No penalties and interest shall accrue on the portion of the deferral pursuant to this act.~~

~~(c) Financial need or age.—~~

~~(1) Neither financial need nor age of the longtime owner occupant shall be a determinant of eligibility in a county of the first class.~~

~~(2) School districts and municipalities within a county of the second class may determine whether financial need, age, or both, of the longtime owner occupant shall be used to determine eligibility.]~~

~~(b) Financial need or age. Neither financial need nor age of the longtime owner occupant shall be a determinant of eligibility in a county of the first class.~~

~~Section 3. The act is amended by adding a section to read:~~
~~Section 5.1. Single application.~~

~~A longtime owner occupant who seeks relief under this act shall file a single application with a county of the first or second class. If the application is approved by the county, all municipalities and school districts within the county shall be bound by the terms of the approved application.~~

~~Section 4. Section 6 of the act is amended to read:~~
~~Section 6. Retroactive application.~~

~~Data used by the governing body of a county of the first and second class to determine if the principal residence of a longtime owner occupant is eligible for [either] a tax [deferral or] exemption under the provisions of this act may be applied retroactively to November 6, 1984.~~

~~Section 5. This act shall apply to all municipal taxes levied for the fiscal year beginning January 1, 1994, and to all school district taxes levied for the fiscal year beginning July 1, 1994.~~

~~Section 6. Notwithstanding any other provision of law to the contrary, during calendar year 1994 municipalities and school districts may reopen their budgets for fiscal years beginning on January 1, 1994, in the case of municipalities, and beginning on July 1, 1994, in the case of school districts, and change real~~

~~estate tax millage rates that were adopted for their respective
fiscal years.~~

~~Section 7. This act shall take effect immediately.~~

SECTION 1. THE ACT OF JUNE 21, 1939 (P.L.626, NO.294),
REFERRED TO AS THE SECOND CLASS COUNTY ASSESSMENT LAW, IS
AMENDED BY ADDING ~~A SECTION~~ SECTIONS TO READ:

SECTION 9.1. (A) WHEN A COUNTY OF THE SECOND CLASS MAKES A
REASSESSMENT OF VALUES OF REAL PROPERTY, THE ASSESSED VALUE OF
ANY REAL PROPERTY SHALL NOT BE INCREASED BY MORE THAN FIVE
PERCENT (5%) UNLESS NEWLY CONSTRUCTED IMPROVEMENTS HAVE BEEN
MADE TO THE REAL ESTATE OR SUBSTANTIAL IMPROVEMENTS HAVE BEEN
MADE TO ANY EXISTING STRUCTURES ON THE REAL ESTATE.

(B) THIS SECTION SHALL EXPIRE THREE YEARS AFTER THE
EFFECTIVE DATE OF THIS SECTION.

SECTION 9.2. WHEN THE COUNTY MAKES ITS ANNUAL REASSESSMENT
AT VALUES BASED UPON AN ESTABLISHED PREDETERMINED RATIO, AS
REQUIRED, OR WHEN A COUNTY CHANGES ITS ESTABLISHED PREDETERMINED
RATIO, EACH POLITICAL SUBDIVISION, WHICH HEREINAFTER REVISES ITS
REAL ESTATE TAXES ON THAT REVISED ASSESSMENT OR VALUATION, SHALL
FOR THAT YEAR REDUCE ITS TAX RATE, IF NECESSARY, FOR THE PURPOSE
OF HAVING THE TOTAL AMOUNT OF PROPERTY TAX REVENUE RECEIVED
EXCLUSIVELY AS A RESULT OF THE REASSESSMENT OR CHANGE IN RATIO
NOT EXCEED ONE HUNDRED AND THREE PERCENT (103%) OF THE TOTAL
AMOUNT OF PROPERTY TAX REVENUE RECEIVED IN THE PRECEDING YEAR,
NOTWITHSTANDING THE INCREASED VALUATIONS OF PROPERTIES UNDER THE
ANNUAL REASSESSMENT SYSTEM. FOR THE PURPOSE OF DETERMINING THE
TOTAL AMOUNT OF REVENUE RECEIVED EXCLUSIVELY AS A RESULT OF THE
REASSESSMENT OR CHANGE IN RATIO FOR THE YEAR, THE AMOUNT TO BE
LEVIED ON NEWLY CONSTRUCTED BUILDINGS OR STRUCTURES OR ON
INCREASED VALUATIONS BASED ON NEW IMPROVEMENTS MADE TO EXISTING

1 STRUCTURES SHALL NOT BE CONSIDERED.

2 SECTION 2. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
3 CONTRARY, ANY MUNICIPALITY OR ANY POLITICAL SUBDIVISION WHOSE
4 BUDGET MAY BE IMPACTED MAY REOPEN ITS BUDGET AND CHANGE REAL
5 ESTATE TAX MILLAGE RATES THAT WERE ADOPTED FOR THEIR RESPECTIVE
6 FISCAL YEARS.

7 SECTION 3. THIS ACT SHALL APPLY TO ALL ASSESSMENTS MADE
8 AFTER DECEMBER 31, 1993.

9 SECTION 4. THIS ACT SHALL TAKE EFFECT ~~IMMEDIATELY.~~ AS <—
10 FOLLOWS:

11 (1) THE ADDITION OF SECTION 9.2 OF THE ACT SHALL TAKE
12 EFFECT IN THREE YEARS.

13 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
14 IMMEDIATELY.