

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 669 Session of
1997INTRODUCED BY ROBBINS, CORMAN, THOMPSON, STOUT AND AFFLERBACH,
MARCH 12, 1997

SENATE AMENDMENTS TO HOUSE AMENDMENTS, APRIL 29, 1998

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, further providing for automatic
3 certification, for definitions, for applicability, for
4 ordinances on lease rental debt, for small borrowing for
5 capital purposes and for management of funds; ~~providing for a~~ <—
6 ~~loan program for local police agencies funded by a bond~~
7 ~~issuance; establishing the Police Agency Loan Division in the~~
8 ~~Pennsylvania Emergency Management Agency; conferring powers~~
9 ~~and duties on the Secretary of the Commonwealth and the~~
10 ~~Legislative Reference Bureau; AUTHORIZING SCHOOL DISTRICTS TO~~ <—
11 IMPOSE AN EARNED INCOME AND NET PROFITS TAX; PROVIDING FOR
12 THE LEVYING, ASSESSMENT AND COLLECTION OF AN AMUSEMENT OR
13 ADMISSIONS TAX, A SIGN TAX, A MOTOR VEHICLE TRANSFER TAX AND
14 A MERCANTILE TAX; PROVIDING FOR THE UTILIZATION OF EARNED
15 INCOME AND NET PROFITS TAX REVENUES; AUTHORIZING POLITICAL
16 SUBDIVISIONS TO EXCLUDE FROM TAXATION A PORTION OF THE
17 ASSESSED VALUE OF HOMESTEAD PROPERTY AND FARMSTEAD PROPERTY;
18 PROVIDING LIMITATIONS ON EXCLUSIONS FOR HOMESTEAD AND
19 FARMSTEAD PROPERTY; ESTABLISHING A PROCESS FOR ADMINISTERING
20 EXCLUSIONS FOR HOMESTEAD AND FARMSTEAD PROPERTY; PROVIDING
21 FOR THE RIGHTS AND PRIVILEGES OF TAXPAYERS WITH RESPECT TO
22 CERTAIN TAXES LEVIED BY POLITICAL SUBDIVISIONS; MAKING AN
23 APPROPRIATION; ~~making a repeal~~ REPEALS; and making editorial <—
24 changes.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 Section 1. Sections 1385(a), 2163(a)(1)(ii), 2168(b) and
28 (c), 2328, 2329, 2515, 2522(b), 2536, 2543, 2921(c), 2943(b),

1 2951, 2965, 2972 and 2984(b) of Title 53 of the Pennsylvania
2 Consolidated Statutes, ~~added December 19, 1996 (P.L.1158,~~ ←
3 ~~No.177)~~, are amended to read:

4 § 1385. Local Government Records Committee.

5 (a) Establishment.--There shall be established under the
6 commission the Local Government Records Committee which shall
7 consist of the Auditor General, the State Treasurer, the General
8 Counsel, the Executive Director of the Historical and Museum
9 Commission, the Secretary of Community [Affairs] and Economic
10 Development and five other members to be appointed by the
11 Governor to represent each of the following municipal
12 associations: the League of Cities, the State Association of
13 Boroughs, the State Association of Township Commissioners, the
14 State Association of Township Supervisors and the Municipal
15 Authorities' Association. Each ex officio member of the
16 committee may designate in writing a representative to act in
17 place of the member. The Secretary of Community [Affairs] and
18 Economic Development shall serve as chairman and the executive
19 director of the commission shall serve as secretary. Meetings of
20 the committee shall be at the call of the chairman.

21 * * *

22 § 2163. Commission members.

23 (a) Selection.--The commission shall be composed of 20
24 members as follows:

25 (1) The following members shall serve by virtue of their
26 office:

27 * * *

28 (ii) The Secretary of Community [Affairs] and
29 Economic Development.

30 * * *

1 § 2168. Automatic certification.

2 * * *

3 (b) Campus or university police.--Any campus or university
4 police officer who, as of [the effective date of this
5 subsection] August 27, 1993, has successfully completed a basic
6 training course similar to that required under this subchapter
7 shall, after review by the commission, be certified as having
8 met the basic training requirements of this subchapter. Any
9 campus or university police officer who, as of [the effective
10 date of this subsection] August 27, 1993, has not successfully
11 completed a basic training course similar to that required under
12 this subchapter which qualifies the police officer for
13 certification under this subsection shall be able to perform the
14 duties of a campus or university police officer until certified
15 by the commission, but no [longer] later than [one year from the
16 effective date of this subsection] August 29, 1994.

17 (c) Deputy sheriffs in counties of the second class.--Deputy
18 sheriffs in counties of the second class who have successfully
19 completed the basic training course under this subchapter prior
20 to [the effective date of this subsection] February 6, 1995,
21 shall be assigned a certification number under this subchapter.

22 § 2328. Assistance from [Department of Environmental Resources]
23 State Conservation Commission.

24 The State Conservation Commission [in the Department of
25 Environmental Resources] shall establish a program of assistance
26 to environmental advisory councils ~~and political subdivisions~~ <—
27 that may include educational services, exchange of information,
28 assignment of technical personnel for natural resources planning
29 assistance and the coordination of State and local conservation
30 activities. ~~The program of assistance to political subdivisions~~ <—

1 ~~may also include technical assistance and educational services~~
2 ~~for the testing of land applied sewage sludge.~~

3 § 2329. Assistance from Department of Community [Affairs] and
4 Economic Development.

5 The Department of Community [Affairs] and Economic
6 Development shall establish a program of assistance to
7 environmental advisory councils in planning for the management,
8 use and development of open space and recreation areas.

9 § 2515. Distribution of petition.

10 When the election officials find that the petition as
11 submitted is in proper order, they shall send copies of the
12 initiative petition without signatures thereon to the governing
13 body of the municipalities involved and to the Department of
14 Community [Affairs] and Economic Development.

15 § 2522. Filing of referendum ordinance.

16 * * *

17 (b) Department of Community [Affairs] and Economic
18 Development.--When the ordinances are filed with the election
19 officials, copies of the referendum ordinance shall be
20 immediately filed with the Department of Community [Affairs] and
21 Economic Development.

22 § 2536. Results of election.

23 The election officials shall certify the results of the
24 referendum to the governing bodies and the Department of
25 Community [Affairs] and Economic Development.

26 § 2543. Election returns.

27 The result of the votes cast for members of the board at the
28 municipal election shall be returned by the election officials
29 to the governing bodies of municipalities involved and to the
30 Department of Community [Affairs] and Economic Development.

1 § 2921. Report of findings and recommendations.

2 * * *

3 (c) Filing copy with Department of Community [Affairs] and
4 Economic Development.--A copy of the final report of the
5 commission with its findings and recommendations shall be filed
6 with the Department of Community [Affairs] and Economic
7 Development.

8 * * *

9 § 2943. Petition for referendum or ordinance proposing
10 amendment.

11 * * *

12 (b) Review and disposition of petition.--The election
13 officials shall review the initiative petition as to the number
14 and qualifications of signers. If the petition appears to be
15 defective, the election officials shall immediately notify the
16 persons filing the petition of the defect. When the election
17 officials find that the petition as submitted is in proper
18 order, they shall send copies of the initiative petition without
19 signatures thereon to the governing body and to the Department
20 of Community [Affairs] and Economic Development. The initiative
21 petition as submitted to the election officials, along with a
22 list of signatories, shall be open to inspection in the office
23 of the election officials.

24 § 2951. Conduct and results of election.

25 All elections provided for in this subpart shall be conducted
26 by the election officials for such municipality in accordance
27 with the act of June 3, 1937 (P.L.1333, No.320), known as the
28 Pennsylvania Election Code. The election officials shall count
29 the votes cast and make return thereof to the county board of
30 elections. The results of the election shall be computed by the

1 county board of elections in the same manner as is provided by
2 law for the computation of similar returns. Certificates of the
3 results of the election shall be filed by the county board of
4 elections with the municipal council or board, the Department of
5 State and the Department of Community [Affairs] and Economic
6 Development.

7 § 2965. Recording and filing of charter.

8 The municipal clerk or secretary shall have the new charter
9 as approved by the qualified electors recorded in the ordinance
10 books and shall also file a certified copy of the charter with
11 the Department of State, the Department of Community [Affairs]
12 and Economic Development and the county board of elections.

13 § 2972. Recording and filing of plan.

14 The municipal clerk or secretary shall immediately cause the
15 new plan of government as adopted to be recorded in the
16 ordinance book of the municipality and shall also file a
17 certified copy thereof with the Department of State, the
18 Secretary of Community [Affairs] and Economic Development and
19 the county board of elections.

20 § 2984. Assumption of functions previously assumed by other
21 municipality.

22 * * *

23 (b) Procedure for adjustment and apportionment.--The
24 adjustment and apportionment shall be reduced to a written
25 agreement which shall be filed with the court of common pleas of
26 the county and the Department of Community [Affairs] and
27 Economic Development.

28 * * *

29 Section 2. Section 5402 of Title 53 is amended by adding a
30 definition to read:

1 § 5402. Definitions.

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

5 * * *

6 "Municipal corporation." Any city, borough or incorporated
7 town.

8 Section 3. Section 8001(c) of Title 53 is amended to read:

9 § 8001. Short title, scope and applicability of subpart.

10 * * *

11 (c) Exemption of bonds and notes from taxation in this
12 Commonwealth.--[All] This section is the Commonwealth's pledge
13 to and agreement with a person, firm, corporation or Federal
14 agency subscribing to or acquiring any bonds or notes, including
15 tax anticipation notes issued by any local government unit under
16 this subpart [or], the act of June 25, 1941 (P.L.159, No.87),
17 known as the Municipal Borrowing Law, or the act of July 12,
18 1972 (P.L.781, No.185), known as the Local Government Unit Debt
19 Act, that the bonds or notes, their transfer and the income
20 therefrom, including any profits made on [the] their sale
21 [thereof], shall be free from taxation for State and local
22 purposes within this Commonwealth. This exemption does not apply
23 to gift, inheritance [and], succession or estate taxes [under
24 Article XXI of the act of March 4, 1971 (P.L.6, No.2), known as
25 the Tax Reform Code of 1971,] or any other taxes not levied
26 directly on the bonds or notes, [the] their transfer, the income
27 therefrom or the realization of profits on [the] their sale. The
28 exemption under this subsection of profits made on the sale of
29 bonds or notes does not apply to bonds or notes issued on or
30 after February 1, 1994, (the effective date of section 2901 of

1 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
2 of 1971.

3 * * *

4 Section 4. The definitions of "bond or note" and
5 "department" in section 8002(c) of Title 53 are amended to read:
6 § 8002. Definitions.

7 * * *

8 (c) Other definitions.--Subject to additional definitions
9 contained in subsequent provisions of this subpart which are
10 applicable to specific provisions of this subpart, the following
11 words and phrases when used in this subpart shall have the
12 meanings given to them in this section unless the context
13 clearly indicates otherwise:

14 * * *

15 "Bond or note." Any instrument issued by a local government
16 unit imposing an obligation for the repayment of money borrowed,
17 but not including a guaranty endorsed on an instrument issued by
18 an authority. Unless otherwise indicated, the term does not
19 include tax anticipation notes. A bond or a note which is a
20 security as defined in 13 Pa.C.S. Div. 8 (relating to investment
21 securities) shall be governed by 13 Pa.C.S. Div. 8, and every
22 other bond or note shall be governed by [Subchapter C] 13
23 Pa.C.S. Div. 3 (relating to [procedure for securing approval of
24 electors] negotiable instruments), except in each case as
25 otherwise provided in this subchapter.

26 * * *

27 "Department." The Department of Community [Affairs] and
28 Economic Development of the Commonwealth.

29 * * *

30 SECTION 5. SECTION 8022 OF TITLE 53 IS AMENDED BY ADDING A

<—

1 SUBSECTION TO READ:

2 § 8022. LIMITATIONS ON INCURRING OF OTHER DEBT.

3 * * *

4 (F) LIMITATIONS ON INCURRING OF DEBT BY SCHOOL DISTRICTS.--
5 EXCEPT FOR PURPOSES OF REFINANCING EXISTING DEBT UNDER THIS
6 SUBPART, AND NOTWITHSTANDING THE OTHER PROVISIONS OF THIS
7 SECTION, NO SCHOOL DISTRICT OF THE FIRST CLASS A THROUGH FOURTH
8 CLASSES SHALL INCUR ANY NEW NONELECTORAL DEBT OR LEASE RENTAL
9 DEBT, IF THE AGGREGATE NET PRINCIPAL AMOUNT OF SUCH NEW DEBT
10 TOGETHER WITH ANY OTHER NET NONELECTORAL DEBT AND LEASE RENTAL
11 DEBT THEN OUTSTANDING, WOULD CAUSE THE OUTSTANDING TOTAL OF NET
12 NONELECTORAL DEBT PLUS NET LEASE RENTAL DEBT OF THE SCHOOL
13 DISTRICT TO EXCEED 225% OF THE SCHOOL DISTRICT'S BORROWING BASE
14 AS DEFINED IN SECTION 8002 (RELATING TO DEFINITIONS). THIS
15 SECTION SHALL APPLY REGARDLESS OF WHETHER THERE IS AN ELECTION
16 BY THE SCHOOL DISTRICT UNDER SECTION 8703 (RELATING TO ADOPTION
17 OF REFERENDUM).

18 Section ~~5~~ 6. Sections 8101, 8103 heading and (a)(4), 8105 ←
19 introductory paragraph, 8107 and 8109(a)(1) of Title 53 are
20 amended to read:

21 § 8101. Combining projects for financing or series of bonds or
22 notes for sale.

23 The governing body of a local government unit may by
24 ordinance take any of the following actions in connection with
25 the issuance of bonds or notes or the authorization of the
26 instrument creating lease rental debt:

27 (1) In lieu of combining two or more items or elements
28 permitted to be combined under the definition of "project" in
29 section 8002 (relating to definitions) as a single project,
30 designate any one or more of the items or elements as a

1 project and combine the projects for financing purposes by
2 one series of bonds or notes. If the series of bonds or notes
3 are revenue bonds or notes, all projects so combined shall be
4 revenue-producing projects, all or a portion of the rates,
5 rentals, receipts, tolls and charges may be combined, common
6 reserve funds may be created and common or cross covenants
7 may be made in respect of each project.

8 (2) Offer for simultaneous sale under separate or
9 combined bids any two or more series of bonds or notes of any
10 type.

11 (3) Provide for the financing of a project or projects
12 by the issuance, either simultaneously or in succession, of
13 any combination of instruments evidencing debt applicable to
14 the project or projects and authorized by this subpart.

15 Any ordinance required by this section may be included in any
16 authorizing ordinance required by section 8103 (relating to
17 ordinance authorizing issuance of [documents] bonds or notes or
18 instruments evidencing lease rental debt).

19 § 8103. Ordinance authorizing issuance of [documents] bonds or
20 notes or instruments evidencing lease rental debt.

21 (a) General rule.--The ordinance or ordinances or, in the
22 case of notes issued under section 8109 (relating to small
23 borrowing for capital purposes), the resolution authorizing the
24 issuance of bonds or notes or the execution of a lease,
25 guaranty, subsidy contract or other agreement evidencing lease
26 rental debt by a local government unit shall contain, in
27 substance:

28 * * *

29 (4) In the case of revenue or guaranteed revenue bonds
30 or notes, [the inclusion of] there may be included the

1 matters set forth in sections 8105 (relating to additional
2 provisions in ordinance authorizing issuance of revenue or
3 guaranteed revenue bonds or notes), 8147 (relating to pledge
4 of revenues) and 8148 (relating to deeds of trust and other
5 agreements with bondholders and noteholders).

6 * * *

7 § 8105. Additional provisions in ordinance authorizing issuance
8 of revenue or guaranteed revenue bonds or notes.

9 In addition to the provisions required or permitted by
10 sections 8103 (relating to ordinance authorizing issuance of
11 [documents] bonds or notes or instruments evidencing lease
12 rental debt), 8147 (relating to pledge of revenues) and 8148
13 (relating to deeds of trust and other agreements with
14 bondholders and noteholders), the ordinance authorizing the
15 issuance of revenue bonds or notes or guaranteed revenue bonds
16 or notes may also contain the following:

17 * * *

18 § 8107. Award of bonds or notes.

19 When an acceptable proposal for the purchase of the bonds or
20 notes, or any part thereof offered separately, has been received
21 and is in conformity with the terms of the official invitation
22 for proposals or is an acceptable proposal at a negotiated or
23 invited sale, and is in compliance with the provisions of this
24 subpart, it may be accepted by resolution or by ordinance. If
25 the acceptance is made by resolution, the acceptance shall be
26 conditional upon compliance with section 8103 (relating to
27 ordinance authorizing issuance of [documents] bonds or notes or
28 instruments evidencing lease rental debt). If the acceptance is
29 made by ordinance, the ordinance shall also fix any details of
30 the series of bonds or notes being sold, not fixed by prior

1 ordinance, and award the bonds or notes, or those which have
2 been sold, to specified purchasers at prices specified in the
3 ordinance. These provisions may be included in the ordinance
4 adopted pursuant to section 8103. Notwithstanding any other
5 provision of this subpart or of any other statute, as between
6 the local government unit and the purchasers, an awarding
7 resolution or ordinance shall be effective upon its final
8 adoption or enactment by the governing body. The advertisement
9 of the ordinance prior to enactment shall be sufficient if it
10 describes the items to be completed from the proposal.

11 § 8109. Small borrowing for capital purposes.

12 (a) General rule.--Any local government unit may incur debt
13 by resolution rather than by ordinance to be evidenced by notes
14 to provide funds for a project as defined in this subpart
15 without complying with the requirements of Subchapter A of
16 Chapter 82 (relating to Department of Community [Affairs] and
17 Economic Development) if:

18 (1) The aggregate amount of the debt outstanding at any
19 one time shall not exceed the lesser of [\\$100,000] \$125,000
20 or 30% of the [borrowing base] nonelectoral debt limit as
21 authorized in section 8022(a) (relating to limitations on
22 incurring of other debt).

23 * * *

24 Section ~~6~~ 7. Chapter 82 Subchapter A heading of Title 53 is ←
25 amended to read:

26 SUBCHAPTER A
27 DEPARTMENT OF COMMUNITY [AFFAIRS] AND ECONOMIC DEVELOPMENT

28 Section ~~7~~ 8. Section 8225 of Title 53 is amended by adding a ←
29 paragraph to read:

30 § 8225. Management of sinking and other funds.

1 The management and control of sinking and other funds and
2 investments thereof subject to the provisions of this subpart
3 shall be vested in the governing body of the local government
4 unit except:

5 * * *

6 (1.1) To the extent otherwise provided by this subpart.

7 * * *

8 ~~Section 8. Title 53 is amended by adding a chapter to read:~~ <—

9 ~~CHAPTER 83~~

10 ~~POLICE AGENCY LOANS~~

11 ~~Subchapter~~

12 ~~A. Preliminary Provisions~~

13 ~~B. Administration~~

14 ~~C. Loan Program~~

15 ~~D. Debt~~

16 ~~E. Miscellaneous Provisions~~

17 ~~SUBCHAPTER A~~

18 ~~PRELIMINARY PROVISIONS~~

19 ~~Sec.~~

20 ~~§301. Short title of chapter.~~

21 ~~§302. Definitions.~~

22 ~~§ 8301. Short title of chapter.~~

23 ~~This chapter shall be known and may be cited as the Police~~
24 ~~Agency Loan Act.~~

25 ~~§ 8302. Definitions.~~

26 ~~The following words and phrases when used in this chapter~~
27 ~~shall have the meanings given to them in this section unless the~~
28 ~~context clearly indicates otherwise:~~

29 ~~"Agency." The Pennsylvania Emergency Management Agency.~~

30 ~~"Division." The Police Agency Loan Division of the~~

1 ~~Pennsylvania Emergency Management Agency established in section~~
2 ~~8311 (relating to division).~~

3 ~~"Fund."—The Police Agency Loan Fund established in section~~
4 ~~8312 (relating to fund).~~

5 ~~"Police agency."—A police department of a city, town,~~
6 ~~township, borough or home rule municipality which:~~

7 ~~(1) has police coverage for a minimum of 40 hours per~~
8 ~~week; and~~

9 ~~(2) has had, for the preceding 18 months, police~~
10 ~~coverage for a minimum of 40 hours per week.~~

11 ~~The term includes an office of county detectives working for a~~
12 ~~district attorney and a regional police department organized~~
13 ~~under the act of July 12, 1972 (P.L.762, No.180), referred to as~~
14 ~~the Intergovernmental Cooperation Law, or this title.~~

15 ~~"Secretary."—The Secretary of the Commonwealth.~~

16 ~~"Sinking fund."—The Police Agency Loan Sinking Fund~~
17 ~~established in section 8337 (relating to sinking fund).~~

18 ~~SUBCHAPTER B~~

19 ~~ADMINISTRATION~~

20 ~~Sec.~~

21 ~~8311.—Division.~~

22 ~~8312.—Fund.~~

23 ~~§ 8311.—Division.~~

24 ~~(a) Establishment.—The Police Agency Loan Division is~~
25 ~~established as a division of the agency.~~

26 ~~(b) Powers and duties.—The division has the following~~
27 ~~powers and duties:~~

28 ~~(1) To administer the fund as set forth in section~~
29 ~~8312(c) (relating to fund).~~

30 ~~(2) To administer Subchapter C.~~

1 ~~§ 8321. Authority.~~

2 ~~(a) Authorization. The division may make a loan to a~~
3 ~~political subdivision for a police agency of the political~~
4 ~~subdivision as necessary for the proper performance of the~~
5 ~~police agency's law enforcement duties, to do any of the~~
6 ~~following:~~

7 ~~(1) Purchase, expand, modernize or repair buildings or~~
8 ~~portions of buildings which are used exclusively for police~~
9 ~~purposes. This paragraph includes police headquarters, police~~
10 ~~substations and police maintenance garages.~~

11 ~~(2) Purchase, maintain or repair equipment.~~

12 ~~(3) Purchase, maintain or repair vehicles.~~

13 ~~(b) Amount. A loan under subsection (a) for the purchase,~~
14 ~~maintenance or repair of buildings shall be for not less than~~
15 ~~\$5,000 nor more than \$200,000. A loan under subsection (a) for~~
16 ~~the purchase, maintenance or repair of vehicles or equipment~~
17 ~~shall be for not less than \$5,000 nor more than \$100,000. No~~
18 ~~political subdivision may receive loans totaling more than~~
19 ~~\$300,000 in a five year period.~~

20 ~~(c) Terms.~~

21 ~~(1) A loan must be at an interest rate of 2%.~~

22 ~~(2) A loan must be repaid in accordance with the~~
23 ~~legislation applicable to the political subdivision which~~
24 ~~receives the loan.~~

25 ~~(3) A loan must have a repayment period as follows:~~

26 ~~(i) For a loan of not more than \$15,000, a period of~~
27 ~~five years.~~

28 ~~(ii) For a loan of more than \$15,000 but not more~~
29 ~~than \$100,000, a period of ten years.~~

30 ~~(iii) For a loan of more than \$100,000, a period of~~

1 ~~8336.— Proceeds.~~

2 ~~8337.— Sinking fund.~~

3 ~~8338.— Referendum.~~

4 ~~§ 8331.— Authority to borrow.~~

5 ~~Pursuant to section 7(a)(3) of Article VIII of the~~
6 ~~Constitution of Pennsylvania and the referendum approved by the~~
7 ~~electorate under section 8338 (relating to referendum), the~~
8 ~~Governor, Auditor General and State Treasurer are authorized and~~
9 ~~directed to borrow, on the credit of the Commonwealth, money not~~
10 ~~exceeding in the aggregate the sum of \$20,000,000 to implement~~
11 ~~Subchapter C.~~

12 ~~§ 8332.— Bonds.~~

13 ~~(a) General rule.— As evidence of the indebtedness~~
14 ~~authorized under section 8331 (relating to authority to borrow),~~
15 ~~general obligation bonds of the Commonwealth shall be issued.~~
16 ~~The Governor, Auditor General and State Treasurer shall direct~~
17 ~~for each bond the total amount; the form; the denomination; the~~
18 ~~terms and conditions of issue, redemption and maturity; rate of~~
19 ~~interest; and time of payment of interest. The latest stated~~
20 ~~maturity date shall not exceed 30 years from the date of the~~
21 ~~bond first issued for each series.~~

22 ~~(b) Signature.— Bonds issued under subsection (a) shall bear~~
23 ~~facsimile signatures of the Governor, Auditor General and State~~
24 ~~Treasurer and a facsimile of the Great Seal of the Commonwealth~~
25 ~~of Pennsylvania and shall be countersigned by two authorized~~
26 ~~officers of the authorized loan and transfer agents of the~~
27 ~~Commonwealth.~~

28 ~~(c) Status.— Bonds issued under subsection (a) shall be~~
29 ~~direct obligations of the Commonwealth, and the full faith and~~
30 ~~credit of the Commonwealth are pledged for the payment of the~~

1 ~~interest on the bonds as it becomes due and the payment of the~~
2 ~~principal of the bonds at maturity. Bonds issued under~~
3 ~~subsection (a) shall be exempt from taxation for State and local~~
4 ~~purposes. The principal of and interest on such bonds shall be~~
5 ~~payable in lawful money of the United States of America.~~

6 ~~(d) Format. Bonds issued under subsection (a) may be issued~~
7 ~~as coupon bonds or registered as to both principal and interest~~
8 ~~as the issuing officials may determine. If interest coupons are~~
9 ~~attached, they shall contain the facsimile signature of the~~
10 ~~State Treasurer.~~

11 ~~(e) Amortization. The issuing officials shall provide for~~
12 ~~the amortization of the bonds in substantial and regular amounts~~
13 ~~over the term of the debt as follows:~~

14 ~~(1) The first retirement of principal shall be stated to~~
15 ~~mature prior to the expiration of a period of time equal to~~
16 ~~one tenth of the time from the date of the first obligation~~
17 ~~issue to evidence the debt to the date of the expiration of~~
18 ~~the term of the debt.~~

19 ~~(2) Retirements of principal shall be regular and~~
20 ~~substantial if made in annual or semiannual amounts, whether~~
21 ~~by stated serial maturities or by mandatory sinking fund~~
22 ~~retirements, computed either in accordance with a level~~
23 ~~annual debt service plan, as nearly as may be, or upon the~~
24 ~~equal annual maturities plan.~~

25 ~~(f) Processing. The Governor, the Auditor General and the~~
26 ~~State Treasurer shall proceed to have the necessary bonds~~
27 ~~prepared and printed. The bonds, as soon as they are prepared~~
28 ~~and printed, shall be deposited with the authorized loan and~~
29 ~~transfer agent of the Commonwealth, there to remain until sold~~
30 ~~under section 8333 (relating to sale of bonds).~~

1 ~~§ 8333. Sale of bonds.~~

2 ~~(a) Public sale. Bonds issued under section 8332(a)~~
3 ~~(relating to bonds) shall be offered for sale at not less than~~
4 ~~98% of the principal amount and accrued interest and shall be~~
5 ~~sold by the Governor, Auditor General and State Treasurer to the~~
6 ~~highest and best bidder or bidders after public advertisement,~~
7 ~~on terms and conditions and upon open competitive bidding, as~~
8 ~~the Governor, Auditor General and State Treasurer shall direct.~~

9 ~~(b) Private sale. Any portion of a bond issue offered under~~
10 ~~subsection (a) but not sold or subscribed for may be disposed of~~
11 ~~by private sale by the Governor, Auditor General and State~~
12 ~~Treasurer, in a manner and at a price not less than 98% of the~~
13 ~~principal amount and accrued interest, as the Governor shall~~
14 ~~direct. No commission shall be allowed or paid for the sale of~~
15 ~~bonds issued under section 8332(a).~~

16 ~~(c) Series. When bonds are issued, the bonds of each issue~~
17 ~~shall constitute a separate series to be designated by the~~
18 ~~issuing officials or may be combined for sale as one series with~~
19 ~~other general obligation bonds of the Commonwealth.~~

20 ~~§ 8334. Refunding bonds.~~

21 ~~The Governor, Auditor General and State Treasurer are~~
22 ~~authorized to provide, by resolution, for the issuance of~~
23 ~~refunding bonds for the purpose of refunding bonds issued under~~
24 ~~section 8332(a) (relating to bonds) and outstanding, either by~~
25 ~~voluntary exchange with the holders of the outstanding bonds or~~
26 ~~by providing funds to redeem and retire the outstanding bonds~~
27 ~~with accrued interest and premium payable on the bonds, at~~
28 ~~maturity or at a call date. Refunding bonds may be issued by the~~
29 ~~Governor, Auditor General and State Treasurer to refund bonds~~
30 ~~previously issued under this section for refunding purposes.~~

1 Sections ~~8331~~ (relating to authority to borrow), ~~8332~~ (relating
2 to bonds) and ~~8333~~ (relating to sale of bonds) shall apply to
3 bonds under this section.

4 ~~§ 8335. Registration of bonds.~~

5 The Auditor General shall prepare the necessary registry book
6 to be kept in the office of the authorized loan and transfer
7 agent of the Commonwealth for the registration of bonds issued
8 under section ~~8332(a)~~ (relating to bonds), at the request of
9 bond owners, according to the terms and conditions of issue
10 directed by the Governor, Auditor General and State Treasurer.
11 Bonds which are issued without interest coupons attached shall
12 be registered in the registry books kept by the authorized loan
13 and transfer agent of the Commonwealth.

14 ~~§ 8336. Proceeds.~~

15 The proceeds realized from the sale of bonds under section
16 ~~8332(a)~~ (relating to bonds) shall be paid into the fund. The
17 money shall be paid by the State Treasurer into the fund.

18 ~~§ 8337. Sinking fund.~~

19 (a) ~~Establishment.~~ The Police Agency Loan Sinking Fund is
20 established as a separate fund in the State Treasury.

21 (b) ~~Source.~~

22 (1) ~~By November 1, the State Treasurer shall notify the~~
23 ~~Secretary of the Budget of the amount necessary for the~~
24 ~~ensuing fiscal year to redeem, with interest, bonds issued~~
25 ~~under section 8332(a) (relating to bonds).~~

26 (2) ~~The General Assembly shall appropriate the amount of~~
27 ~~money necessary to meet repayment obligations under paragraph~~
28 ~~(1) for deposit into the Police Agency Sinking Loan Fund.~~

29 ~~§ 8338. Referendum.~~

30 (a) ~~Question.~~

MISCELLANEOUS PROVISIONS

~~Sec.~~

~~8341. Repeals.~~

~~§ 8341. Repeals.~~

~~All acts and parts of acts are repealed insofar as they are inconsistent with this chapter.~~

~~Section 9. Section 409(a) of the act of July 12, 1972 (P.L. 781, No. 185), known as the Local Government Unit Debt Act, as amended October 16, 1996 (P.L. 710, No. 125), is repealed.~~

~~Section 10. This act shall take effect as follows:~~

~~(1) The addition of 53 Pa.C.S. § 8338 shall take effect immediately.~~

~~(2) The remainder of 53 Pa.C.S. Ch. 83 shall take effect on the date of publication of the notice under 53 Pa.C.S. § 8338(d).~~

SECTION 9. PART VII OF TITLE 53 IS AMENDED BY ADDING A

<—

SUBPART TO READ:

SUBPART C

TAXATION AND ASSESSMENTS

CHAPTER

- 84. GENERAL PROVISIONS
- 85. ASSESSMENTS OF PERSONS AND PROPERTY
- 86. TAXATION OF REAL PROPERTY
- 87. OTHER SUBJECTS OF TAXATION
- 88. (RESERVED)
- 89. PAYMENT AND COLLECTION OF TAXES

CHAPTER 84

GENERAL PROVISIONS

SUBCHAPTER

- A. PRELIMINARY PROVISIONS

1 B. (RESERVED)

2 C. LOCAL TAXPAYERS BILL OF RIGHTS

3 SUBCHAPTER A

4 PRELIMINARY PROVISIONS

5 SEC.

6 8401. DEFINITIONS.

7 8402. SCOPE AND LIMITATIONS.

8 8403. PREEMPTION.

9 8404. CERTAIN RATES OF TAXATION LIMITED.

10 8405. APPLICABILITY.

11 § 8401. DEFINITIONS.

12 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBPART
13 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
14 CONTEXT CLEARLY INDICATES OTHERWISE:

15 "BUDGETED REVENUE." LOCAL TAX REVENUE EXCEPT THE TERM DOES
16 NOT INCLUDE REVENUE FROM:

17 (1) DELINQUENT TAXES.

18 (2) PAYMENTS IN LIEU OF TAXES.

19 (3) THE REAL ESTATE TRANSFER TAX.

20 (4) THE DISTRIBUTION OF THE PUBLIC UTILITY REALTY TAX,
21 COMMONLY KNOWN AS PURTA.

22 (5) A MERCANTILE OR BUSINESS PRIVILEGE TAX ON GROSS
23 RECEIPTS.

24 (6) AN AMUSEMENT OR ADMISSIONS TAX.

25 "BUSINESS." AS DEFINED IN SECTION 301 OF THE ACT OF MARCH 4,
26 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

27 "CURRENT YEAR." THE FISCAL YEAR FOR WHICH THE TAX IS LEVIED.

28 "DOMICILE." AS DEFINED IN SECTION 13 OF THE ACT OF DECEMBER
29 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING
30 ACT.

1 "DWELLING." A STRUCTURE USED AS A PLACE OF HABITATION BY A
2 NATURAL PERSON.

3 "EARNED INCOME." THE CLASSES OF INCOME DEFINED AS EARNED
4 INCOME IN SECTION 13 OF THE ACT OF DECEMBER 31, 1965 (P.L.1257,
5 NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

6 "ELECTION OFFICIALS." THE COUNTY BOARD OF ELECTIONS OF EACH
7 COUNTY.

8 "EMPLOYER." AS DEFINED IN SECTION 301 OF THE ACT OF MARCH 4,
9 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

10 "GOVERNING BODY." A BOARD OF SCHOOL DIRECTORS OF A SCHOOL
11 DISTRICT.

12 "HOMESTEAD." A DWELLING, INCLUDING THE PARCEL OF LAND ON
13 WHICH THE DWELLING IS LOCATED AND THE OTHER IMPROVEMENTS LOCATED
14 ON THE PARCEL FOR WHICH ANY OF THE FOLLOWING APPLY:

15 (1) THE DWELLING IS PRIMARILY USED AS THE DOMICILE OF AN
16 OWNER WHO IS A NATURAL PERSON. THE HOMESTEAD FOR REAL
17 PROPERTY QUALIFYING UNDER THIS PARAGRAPH SHALL NOT INCLUDE
18 THE LAND ON WHICH THE DWELLING IS LOCATED IF THE LAND IS NOT
19 OWNED BY A PERSON WHO OWNS THE DWELLING.

20 (2) THE DWELLING IS A UNIT IN A CONDOMINIUM AS THE TERM
21 IS DEFINED IN 68 PA.C.S. § 3103 (RELATING TO DEFINITIONS) AND
22 THE UNIT IS PRIMARILY USED AS THE DOMICILE OF A NATURAL
23 PERSON WHO IS AN OWNER OF THE UNIT; OR THE DWELLING IS A UNIT
24 IN A COOPERATIVE AS THE TERM IS DEFINED IN 68 PA.C.S. § 4103
25 (RELATING TO DEFINITIONS) AND THE UNIT IS PRIMARILY USED AS
26 THE DOMICILE OF A NATURAL PERSON WHO IS AN OWNER OF THE UNIT.
27 THE HOMESTEAD FOR A UNIT IN A CONDOMINIUM OR A COOPERATIVE
28 SHALL BE LIMITED TO THE ASSESSED VALUE OF THE UNIT, WHICH
29 SHALL BE DETERMINED IN A MANNER CONSISTENT WITH THE
30 ASSESSMENT OF REAL PROPERTY TAXES ON THOSE UNITS UNDER 68

1 PA.C.S. (RELATING TO REAL AND PERSONAL PROPERTY) OR AS
2 OTHERWISE PROVIDED BY LAW. IF THE UNIT IS NOT SEPARATELY
3 ASSESSED FOR REAL PROPERTY TAXES, THE HOMESTEAD SHALL BE A
4 PRO RATA SHARE OF THE REAL PROPERTY.

5 (3) THE DWELLING DOES NOT QUALIFY UNDER PARAGRAPHS (1)
6 AND (2) AND A PORTION OF THE DWELLING IS USED AS THE DOMICILE
7 OF AN OWNER WHO IS A NATURAL PERSON. THE HOMESTEAD FOR REAL
8 PROPERTY QUALIFYING UNDER THIS PARAGRAPH SHALL BE THE PORTION
9 OF THE REAL PROPERTY THAT IS EQUAL TO THE PORTION OF THE
10 DWELLING THAT IS USED AS THE DOMICILE OF AN OWNER.

11 "HOMESTEAD PROPERTY." A HOMESTEAD FOR WHICH AN APPLICATION
12 HAS BEEN SUBMITTED AND APPROVED UNDER SECTION 8584 (RELATING TO
13 ADMINISTRATION AND PROCEDURE).

14 "LOCAL TAX ENABLING ACT." THE ACT OF DECEMBER 31, 1965
15 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

16 "LOCAL TAX REVENUE." THE REVENUE FROM TAXES ACTUALLY LEVIED
17 AND ASSESSED BY A SCHOOL DISTRICT. THE TERM DOES NOT INCLUDE
18 INTEREST OR DIVIDEND EARNINGS, FEDERAL OR STATE GRANTS,
19 CONTRACTS OR APPROPRIATIONS, INCOME GENERATED FROM OPERATIONS OR
20 ANY OTHER SOURCE THAT IS REVENUE NOT DERIVED FROM TAXES LEVIED
21 AND ASSESSED BY A SCHOOL DISTRICT.

22 "MUNICIPALITY." AS DEFINED IN 1 PA.C.S. § 1991 (RELATING TO
23 DEFINITIONS).

24 "NET PROFITS." THE CLASSES OF INCOME DEFINED AS NET PROFITS
25 IN SECTION 13 OF THE ACT OF DECEMBER 31, 1965 (P.L.1257,
26 NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

27 "OWNER." INCLUDES ANY OF THE FOLLOWING:

28 (1) A JOINT TENANT OR TENANT IN COMMON.

29 (2) A PERSON WHO IS PURCHASING REAL PROPERTY UNDER A
30 CONTRACT.

1 (3) A PARTIAL OWNER.

2 (4) A PERSON WHO OWNS REAL PROPERTY AS A RESULT OF BEING
3 A BENEFICIARY OF A WILL OR TRUST OR AS A RESULT OF INTESTATE
4 SUCCESSION.

5 (5) A PERSON WHO OWNS OR IS PURCHASING A DWELLING ON
6 LEASED LAND.

7 (6) A PERSON HOLDING A LIFE LEASE IN REAL PROPERTY
8 PREVIOUSLY SOLD OR TRANSFERRED TO ANOTHER.

9 (7) A PERSON IN POSSESSION UNDER A LIFE ESTATE.

10 (8) A GRANTOR WHO HAS PLACED THE REAL PROPERTY IN A
11 REVOCABLE TRUST.

12 (9) A MEMBER OF A COOPERATIVE AS DEFINED IN 68 PA.C.S. §
13 4103 (RELATING TO DEFINITIONS).

14 (10) A UNIT OWNER OF A CONDOMINIUM AS DEFINED IN 68
15 PA.C.S. § 3103 (RELATING TO DEFINITIONS).

16 (11) A PARTNER OF A FAMILY FARM PARTNERSHIP OR A
17 SHAREHOLDER OF A FAMILY FARM CORPORATION, AS THE TERMS ARE
18 DEFINED IN SECTION 1101-C OF THE ACT OF MARCH 4, 1971 (P.L.6,
19 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

20 "POLITICAL SUBDIVISION." AS DEFINED IN 1 PA.C.S. § 1991
21 (RELATING TO DEFINITIONS).

22 "PRECEDING YEAR." THE FISCAL YEAR BEFORE THE CURRENT YEAR.

23 "PRIMARILY USED." USAGE OF AT LEAST 51% OF THE SQUARE
24 FOOTAGE OF A DWELLING.

25 "RESIDENT INDIVIDUAL." AN INDIVIDUAL WHO IS DOMICILED IN A
26 SCHOOL DISTRICT.

27 "SCHOOL DISTRICT." A SCHOOL DISTRICT OF THE FIRST CLASS A,
28 SECOND CLASS, THIRD CLASS OR FOURTH CLASS, INCLUDING ANY
29 INDEPENDENT SCHOOL DISTRICT.

30 "STATEWIDE AVERAGE WEEKLY WAGE." THAT AMOUNT DETERMINED

1 ANNUALLY FOR EACH CALENDAR YEAR BY THE DEPARTMENT OF LABOR AND
2 INDUSTRY UNDER SECTION 105.1 OF THE ACT OF JUNE 2, 1915
3 (P.L.736, NO.338), KNOWN AS THE WORKERS' COMPENSATION ACT.

4 "SUCCEEDING YEAR." THE FISCAL YEAR FOLLOWING THE CURRENT
5 YEAR.

6 "TAX REFORM CODE." THE ACT OF MARCH 4, 1971 (P.L.6, NO.2),
7 KNOWN AS THE TAX REFORM CODE OF 1971.

8 "TAXPAYER." AN INDIVIDUAL REQUIRED UNDER THIS SUBPART TO
9 FILE A TAX RETURN OR TO PAY A TAX.

10 § 8402. SCOPE AND LIMITATIONS.

11 (A) GENERAL RULE.--EXCEPT AS PROVIDED IN SUBSECTIONS (B),
12 (C), (D), (E) AND (F) AND SECTION 8405 (RELATING TO
13 APPLICABILITY), IT IS THE INTENT OF THIS SUBPART TO CONFER UPON
14 EACH SCHOOL DISTRICT THE POWER TO LEVY, ASSESS AND COLLECT AN
15 EARNED INCOME AND NET PROFITS TAX AS SET FORTH IN THIS SUBPART.

16 (B) REAL ESTATE TRANSFER TAXES.--THIS SUBPART DOES NOT
17 AFFECT THE POWERS OF A SCHOOL DISTRICT TO LEVY, ASSESS AND
18 COLLECT A REAL ESTATE TRANSFER TAX, INCLUDING ANY REAL ESTATE
19 TRANSFER TAX LEVIED UNDER THE AUTHORITY OF SECTION 652.1(A)(4)
20 OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE
21 PUBLIC SCHOOL CODE OF 1949.

22 (C) AMUSEMENT AND ADMISSIONS TAXES.--

23 (1) ANY SCHOOL DISTRICT WHICH HAS ON OR BEFORE JUNE 30,
24 1997, LEVIED, ASSESSED OR COLLECTED OR PROVIDED FOR THE
25 LEVYING, ASSESSMENT OR COLLECTION OF AN AMUSEMENT OR
26 ADMISSIONS TAX MAY CONTINUE TO LEVY, ASSESS AND COLLECT THE
27 TAX ON SUCH SUBJECTS UPON WHICH THE TAX WAS IMPOSED AS OF
28 JUNE 30, 1997. NEITHER THE RATE IMPOSED NOR AMOUNT COLLECTED
29 SHALL EXCEED THE RATE IMPOSED OR AMOUNT COLLECTED BY THE
30 SCHOOL DISTRICT FOR THE FISCAL YEAR ENDING IN 1997. A SCHOOL

1 DISTRICT WHICH DID NOT ASSESS, LEVY OR COLLECT AN AMUSEMENT
2 OR ADMISSIONS TAX AS OF JUNE 30, 1997, MAY NOT ASSESS, LEVY
3 OR COLLECT THE TAX. THE PROVISIONS AS SET FORTH IN SECTION
4 8(6), (9), (10) AND (11) OF THE LOCAL TAX ENABLING ACT SHALL
5 REMAIN IN EFFECT, OTHER THAN THE LIMITATIONS AS SET FORTH IN
6 THIS PARAGRAPH. THIS PARAGRAPH SHALL APPLY REGARDLESS OF
7 WHETHER THERE IS AN ELECTION BY THE SCHOOL DISTRICT UNDER
8 SECTION 8703(A) (RELATING TO ADOPTION OF REFERENDUM).

9 (2) ANY MUNICIPALITY WHICH HAS ON OR BEFORE DECEMBER 31,
10 1997, LEVIED, ASSESSED OR COLLECTED OR PROVIDED FOR THE
11 LEVYING, ASSESSMENT OR COLLECTION OF AN AMUSEMENT OR
12 ADMISSIONS TAX UNDER THE LOCAL TAX ENABLING ACT MAY CONTINUE
13 TO LEVY, ASSESS AND COLLECT THE TAX ON SUCH SUBJECTS UPON
14 WHICH THE TAX WAS IMPOSED BY THE MUNICIPALITY AS OF DECEMBER
15 31, 1997, AT A RATE NOT TO EXCEED THE EFFECTIVE RATE AS
16 COLLECTED BY THE MUNICIPALITY AS OF DECEMBER 31, 1997, OR 5%,
17 WHICHEVER IS GREATER. A MUNICIPALITY WHICH DID NOT ASSESS,
18 LEVY OR COLLECT AN AMUSEMENT OR ADMISSIONS TAX AS OF DECEMBER
19 31, 1997, MAY NOT ASSESS, LEVY OR COLLECT THE TAX AT A RATE
20 HIGHER THAN 5%. THE PROVISIONS AS SET FORTH IN SECTION 8(6),
21 (9), (10) AND (11) OF THE LOCAL TAX ENABLING ACT SHALL REMAIN
22 IN EFFECT, OTHER THAN THE REDUCTION IN RATE AS SET FORTH IN
23 THIS PARAGRAPH.

24 (D) MERCANTILE TAX.--NOTHING IN THIS SUBPART SHALL LIMIT OR
25 MODIFY ANY MERCANTILE OR BUSINESS PRIVILEGE TAX ON GROSS
26 RECEIPTS AS LIMITED BY SECTION 533 OF THE ACT OF DECEMBER 13,
27 1988 (P.L.1121, NO.145), KNOWN AS THE LOCAL TAX REFORM ACT.

28 (E) SIGN OR SIGN PRIVILEGE TAX.--ANY POLITICAL SUBDIVISION
29 WHICH HAS ON OR BEFORE DECEMBER 31, 1997, ASSESSED, LEVIED OR
30 COLLECTED AN ANNUAL SIGN TAX OR ANNUAL SIGN PRIVILEGE TAX OR

1 PROVIDED FOR THE LEVYING, ASSESSMENT OR COLLECTION OF SUCH TAX
2 MAY CONTINUE TO LEVY, ASSESS AND COLLECT SUCH TAX ON SUCH
3 SUBJECTS UPON WHICH THE TAX WAS IMPOSED AT A RATE NOT TO EXCEED
4 THAT IMPOSED BY THE POLITICAL SUBDIVISION AS OF DECEMBER 31,
5 1997. A POLITICAL SUBDIVISION WHICH DID NOT ASSESS, LEVY OR
6 COLLECT AN ANNUAL SIGN TAX OR ANNUAL SIGN PRIVILEGE TAX AS OF
7 DECEMBER 31, 1997, MAY NOT ASSESS, LEVY OR COLLECT SUCH TAX.
8 THIS SUBSECTION SHALL APPLY REGARDLESS OF WHETHER THERE IS AN
9 ELECTION UNDER SECTION 8703(A).

10 (F) MOTOR VEHICLE TRANSFER TAX.--ANY POLITICAL SUBDIVISION
11 THAT DID NOT ASSESS, LEVY OR COLLECT A TAX ON THE TRANSFER OF
12 MOTOR VEHICLES OR ON THE PRIVILEGE OF TRANSFERRING MOTOR
13 VEHICLES AS OF DECEMBER 31, 1997, SHALL NOT ASSESS, LEVY OR
14 COLLECT SUCH TAX. THIS SUBSECTION SHALL APPLY REGARDLESS OF
15 WHETHER THERE IS AN ELECTION UNDER SECTION 8703(A). THIS
16 SUBSECTION SHALL NEITHER APPLY TO NOR AFFECT ANY MERCANTILE OR
17 BUSINESS PRIVILEGE TAX ON GROSS RECEIPTS AS LIMITED BY SECTION
18 533 OF THE ACT OF DECEMBER 13, 1988 (P.L.1121, NO.145), KNOWN AS
19 THE LOCAL TAX REFORM ACT.

20 § 8403. PREEMPTION.

21 NO ACT OF THE GENERAL ASSEMBLY WILL VACATE OR PREEMPT ANY
22 RESOLUTION ADOPTED UNDER THIS SUBPART PROVIDING FOR THE
23 IMPOSITION OF A TAX BY A SCHOOL DISTRICT UNLESS THE ACT OF THE
24 GENERAL ASSEMBLY EXPRESSLY VACATES OR PREEMPTS THE AUTHORITY TO
25 ADOPT THE RESOLUTION.

26 § 8404. CERTAIN RATES OF TAXATION LIMITED.

27 IF A MUNICIPALITY AND SCHOOL DISTRICT BOTH IMPOSE AN EARNED
28 INCOME AND NET PROFITS TAX ON THE SAME INDIVIDUAL UNDER THE
29 LOCAL TAX ENABLING ACT AND THE MUNICIPALITY AND SCHOOL DISTRICT
30 ARE LIMITED TO OR HAVE AGREED UPON A DIVISION OF THE TAX RATE IN

1 ACCORDANCE WITH SECTION 8 OF THE LOCAL TAX ENABLING ACT, THEN
2 THE MUNICIPALITY THAT CONTINUES TO LEVY THE EARNED INCOME AND
3 NET PROFITS TAX UNDER THE LOCAL TAX ENABLING ACT SHALL REMAIN
4 SUBJECT TO THAT LIMITATION OR AGREEMENT IN THE EVENT THAT THE
5 SCHOOL DISTRICT OPTS TO IMPOSE AN EARNED INCOME AND NET PROFITS
6 TAX UNDER SECTION 8711 (RELATING TO EARNED INCOME AND NET
7 PROFITS TAX).

8 § 8405. APPLICABILITY.

9 IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT NO PROVISION OF
10 THIS SUBPART SHALL APPLY TO ANY CITY OF THE FIRST CLASS, A
11 COUNTY OF THE FIRST CLASS COTERMINOUS WITH A CITY OF THE FIRST
12 CLASS AND ANY SCHOOL DISTRICT OF THE FIRST CLASS LOCATED WITHIN
13 A CITY OF THE FIRST CLASS.

14 SUBCHAPTER B

15 (RESERVED)

16 SUBCHAPTER C

17 LOCAL TAXPAYERS BILL OF RIGHTS

18 SEC.

19 8421. SHORT TITLE OF SUBCHAPTER.

20 8422. DEFINITIONS.

21 8423. DISCLOSURE STATEMENT.

22 8424. REQUIREMENTS FOR REQUESTS.

23 8425. REFUNDS OF OVERPAYMENTS.

24 8426. INTEREST ON OVERPAYMENT.

25 8427. NOTICE OF BASIS OF UNDERPAYMENT.

26 8428. ABATEMENT OF CERTAIN INTEREST AND PENALTY.

27 8429. APPLICATION OF PAYMENTS.

28 8430. ADMINISTRATIVE APPEALS.

29 8431. PETITIONS.

30 8432. PRACTICE AND PROCEDURE.

- 1 8433. DECISIONS.
2 8434. APPEALS.
3 8435. EQUITABLE AND LEGAL PRINCIPLES TO APPLY.
4 8436. INSTALLMENT AGREEMENTS.
5 8437. CONFIDENTIALITY OF TAX INFORMATION.
6 8438. TAXES ON REAL PROPERTY.
7 § 8421. SHORT TITLE OF SUBCHAPTER.

8 THIS SUBCHAPTER SHALL BE KNOWN AND MAY BE CITED AS THE LOCAL
9 TAXPAYERS BILL OF RIGHTS.

10 § 8422. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBCHAPTER
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 "ASSESSMENT." THE DETERMINATION BY A LOCAL TAXING AUTHORITY
15 OF THE AMOUNT OF UNDERPAYMENT BY A TAXPAYER.

16 "BOARD." A BOARD OF LOCAL TAX APPEALS ESTABLISHED UNDER
17 SECTION 8430 (RELATING TO ADMINISTRATIVE APPEALS).

18 "ELIGIBLE TAX." ANY OF THE FOLLOWING, INCLUDING INTEREST AND
19 PENALTY PROVIDED BY LAW, WHEN LEVIED BY A POLITICAL SUBDIVISION:

20 (1) ANY TAX AUTHORIZED OR PERMITTED UNDER THE ACT OF
21 DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX
22 ENABLING ACT.

23 (2) ANY PER CAPITA TAX LEVIED UNDER ANY ACT.

24 (3) ANY OCCUPATION, OCCUPATION ASSESSMENT OR OCCUPATION
25 PRIVILEGE TAX LEVIED UNDER ANY ACT.

26 (4) ANY TAX ON INCOME LEVIED UNDER ANY ACT.

27 (5) ANY TAX MEASURED BY GROSS RECEIPTS LEVIED UNDER ANY
28 ACT.

29 (6) ANY TAX ON A PRIVILEGE LEVIED UNDER ANY ACT.

30 (7) ANY TAX ON AMUSEMENTS OR ADMISSIONS LEVIED UNDER ANY

1 ACT.

2 (8) ANY TAX ON EARNED INCOME AND NET PROFITS.

3 "GOVERNING BODY." A CITY COUNCIL, BOROUGH COUNCIL,
4 INCORPORATED TOWN COUNCIL, BOARD OF TOWNSHIP COMMISSIONERS,
5 BOARD OF TOWNSHIP SUPERVISORS, A GOVERNING COUNCIL OF A HOME
6 RULE MUNICIPALITY OR OPTIONAL PLAN MUNICIPALITY, A GOVERNING
7 COUNCIL OF ANY SIMILAR GENERAL PURPOSE UNIT OF GOVERNMENT WHICH
8 MAY HEREAFTER BE CREATED BY STATUTE OR A BOARD OF SCHOOL
9 DIRECTORS OF A SCHOOL DISTRICT.

10 "LOCAL TAXING AUTHORITY." A POLITICAL SUBDIVISION LEVYING AN
11 ELIGIBLE TAX. THE TERM SHALL INCLUDE ANY OFFICER, AGENT, AGENCY,
12 CLERK, INCOME TAX OFFICER, COLLECTOR, EMPLOYEE OR OTHER PERSON
13 TO WHOM THE GOVERNING BODY HAS ASSIGNED RESPONSIBILITY FOR THE
14 AUDIT, ASSESSMENT, DETERMINATION OR ADMINISTRATION OF AN
15 ELIGIBLE TAX. THE TERM SHALL NOT INCLUDE A TAX COLLECTOR OR
16 COLLECTION AGENCY WHO HAS NO AUTHORITY TO AUDIT A TAXPAYER OR
17 DETERMINE THE AMOUNT OF AN ELIGIBLE TAX OR WHOSE ONLY
18 RESPONSIBILITY IS TO COLLECT AN ELIGIBLE TAX ON BEHALF OF THE
19 GOVERNING BODY.

20 "OVERPAYMENT." ANY PAYMENT OF TAX WHICH IS DETERMINED IN THE
21 MANNER PROVIDED BY LAW NOT TO BE LEGALLY DUE.

22 "TAXPAYER." AN INDIVIDUAL, PARTNERSHIP, ASSOCIATION,
23 CORPORATION, LIMITED LIABILITY COMPANY, ESTATE, TRUST, TRUSTEE,
24 FIDUCIARY OR ANY OTHER ENTITY SUBJECT TO OR CLAIMING EXEMPTION
25 FROM ANY ELIGIBLE TAX OR UNDER A DUTY TO PERFORM AN ACT FOR
26 ITSELF OR FOR ANOTHER UNDER OR PURSUANT TO THE AUTHORITY OF AN
27 ACT PROVIDING FOR AN ELIGIBLE TAX.

28 "UNDERPAYMENT." THE AMOUNT OR PORTION OF ANY TAX DETERMINED
29 TO BE LEGALLY DUE IN THE MANNER PROVIDED BY LAW FOR WHICH
30 PAYMENT OR REMITTANCE HAS NOT BEEN MADE.

1 "VOLUNTARY PAYMENT." A PAYMENT OF AN ELIGIBLE TAX MADE
2 PURSUANT TO THE FREE WILL OF THE TAXPAYER. THE TERM DOES NOT
3 INCLUDE A PAYMENT MADE AS A RESULT OF DISTRAINT OR LEVY OR
4 PURSUANT TO A LEGAL PROCEEDING IN WHICH THE LOCAL TAXING
5 AUTHORITY IS SEEKING TO COLLECT ITS DELINQUENT TAXES OR FILE A
6 CLAIM THEREFOR.

7 § 8423. DISCLOSURE STATEMENT.

8 (A) CONTENTS.--THE LOCAL TAXING AUTHORITY SHALL PREPARE A
9 STATEMENT WHICH SETS FORTH THE FOLLOWING IN SIMPLE AND
10 NONTECHNICAL TERMS:

11 (1) THE RIGHTS OF A TAXPAYER AND THE OBLIGATION OF THE
12 LOCAL TAXING AUTHORITY DURING AN AUDIT OR AN ADMINISTRATIVE
13 REVIEW OF THE TAXPAYER'S BOOKS OR RECORDS.

14 (2) THE ADMINISTRATIVE AND JUDICIAL PROCEDURES BY WHICH
15 A TAXPAYER MAY APPEAL OR SEEK REVIEW OF ANY ADVERSE DECISION
16 OF THE LOCAL TAXING AUTHORITY.

17 (3) THE PROCEDURE FOR FILING AND PROCESSING REFUND
18 CLAIMS AND TAXPAYER COMPLAINTS.

19 (4) THE ENFORCEMENT PROCEDURES.

20 (B) DISTRIBUTION.--THE LOCAL TAXING AUTHORITY SHALL NOTIFY
21 ANY TAXPAYER CONTACTED REGARDING THE ASSESSMENT, AUDIT,
22 DETERMINATION, REVIEW OR COLLECTION OF AN ELIGIBLE TAX OF THE
23 AVAILABILITY OF THE STATEMENT UNDER SUBSECTION (A). THE LOCAL
24 TAXING AUTHORITY SHALL MAKE COPIES OF THE STATEMENT AVAILABLE TO
25 TAXPAYERS UPON REQUEST AT NO CHARGE TO THE TAXPAYER, INCLUDING
26 MAILING COSTS. THE NOTIFICATION SHALL BE STATED AS FOLLOWS:

27 YOU ARE ENTITLED TO RECEIVE A WRITTEN EXPLANATION OF YOUR
28 RIGHTS WITH REGARD TO THE AUDIT, APPEAL, ENFORCEMENT,
29 REFUND AND COLLECTION OF LOCAL TAXES BY CALLING (NAME OF
30 LOCAL TAXING AUTHORITY) AT (TELEPHONE NUMBER) DURING THE

1 HOURS OF (HOURS OF OPERATION).

2 § 8424. REQUIREMENTS FOR REQUESTS.

3 (A) MINIMUM TIME PERIODS FOR TAXPAYER RESPONSE.--

4 (1) THE TAXPAYER SHALL HAVE AT LEAST 30 CALENDAR DAYS
5 FROM THE MAILING DATE TO RESPOND TO REQUESTS FOR INFORMATION
6 BY A LOCAL TAXING AUTHORITY. THE LOCAL TAXING AUTHORITY SHALL
7 GRANT ADDITIONAL REASONABLE EXTENSIONS UPON APPLICATION FOR
8 GOOD CAUSE.

9 (2) THE LOCAL TAXING AUTHORITY SHALL NOTIFY THE TAXPAYER
10 OF THE PROCEDURES TO OBTAIN AN EXTENSION IN ITS INITIAL
11 REQUEST.

12 (3) A LOCAL TAXING AUTHORITY SHALL TAKE NO LAWFUL ACTION
13 AGAINST A TAXPAYER FOR THE TAX YEAR IN QUESTION UNTIL THE
14 EXPIRATION OF THE APPLICABLE RESPONSE PERIOD, INCLUDING
15 EXTENSIONS.

16 (B) REQUESTS FOR PRIOR YEAR RETURNS.--

17 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), AN INITIAL
18 INQUIRY BY A LOCAL TAXING AUTHORITY REGARDING A TAXPAYER'S
19 COMPLIANCE WITH ANY ELIGIBLE TAX MAY INCLUDE TAXES REQUIRED
20 TO BE PAID OR TAX RETURNS REQUIRED TO BE FILED NO MORE THAN
21 THREE YEARS PRIOR TO THE MAILING DATE OF THE NOTICE.

22 (2) A LOCAL TAXING AUTHORITY MAY MAKE A SUBSEQUENT
23 REQUEST FOR A TAX RETURN OR SUPPORTING INFORMATION IF, AFTER
24 THE INITIAL REQUEST, THE LOCAL TAXING AUTHORITY DETERMINES
25 THAT THE TAXPAYER FAILED TO FILE A TAX RETURN, UNDERREPORTED
26 INCOME OR FAILED TO PAY A TAX FOR ONE OR MORE OF THE TAX
27 PERIODS COVERED BY THE INITIAL REQUEST.

28 THIS SUBSECTION SHALL NOT APPLY IF THE LOCAL TAXING AUTHORITY
29 HAS SUFFICIENT INFORMATION TO INDICATE THAT THE TAXPAYER FAILED
30 TO FILE A REQUIRED RETURN OR PAY AN ELIGIBLE TAX WHICH WAS DUE

1 MORE THAN THREE YEARS PRIOR TO THE DATE OF THE NOTICE.

2 (C) USE OF FEDERAL TAX INFORMATION.--A LOCAL TAXING
3 AUTHORITY MAY REQUIRE A TAXPAYER TO PROVIDE COPIES OF THE
4 TAXPAYER'S FEDERAL INDIVIDUAL INCOME TAX RETURN IF THE LOCAL
5 TAXING AUTHORITY CAN DEMONSTRATE THAT THE FEDERAL TAX
6 INFORMATION IS REASONABLY NECESSARY FOR THE ENFORCEMENT OR
7 COLLECTION OF AN ELIGIBLE TAX AND THE INFORMATION IS NOT
8 AVAILABLE FROM OTHER AVAILABLE SOURCES OR THE DEPARTMENT OF
9 REVENUE.

10 § 8425. REFUNDS OF OVERPAYMENTS.

11 (A) GENERAL RULE.--A TAXPAYER WHO HAS PAID AN ELIGIBLE TAX
12 TO A LOCAL TAXING AUTHORITY MAY FILE A WRITTEN REQUEST WITH THE
13 LOCAL TAXING AUTHORITY FOR REFUND OR CREDIT OF THE ELIGIBLE TAX.
14 A REQUEST FOR REFUND SHALL BE MADE WITHIN THREE YEARS OF THE DUE
15 DATE FOR FILING THE REPORT AS EXTENDED OR ONE YEAR AFTER ACTUAL
16 PAYMENT OF THE ELIGIBLE TAX, WHICHEVER IS LATER. IF NO REPORT IS
17 REQUIRED, THE REQUEST SHALL BE MADE WITHIN THREE YEARS AFTER THE
18 DUE DATE FOR PAYMENT OF THE ELIGIBLE TAX OR WITHIN ONE YEAR
19 AFTER ACTUAL PAYMENT OF THE ELIGIBLE TAX, WHICHEVER IS LATER.

20 (1) FOR PURPOSES OF THIS SECTION, A TAX RETURN FILED BY
21 THE TAXPAYER WITH THE LOCAL TAXING AUTHORITY SHOWING AN
22 OVERPAYMENT OF TAX SHALL BE DEEMED TO BE A WRITTEN REQUEST
23 FOR A CASH REFUND UNLESS OTHERWISE INDICATED ON THE TAX
24 RETURN.

25 (2) A REQUEST FOR REFUND UNDER THIS SECTION SHALL NOT BE
26 CONSIDERED A PETITION UNDER SECTION 8430 (RELATING TO
27 ADMINISTRATIVE APPEALS) AND SHALL NOT PRECLUDE A TAXPAYER
28 FROM SUBMITTING A PETITION UNDER SECTION 8431 (RELATING TO
29 PETITIONS).

30 (B) NOTICE OF UNDERPAYMENT.--FOR AMOUNTS PAID AS A RESULT OF

1 A NOTICE ASSERTING OR INFORMING A TAXPAYER OF AN UNDERPAYMENT, A
2 WRITTEN REQUEST FOR REFUND SHALL BE FILED WITH THE LOCAL TAXING
3 AUTHORITY WITHIN ONE YEAR OF THE DATE OF THE PAYMENT.

4 § 8426. INTEREST ON OVERPAYMENT.

5 (A) GENERAL RULE.--ALL OVERPAYMENTS OF TAX DUE A LOCAL
6 TAXING AUTHORITY, INCLUDING TAXES ON REAL PROPERTY, SHALL BEAR
7 SIMPLE INTEREST FROM THE DATE OF OVERPAYMENT UNTIL THE DATE OF
8 RESOLUTION.

9 (B) INTEREST RATE.--INTEREST ON OVERPAYMENTS SHALL BE
10 ALLOWED AND PAID AT THE SAME RATE AS THE COMMONWEALTH IS
11 REQUIRED TO PAY PURSUANT TO SECTION 806.1 OF THE ACT OF APRIL 9,
12 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

13 (C) EXCEPTIONS.--

14 (1) NO INTEREST SHALL BE ALLOWED IF AN OVERPAYMENT IS
15 REFUNDED OR APPLIED AGAINST ANY OTHER TAX, INTEREST OR
16 PENALTY DUE THE LOCAL TAXING AUTHORITY WITHIN 75 DAYS AFTER
17 THE LAST DATE PRESCRIBED FOR FILING THE REPORT OF THE TAX
18 LIABILITY OR WITHIN 75 DAYS AFTER THE DATE THE RETURN OR
19 REPORT OF THE LIABILITY DUE IS FILED, WHICHEVER IS LATER.

20 (2) OVERPAYMENTS OF INTEREST OR PENALTY SHALL NOT BEAR
21 ANY INTEREST.

22 (D) ACCEPTANCE OF REFUND CHECK.--THE TAXPAYER'S ACCEPTANCE
23 OF THE LOCAL TAXING AUTHORITY'S CHECK SHALL NOT PREJUDICE ANY
24 RIGHT OF THE TAXPAYER TO CLAIM ANY ADDITIONAL OVERPAYMENT AND
25 INTEREST THEREON. TENDER OF A REFUND CHECK BY THE LOCAL TAXING
26 AUTHORITY SHALL BE DEEMED TO BE ACCEPTANCE OF THE CHECK BY THE
27 TAXPAYER FOR PURPOSES OF THIS SECTION.

28 (E) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
29 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
30 SUBSECTION:

1 "DATE OF OVERPAYMENT." THE LATER OF THE DATE PAID OR THE
2 DATE TAX IS DEEMED TO HAVE BEEN OVERPAID AS FOLLOWS:

3 (1) ANY TAX ACTUALLY DEDUCTED AND WITHHELD AT THE SOURCE
4 SHALL BE DEEMED TO HAVE BEEN OVERPAID ON THE LAST DAY FOR
5 FILING THE REPORT FOR THE TAX PERIOD, DETERMINED WITHOUT
6 REGARD TO ANY EXTENSION OF TIME FOR FILING.

7 (2) ANY AMOUNT OVERPAID AS ESTIMATED TAX FOR THE TAX
8 PERIOD SHALL BE DEEMED TO HAVE BEEN OVERPAID ON THE LAST DAY
9 FOR FILING THE FINAL REPORT FOR THE TAX PERIOD, DETERMINED
10 WITHOUT REGARD TO ANY EXTENSION OF TIME FOR FILING.

11 (3) AN OVERPAYMENT MADE BEFORE THE LAST DAY PRESCRIBED
12 FOR PAYMENT SHALL BE DEEMED TO HAVE BEEN PAID ON THE LAST
13 DAY.

14 (4) ANY AMOUNT CLAIMED TO BE OVERPAID WITH RESPECT TO
15 WHICH A LAWFUL ADMINISTRATIVE REVIEW OR APPELLATE PROCEDURE
16 IS INITIATED SHALL BE DEEMED TO HAVE BEEN OVERPAID 60 DAYS
17 FOLLOWING THE DATE OF INITIATION OF THE REVIEW OR PROCEDURE.

18 (5) ANY AMOUNT SHOWN NOT TO BE DUE ON AN AMENDED INCOME
19 OR EARNED INCOME AND NET PROFITS TAX RETURN SHALL BE DEEMED
20 TO HAVE BEEN OVERPAID 60 DAYS FOLLOWING THE DATE OF FILING OF
21 THE AMENDED INCOME TAX RETURN.

22 "DATE OF RESOLUTION." THE DATE THE OVERPAYMENT IS REFUNDED
23 OR CREDITED AS FOLLOWS:

24 (1) FOR A CASH REFUND, A DATE PRECEDING THE DATE OF THE
25 LOCAL TAXING AUTHORITY'S REFUND CHECK BY NOT MORE THAN 30
26 DAYS.

27 (2) FOR A CREDIT FOR AN OVERPAYMENT:

28 (I) THE DATE OF THE LOCAL TAXING AUTHORITY'S NOTICE
29 TO THE TAXPAYER OF THE DETERMINATION OF THE CREDIT; OR

30 (II) THE DUE DATE FOR PAYMENT OF THE TAX AGAINST

1 WHICH THE CREDIT IS APPLIED, WHICHEVER FIRST OCCURS. FOR
2 A CASH REFUND OF A PREVIOUSLY DETERMINED CREDIT, INTEREST
3 SHALL BE PAID ON THE AMOUNT OF THE CREDIT FROM A DATE 90
4 DAYS AFTER THE FILING OF A REQUEST TO CONVERT THE CREDIT
5 TO A CASH REFUND TO A DATE PRECEDING THE DATE OF THE
6 REFUND CHECK BY NOT MORE THAN 30 DAYS WHETHER OR NOT THE
7 REFUND CHECK IS ACCEPTED BY THE TAXPAYER AFTER TENDER.

8 § 8427. NOTICE OF BASIS OF UNDERPAYMENT.

9 A LOCAL TAXING AUTHORITY SHALL NOTIFY THE TAXPAYER IN WRITING
10 OF THE BASIS FOR ANY UNDERPAYMENT THAT THE LOCAL TAXING
11 AUTHORITY HAS DETERMINED TO EXIST. THE NOTIFICATION SHALL
12 INCLUDE:

13 (1) THE TAX PERIOD OR PERIODS FOR WHICH THE UNDERPAYMENT
14 IS ASSERTED.

15 (2) THE AMOUNT OF THE UNDERPAYMENT DETAILED BY TAX
16 PERIOD.

17 (3) THE LEGAL BASIS UPON WHICH THE LOCAL TAXING
18 AUTHORITY HAS RELIED TO DETERMINE THAT AN UNDERPAYMENT
19 EXISTS.

20 (4) AN ITEMIZATION OF THE REVISIONS MADE BY THE LOCAL
21 TAXING AUTHORITY TO A RETURN OR REPORT FILED BY THE TAXPAYER
22 THAT RESULTS IN THE DETERMINATION THAT AN UNDERPAYMENT
23 EXISTS.

24 § 8428. ABATEMENT OF CERTAIN INTEREST AND PENALTY.

25 (A) ERRORS AND DELAYS.--IN THE CASE OF ANY UNDERPAYMENT, THE
26 LOCAL TAXING AUTHORITY MAY ABATE ALL OR ANY PART OF INTEREST FOR
27 ANY PERIOD FOR THE FOLLOWING:

28 (1) ANY UNDERPAYMENT OR TAX FINALLY DETERMINED TO BE DUE
29 ATTRIBUTABLE IN WHOLE OR IN PART TO ANY ERROR OR DELAY BY THE
30 LOCAL TAXING AUTHORITY IN THE PERFORMANCE OF A MINISTERIAL

1 ACT. FOR PURPOSES OF THIS PARAGRAPH, AN ERROR OR DELAY SHALL
2 BE TAKEN INTO ACCOUNT ONLY IF NO SIGNIFICANT ASPECT OF THE
3 ERROR OR DELAY CAN BE ATTRIBUTED TO THE TAXPAYER AND AFTER
4 THE LOCAL TAXING AUTHORITY HAS CONTACTED THE TAXPAYER IN
5 WRITING WITH RESPECT TO THE UNDERPAYMENT OF TAX FINALLY
6 DETERMINED TO BE DUE OR PAYABLE.

7 (2) ANY PAYMENT OF A TAX TO THE EXTENT THAT ANY ERROR OR
8 DELAY IN THE PAYMENT IS ATTRIBUTABLE TO AN OFFICER, EMPLOYEE
9 OR AGENT OF THE LOCAL TAXING AUTHORITY BEING ERRONEOUS OR
10 DILATORY IN PERFORMANCE OF A MINISTERIAL ACT. THE LOCAL
11 TAXING AUTHORITY SHALL DETERMINE WHAT CONSTITUTES TIMELY
12 PERFORMANCE OF MINISTERIAL ACTS PERFORMED UNDER THIS
13 SUBCHAPTER.

14 (B) ABATEMENT DUE TO ERRONEOUS WRITTEN ADVICE BY LOCAL
15 TAXING AUTHORITY.--

16 (1) THE LOCAL TAXING AUTHORITY SHALL ABATE ANY PORTION
17 OF ANY PENALTY OR EXCESS INTEREST ATTRIBUTABLE TO ERRONEOUS
18 ADVICE FURNISHED TO THE TAXPAYER IN WRITING BY AN OFFICER,
19 EMPLOYEE OR AGENT OF THE LOCAL TAXING AUTHORITY ACTING IN THE
20 OFFICER'S, EMPLOYEE'S OR AGENT'S OFFICIAL CAPACITY IF:

21 (I) THE WRITTEN ADVICE WAS REASONABLY RELIED UPON BY
22 THE TAXPAYER AND WAS IN RESPONSE TO SPECIFIC WRITTEN
23 REQUEST OF THE TAXPAYER; AND

24 (II) THE PORTION OF THE PENALTY OR ADDITION TO TAX
25 OR EXCESS INTEREST DID NOT RESULT FROM A FAILURE BY THE
26 TAXPAYER TO PROVIDE ADEQUATE OR ACCURATE INFORMATION.

27 (2) THIS SUBSECTION SHALL NOT BE CONSTRUED TO REQUIRE
28 THE LOCAL TAXING AUTHORITY TO PROVIDE WRITTEN ADVICE TO
29 TAXPAYERS.

30 § 8429. APPLICATION OF PAYMENTS.

1 UNLESS OTHERWISE SPECIFIED BY THE TAXPAYER, ALL VOLUNTARY
2 PAYMENTS OF AN ELIGIBLE TAX SHALL BE PRIORITIZED BY THE LOCAL
3 TAXING AUTHORITY AS FOLLOWS:

- 4 (1) TAX.
- 5 (2) INTEREST.
- 6 (3) PENALTY.
- 7 (4) ANY OTHER FEES OR CHARGES.

8 § 8430. ADMINISTRATIVE APPEALS.

9 A POLITICAL SUBDIVISION LEVYING AN ELIGIBLE TAX SHALL
10 ESTABLISH AN ADMINISTRATIVE PROCESS TO RECEIVE AND MAKE
11 DETERMINATIONS ON PETITIONS FROM TAXPAYERS RELATING TO THE
12 ASSESSMENT, DETERMINATION OR REFUND OF AN ELIGIBLE TAX. THE
13 ADMINISTRATIVE PROCESS SHALL CONSIST OF ANY ONE OF THE
14 FOLLOWING:

15 (1) REVIEW AND DECISION OR HEARING AND DECISION BY A
16 LOCAL TAX APPEALS BOARD APPOINTED BY THE GOVERNING BODY. THE
17 BOARD SHALL CONSIST OF AT LEAST THREE, BUT NOT MORE THAN
18 SEVEN, MEMBERS. QUALIFICATIONS FOR SERVICE ON THE BOARD AND
19 COMPENSATION, IF ANY, OF THE MEMBERS SHALL BE DETERMINED BY
20 THE GOVERNING BODY. THE GOVERNING BODY MAY ENTER INTO
21 AGREEMENTS WITH OTHER POLITICAL SUBDIVISIONS TO ESTABLISH A
22 JOINT LOCAL TAX APPEALS BOARD.

23 (2) REVIEW AND DECISION BY THE GOVERNING BODY IN
24 EXECUTIVE SESSION.

25 (3) A HEARING AND DECISION BY A HEARING OFFICER
26 APPOINTED BY THE GOVERNING BODY. THE GOVERNING BODY SHALL
27 DETERMINE THE QUALIFICATIONS AND COMPENSATION, IF ANY, OF THE
28 HEARING OFFICER.

29 (4) AN ADMINISTRATIVE REVIEW OR APPEAL PROCESS EXISTING
30 ON THE EFFECTIVE DATE OF THIS CHAPTER THAT IS SUBSTANTIALLY

1 SIMILAR TO THE PROCEDURES IN PARAGRAPH (1), (2) OR (3).

2 § 8431. PETITIONS.

3 (A) FILING.--A PETITION IS TIMELY FILED IF THE LETTER
4 TRANSMITTING THE PETITION IS POSTMARKED BY THE UNITED STATES
5 POSTAL SERVICE ON OR BEFORE THE FINAL DAY ON WHICH THE PETITION
6 IS REQUIRED TO BE FILED. DEADLINES FOR FILING PETITIONS ARE AS
7 FOLLOWS:

8 (1) REFUND PETITIONS SHALL BE FILED WITHIN THREE YEARS
9 AFTER THE DUE DATE FOR FILING THE REPORT AS EXTENDED OR ONE
10 YEAR AFTER ACTUAL PAYMENT OF AN ELIGIBLE TAX, WHICHEVER IS
11 LATER. IF NO REPORT IS REQUIRED, THE PETITION SHALL BE FILED
12 WITHIN THREE YEARS AFTER THE DUE DATE FOR PAYMENT OF AN
13 ELIGIBLE TAX OR WITHIN ONE YEAR AFTER ACTUAL PAYMENT,
14 WHICHEVER IS LATER.

15 (2) PETITIONS FOR REASSESSMENT OF AN ELIGIBLE TAX SHALL
16 BE FILED WITHIN 90 DAYS OF THE DATE OF THE ASSESSMENT NOTICE.

17 (B) CONTENTS.--THE GOVERNING BODY SHALL ADOPT REGULATIONS
18 SPECIFYING THE FORM AND CONTENT OF PETITIONS, INCLUDING THE
19 PROCESS AND DEADLINES.

20 § 8432. PRACTICE AND PROCEDURE.

21 PRACTICE AND PROCEDURE UNDER THIS SUBCHAPTER SHALL NOT BE
22 GOVERNED BY 2 PA.C.S. CHS. 5 SUBCH. B (RELATING TO PRACTICE AND
23 PROCEDURE OF LOCAL AGENCIES) AND 7 SUBCH. B (RELATING TO
24 JUDICIAL REVIEW OF LOCAL AGENCY ACTION). THE GOVERNING BODY
25 SHALL ADOPT REGULATIONS GOVERNING PRACTICE AND PROCEDURE UNDER
26 THIS SUBCHAPTER.

27 § 8433. DECISIONS.

28 DECISIONS ON PETITIONS SUBMITTED UNDER THIS SUBCHAPTER SHALL
29 BE ISSUED WITHIN 60 DAYS OF THE DATE A COMPLETE AND ACCURATE
30 PETITION IS RECEIVED. FAILURE TO ACT WITHIN 60 DAYS SHALL RESULT

1 IN THE PETITION BEING DEEMED APPROVED.

2 § 8434. APPEALS.

3 ANY PERSON AGGRIEVED BY A DECISION UNDER THIS CHAPTER WHO HAS
4 A DIRECT INTEREST IN THE DECISION SHALL HAVE THE RIGHT TO APPEAL
5 TO THE COURT VESTED WITH THE JURISDICTION OF LOCAL TAX APPEALS
6 BY OR PURSUANT TO 42 PA.C.S. (RELATING TO JUDICIARY AND JUDICIAL
7 PROCEDURE).

8 § 8435. EQUITABLE AND LEGAL PRINCIPLES TO APPLY.

9 DECISIONS UNDER THIS CHAPTER MAY BE MADE ACCORDING TO
10 PRINCIPLES OF LAW AND EQUITY.

11 § 8436. INSTALLMENT AGREEMENTS.

12 (A) AUTHORIZATION.--A LOCAL TAXING AUTHORITY MAY ENTER INTO
13 WRITTEN AGREEMENTS WITH ANY TAXPAYER UNDER WHICH THE TAXPAYER IS
14 ALLOWED TO SATISFY LIABILITY FOR ANY ELIGIBLE TAX IN INSTALLMENT
15 PAYMENTS IF THE LOCAL TAXING AUTHORITY DETERMINES THAT THE
16 AGREEMENT WILL FACILITATE COLLECTION.

17 (B) EXTENT TO WHICH AGREEMENTS REMAIN IN EFFECT.--

18 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, ANY
19 AGREEMENT ENTERED INTO BY THE LOCAL TAXING AUTHORITY UNDER
20 SUBSECTION (A) SHALL REMAIN IN EFFECT FOR THE TERM OF THE
21 AGREEMENT.

22 (2) THE LOCAL TAXING AUTHORITY MAY TERMINATE ANY PRIOR
23 AGREEMENT ENTERED INTO UNDER SUBSECTION (A) IF:

24 (I) INFORMATION WHICH THE TAXPAYER PROVIDED TO THE
25 LOCAL TAXING AUTHORITY PRIOR TO THE DATE OF THE AGREEMENT
26 WAS INACCURATE OR INCOMPLETE; OR

27 (II) THE LOCAL TAXING AUTHORITY BELIEVES THAT
28 COLLECTION OF ANY ELIGIBLE TAX UNDER THE AGREEMENT IS IN
29 JEOPARDY.

30 (3) IF THE LOCAL TAXING AUTHORITY FINDS THAT THE

1 FINANCIAL CONDITION OF THE TAXPAYER HAS SIGNIFICANTLY
2 CHANGED, THE LOCAL TAXING AUTHORITY MAY ALTER, MODIFY OR
3 TERMINATE THE AGREEMENT, BUT ONLY IF:

4 (I) NOTICE OF THE LOCAL TAXING AUTHORITY'S FINDING
5 IS PROVIDED TO THE TAXPAYER NO LATER THAN 30 DAYS PRIOR
6 TO THE DATE OF SUCH ACTION; AND

7 (II) THE NOTICE CONTAINS THE REASONS WHY THE LOCAL
8 TAXING AUTHORITY BELIEVES A SIGNIFICANT CHANGE HAS
9 OCCURRED.

10 (4) THE LOCAL TAXING AUTHORITY MAY ALTER, MODIFY OR
11 TERMINATE AN AGREEMENT ENTERED INTO BY THE LOCAL TAXING
12 AUTHORITY UNDER SUBSECTION (A) IF THE TAXPAYER FAILS TO DO
13 ANY OF THE FOLLOWING:

14 (I) PAY ANY INSTALLMENT AT THE TIME THE INSTALLMENT
15 IS DUE UNDER SUCH AGREEMENT.

16 (II) PAY ANY OTHER TAX LIABILITY AT THE TIME THE
17 LIABILITY IS DUE.

18 (III) PROVIDE A FINANCIAL CONDITION UPDATE AS
19 REQUESTED BY THE LOCAL TAXING AUTHORITY.

20 (C) PREPAYMENT PERMITTED.--NOTHING IN THIS SECTION SHALL
21 PREVENT A TAXPAYER FROM PREPAYING IN WHOLE OR IN PART ANY
22 ELIGIBLE TAX UNDER ANY AGREEMENT WITH THE LOCAL TAXING
23 AUTHORITY.

24 § 8437. CONFIDENTIALITY OF TAX INFORMATION.

25 ANY INFORMATION GAINED BY A LOCAL TAXING AUTHORITY AS A
26 RESULT OF ANY AUDIT, RETURN, REPORT, INVESTIGATION, HEARING OR
27 VERIFICATION SHALL BE CONFIDENTIAL TAX INFORMATION. IT SHALL BE
28 UNLAWFUL, EXCEPT FOR OFFICIAL PURPOSES OR AS PROVIDED BY LAW,
29 FOR ANY LOCAL TAXING AUTHORITY TO:

30 (1) DIVULGE OR MAKE KNOWN IN ANY MANNER ANY CONFIDENTIAL

1 INFORMATION GAINED IN ANY RETURN, INVESTIGATION, HEARING OR
2 VERIFICATION TO ANY PERSON.

3 (2) PERMIT CONFIDENTIAL TAX INFORMATION OR ANY BOOK
4 CONTAINING ANY ABSTRACT OR PARTICULARS THEREOF TO BE SEEN OR
5 EXAMINED BY ANY PERSON.

6 (3) PRINT, PUBLISH OR MAKE KNOWN IN ANY MANNER ANY
7 CONFIDENTIAL TAX INFORMATION.

8 AN OFFENSE UNDER THIS SECTION IS A MISDEMEANOR OF THE THIRD
9 DEGREE AND, UPON CONVICTION THEREOF, A FINE OF NOT MORE THAN
10 \$2,500 AND COSTS, OR A TERM OF IMPRISONMENT FOR NOT MORE THAN
11 ONE YEAR, OR BOTH, MAY BE IMPOSED. IF THE OFFENDER IS AN OFFICER
12 OR EMPLOYEE OF THE LOCAL TAXING AUTHORITY, THE OFFICER OR
13 EMPLOYEE SHALL BE DISMISSED FROM OFFICE OR DISCHARGED FROM
14 EMPLOYMENT.

15 § 8438. TAXES ON REAL PROPERTY.

16 EXCEPT AS PROVIDED IN SECTION 8426 (RELATING TO INTEREST ON
17 OVERPAYMENT), THIS SUBCHAPTER SHALL NOT APPLY TO ANY TAX ON REAL
18 PROPERTY.

19 CHAPTER 85

20 ASSESSMENTS OF PERSONS AND PROPERTY

21 SUBCHAPTER

22 A. (RESERVED)

23 B. (RESERVED)

24 C. (RESERVED)

25 D. (RESERVED)

26 E. REAL ESTATE TAX DEFERRAL

27 F. HOMESTEAD PROPERTY EXCLUSION

28 SUBCHAPTERS A THROUGH D

29 (RESERVED)

30 SUBCHAPTER E

REAL ESTATE TAX DEFERRAL

SEC.

8571. SHORT TITLE OF SUBCHAPTER.

8572. DEFINITIONS.

8573. AUTHORITY.

8574. INCOME ELIGIBILITY.

8575. TAX DEFERRAL.

8576. APPLICATION PROCEDURE.

8577. CONTENTS OF APPLICATION.

8578. ATTACHMENT AND SATISFACTION OF LIENS.

§ 8571. SHORT TITLE OF SUBCHAPTER.

THIS SUBCHAPTER SHALL BE KNOWN AND MAY BE CITED AS THE REAL ESTATE TAX DEFERMENT PROGRAM ACT.

§ 8572. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBCHAPTER SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"BASE PAYMENT." THE AMOUNT OF PROPERTY TAX PAID BY AN APPLICANT IN THE BASE YEAR.

"BASE YEAR." THE TAX YEAR PRECEDING THE FIRST TAX YEAR FOR WHICH A TAXING AUTHORITY IMPLEMENTS THE PROVISIONS OF THIS SUBCHAPTER OR THE TAX YEAR IMMEDIATELY PRECEDING AN APPLICANT'S ENTRY INTO THE TAX DEFERRAL PROGRAM.

"CLAIMANT." A PERSON WHOSE HOUSEHOLD INCOME DOES NOT EXCEED THE LIMIT PROVIDED FOR IN SECTION 8574 (RELATING TO INCOME ELIGIBILITY).

"HOUSEHOLD INCOME." ALL INCOME AS DEFINED IN THE ACT OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN AS THE SENIOR CITIZENS REBATE AND ASSISTANCE ACT, RECEIVED BY THE CLAIMANT AND BY THE CLAIMANT'S SPOUSE DURING THE CALENDAR YEAR FOR WHICH A TAX

1 DEFERRAL IS CLAIMED.

2 "INCREASE IN REAL PROPERTY TAXES." AN INCREASE IN THE
3 PROPERTY TAXES ABOVE THE BASE PAYMENT, RESULTING FROM A MILLAGE
4 INCREASE, A CHANGE IN THE ASSESSMENT RATIO OR METHOD, OR BY A
5 REVALUING OF ALL PROPERTIES.

6 § 8573. AUTHORITY.

7 ALL POLITICAL SUBDIVISIONS SHALL HAVE THE POWER AND AUTHORITY
8 TO GRANT ANNUAL TAX DEFERRALS IN THE MANNER PROVIDED IN THIS
9 SUBCHAPTER.

10 § 8574. INCOME ELIGIBILITY.

11 A CLAIMANT SHALL BE ELIGIBLE FOR A TAX DEFERRAL IF THE
12 CLAIMANT AND THE CLAIMANT'S SPOUSE HAVE A HOUSEHOLD INCOME NOT
13 EXCEEDING THE MAXIMUM HOUSEHOLD INCOME ELIGIBILITY LIMITATIONS
14 SET FORTH IN THE ACT OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN AS
15 THE SENIOR CITIZENS REBATE AND ASSISTANCE ACT.

16 § 8575. TAX DEFERRAL.

17 (A) AMOUNT.--AN ANNUAL REAL ESTATE TAX DEFERRAL GRANTED
18 UNDER THIS SUBCHAPTER SHALL EQUAL THE INCREASE IN REAL PROPERTY
19 TAXES UPON THE HOMESTEAD OF THE CLAIMANT.

20 (B) PROHIBITION.--NO TAX DEFERRALS SHALL BE GRANTED IF THE
21 TOTAL AMOUNT OF DEFERRED TAXES, PLUS THE TOTAL AMOUNT OF ALL
22 OTHER UNSATISFIED LIENS ON THE HOMESTEAD OF THE CLAIMANT, PLUS
23 THE OUTSTANDING PRINCIPAL ON ANY AND ALL MORTGAGES ON THE
24 HOMESTEAD, EXCEEDS 85% OF THE MARKET VALUE OF THE HOMESTEAD OR
25 IF THE OUTSTANDING PRINCIPAL ON ANY AND ALL MORTGAGES ON THE
26 HOMESTEAD EXCEEDS 70% OF THE MARKET VALUE OF THE HOMESTEAD.
27 MARKET VALUE SHALL EQUAL ASSESSED VALUE DIVIDED BY THE COMMON
28 LEVEL RATIO AS MOST RECENTLY DETERMINED BY THE STATE TAX
29 EQUALIZATION BOARD FOR THE COUNTY IN WHICH THE PROPERTY IS
30 LOCATED.

1 § 8576. APPLICATION PROCEDURE.

2 (A) INITIAL APPLICATION.--ANY PERSON ELIGIBLE FOR A TAX
3 DEFERRAL UNDER THIS SUBCHAPTER MAY APPLY ANNUALLY TO THE
4 POLITICAL SUBDIVISION. IN THE INITIAL YEAR OF APPLICATION, THE
5 FOLLOWING INFORMATION SHALL BE PROVIDED IN THE MANNER REQUIRED
6 BY THE POLITICAL SUBDIVISION:

7 (1) A STATEMENT OF REQUEST FOR THE TAX DEFERRAL.

8 (2) A CERTIFICATION THAT THE APPLICANT OR THE APPLICANT
9 AND HIS OR HER SPOUSE JOINTLY ARE THE OWNERS IN FEE SIMPLE OF
10 THE HOMESTEAD UPON WHICH THE REAL PROPERTY TAXES ARE IMPOSED.

11 (3) A CERTIFICATION THAT THE APPLICANT'S HOMESTEAD IS
12 ADEQUATELY INSURED UNDER A HOMEOWNER'S POLICY TO THE EXTENT
13 OF ALL OUTSTANDING LIENS.

14 (4) RECEIPTS SHOWING TIMELY PAYMENT OF THE IMMEDIATELY
15 PRECEDING YEAR'S NONDEFERRED REAL PROPERTY TAX LIABILITY.

16 (5) PROOF OF INCOME ELIGIBILITY UNDER SECTION 8574
17 (RELATING TO INCOME ELIGIBILITY).

18 (6) ANY OTHER INFORMATION REQUIRED BY THE POLITICAL
19 SUBDIVISION.

20 (B) SUBSEQUENT YEARS.--AFTER THE INITIAL ENTRY INTO THE
21 PROGRAM, A CLAIMANT SHALL REMAIN ELIGIBLE FOR TAX DEFERRAL IN
22 SUBSEQUENT YEARS SO LONG AS THE CLAIMANT CONTINUES TO MEET THE
23 ELIGIBILITY REQUIREMENTS OF THIS SUBCHAPTER.

24 § 8577. CONTENTS OF APPLICATION.

25 ANY APPLICATION FOR A TAX DEFERRAL DISTRIBUTED TO PERSONS
26 SHALL CONTAIN THE FOLLOWING:

27 (1) A STATEMENT THAT THE TAX DEFERRAL GRANTED UNDER THIS
28 SUBCHAPTER IS PROVIDED IN EXCHANGE FOR A LIEN AGAINST THE
29 HOMESTEAD OF THE APPLICANT.

30 (2) AN EXPLANATION OF THE MANNER IN WHICH THE DEFERRED

1 TAXES SHALL BECOME DUE, PAYABLE AND DELINQUENT AND INCLUDE,
2 AT A MINIMUM, THE CONSEQUENCES OF NONCOMPLIANCE WITH THE
3 PROVISIONS OF THIS SUBCHAPTER.

4 § 8578. ATTACHMENT AND SATISFACTION OF LIENS.

5 (A) NATURE OF LIEN.--ALL TAXES DEFERRED UNDER THIS
6 SUBCHAPTER SHALL CONSTITUTE A PRIOR LIEN ON THE HOMESTEAD OF THE
7 CLAIMANT IN FAVOR OF THE POLITICAL SUBDIVISION AND SHALL ATTACH
8 AS OF THE DATE AND IN THE SAME MANNER AS OTHER REAL ESTATE TAX
9 LIENS. THE DEFERRED TAXES SHALL BE COLLECTED AS OTHER REAL
10 ESTATE TAX LIENS, BUT THE DEFERRED TAXES SHALL BE DUE, PAYABLE
11 AND DELINQUENT ONLY AS PROVIDED IN SUBSECTION (B).

12 (B) PAYMENT.--

13 (1) ALL OR PART OF THE DEFERRED TAXES MAY AT ANY TIME BE
14 PAID TO THE POLITICAL SUBDIVISION.

15 (2) IN THE EVENT THAT THE DEFERRED TAXES ARE NOT PAID BY
16 THE CLAIMANT OR THE CLAIMANT'S SPOUSE DURING HIS OR HER
17 LIFETIME OR DURING THEIR CONTINUED OWNERSHIP OF THE
18 HOMESTEAD, THE DEFERRED TAXES SHALL BE PAID EITHER:

19 (I) PRIOR TO THE CONVEYANCE OF THE HOMESTEAD TO ANY
20 THIRD PARTY; OR

21 (II) PRIOR TO THE PASSING OF THE LEGAL OR EQUITABLE
22 TITLE, EITHER BY WILL OR BY STATUTE, TO THE HEIRS OF THE
23 CLAIMANT OR THE CLAIMANT'S SPOUSE.

24 (3) THE SURVIVING SPOUSE OF A CLAIMANT SHALL NOT BE
25 REQUIRED TO PAY THE DEFERRED TAXES BY REASON OF HIS OR HER
26 ACQUISITION OF THE HOMESTEAD DUE TO DEATH OF THE CLAIMANT AS
27 LONG AS THE SURVIVING SPOUSE MAINTAINS HIS OR HER DOMICILE IN
28 THE PROPERTY. THE SURVIVING SPOUSE MAY CONTINUE TO
29 PARTICIPATE IN THE TAX DEFERRAL PROGRAM IN SUBSEQUENT YEARS
30 PROVIDED HE OR SHE IS ELIGIBLE UNDER THE PROVISIONS OF THIS

1 SUBCHAPTER.

2 SUBCHAPTER F

3 HOMESTEAD PROPERTY EXCLUSION

4 SEC.

5 8581. SHORT TITLE OF SUBCHAPTER.

6 8582. DEFINITIONS.

7 8583. EXCLUSION FOR HOMESTEAD PROPERTY.

8 8584. ADMINISTRATION AND PROCEDURE.

9 8585. EXCLUSION FOR FARMSTEAD PROPERTY.

10 8586. LIMITATIONS.

11 8587. UNIFORM APPLICATION.

12 § 8581. SHORT TITLE OF SUBCHAPTER.

13 THIS SUBCHAPTER SHALL BE KNOWN AND MAY BE CITED AS THE
14 HOMESTEAD PROPERTY EXCLUSION PROGRAM ACT.

15 § 8582. DEFINITIONS.

16 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBCHAPTER
17 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
18 CONTEXT CLEARLY INDICATES OTHERWISE:

19 "ASSESSOR." THE CHIEF ASSESSOR OF THE COUNTY, THE EQUIVALENT
20 POSITION IN A HOME RULE COUNTY OR THE EQUIVALENT POSITION IN A
21 CITY OF THE THIRD CLASS THAT PERFORMS ITS OWN ASSESSMENTS OF
22 REAL PROPERTY.

23 "BOARD." ANY OF THE FOLLOWING:

24 (1) "BOARD." AS DEFINED IN THE ACT OF JUNE 26, 1931,
25 (P.L.1379, NO.348), REFERRED TO AS THE THIRD CLASS COUNTY
26 ASSESSMENT BOARD LAW.

27 (2) "BOARD." AS DEFINED IN THE ACT OF MAY 21, 1943
28 (P.L.571, NO.254), KNOWN AS THE FOURTH TO EIGHTH CLASS COUNTY
29 ASSESSMENT LAW.

30 (3) "BOARD OF PROPERTY ASSESSMENT, APPEALS AND REVIEW."

1 THE BOARD OF PROPERTY ASSESSMENT, APPEALS AND REVIEW IN A
2 COUNTY OF THE SECOND CLASS UNDER THE ACT OF JUNE 21, 1939
3 (P.L.626, NO.294), REFERRED TO AS THE SECOND CLASS COUNTY
4 ASSESSMENT LAW.

5 (4) "BOARD OF REVISION OF TAX AND APPEALS." THE BOARD
6 OF REVISION OF TAXES AND APPEALS IN CITIES OF THE THIRD
7 CLASS.

8 "COMMON LEVEL RATIO." THE RATIO OF ASSESSED VALUE TO CURRENT
9 MARKET VALUE USED GENERALLY IN THE COUNTY AS LAST DETERMINED BY
10 THE STATE TAX EQUALIZATION BOARD UNDER THE ACT OF JUNE 27, 1947
11 (P.L.1046, NO.447), REFERRED TO AS THE STATE TAX EQUALIZATION
12 BOARD LAW.

13 "ESTABLISHED PREDETERMINED RATIO." THE RATIO OF ASSESSED
14 VALUE TO MARKET VALUE ESTABLISHED BY THE BOARD OF COUNTY
15 COMMISSIONERS AND UNIFORMLY APPLIED IN DETERMINING ASSESSED
16 VALUE IN ANY YEAR.

17 "FARMSTEAD." ALL BUILDINGS AND STRUCTURES ON A FARM NOT LESS
18 THAN TEN CONTIGUOUS ACRES IN AREA NOT OTHERWISE EXEMPT FROM REAL
19 PROPERTY TAXATION OR QUALIFIED FOR ANY OTHER ABATEMENT OR
20 EXCLUSION PURSUANT TO ANY OTHER LAW, THAT ARE USED PRIMARILY TO
21 PRODUCE OR STORE ANY FARM PRODUCT PRODUCED ON THE FARM FOR
22 PURPOSES OF COMMERCIAL AGRICULTURAL PRODUCTION, TO HOUSE OR
23 CONFINE ANY ANIMAL RAISED OR MAINTAINED ON THE FARM FOR THE
24 PURPOSE OF COMMERCIAL AGRICULTURAL PRODUCTION, TO STORE ANY
25 AGRICULTURAL SUPPLY TO BE USED ON THE FARM IN COMMERCIAL
26 AGRICULTURAL PRODUCTION OR TO STORE ANY MACHINERY OR EQUIPMENT
27 USED ON THE FARM IN COMMERCIAL AGRICULTURAL PRODUCTION. THIS
28 TERM SHALL ONLY APPLY TO FARMS USED AS THE DOMICILE OF AN OWNER.

29 "FARMSTEAD PROPERTY." A FARMSTEAD FOR WHICH AN APPLICATION
30 HAS BEEN SUBMITTED AND APPROVED UNDER SECTION 8584 (RELATING TO

1 ADMINISTRATION AND PROCEDURE).

2 "GOVERNING BODY." THE BOARD OF COUNTY COMMISSIONERS,
3 INCLUDING THE SUCCESSOR IN FUNCTION TO THE BOARD OF COUNTY
4 COMMISSIONERS IN A COUNTY WHICH HAS ADOPTED A HOME RULE CHARTER
5 UNDER THE FORMER ACT OF APRIL 13, 1972 (P.L.184, NO.62), KNOWN
6 AS THE HOME RULE CHARTER AND OPTIONAL PLANS LAW, UNDER SUBPART E
7 OF PART III (RELATING TO HOME RULE AND OPTIONAL PLAN GOVERNMENT)
8 OR UNDER ARTICLE XXXI-C OF THE ACT OF JULY 28, 1953 (P.L.723,
9 NO.230), KNOWN AS THE SECOND CLASS COUNTY CODE, CITY COUNCIL,
10 BOROUGH COUNCIL, INCORPORATED TOWN COUNCIL, BOARD OF TOWNSHIP
11 COMMISSIONERS, BOARD OF TOWNSHIP SUPERVISORS, A GOVERNING
12 COUNCIL OF A HOME RULE MUNICIPALITY OR OPTIONAL PLAN
13 MUNICIPALITY, A GOVERNING COUNCIL OF ANY SIMILAR GENERAL PURPOSE
14 UNIT OF GOVERNMENT WHICH MAY HEREAFTER BE CREATED BY STATUTE, OR
15 A BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT.

16 "MEDIAN ASSESSED VALUE." THE VALUE WHICH IS THE MIDDLE POINT
17 IN THE SEQUENTIAL DISTRIBUTION OF ASSESSED VALUES, ABOVE AND
18 BELOW WHICH EXIST AN EQUAL NUMBER OF ASSESSED VALUES.

19 § 8583. EXCLUSION FOR HOMESTEAD PROPERTY.

20 (A) GENERAL RULE.--THE GOVERNING BODY OF A POLITICAL
21 SUBDIVISION MAY EXCLUDE FROM TAXATION A FIXED DOLLAR AMOUNT OF
22 THE ASSESSED VALUE OF EACH HOMESTEAD PROPERTY IN THE POLITICAL
23 SUBDIVISION CONSISTENT WITH SECTION 8586 (RELATING TO
24 LIMITATIONS).

25 (B) JURISDICTIONS CROSSING COUNTY LINES.--IF A POLITICAL
26 SUBDIVISION IS LOCATED IN MORE THAN ONE COUNTY, THE EXCLUSION
27 ESTABLISHED UNDER SUBSECTION (A) FOR EACH COUNTY PORTION OF THE
28 POLITICAL SUBDIVISION SHALL BE UNIFORM AFTER ADJUSTMENT FOR THE
29 COMMON LEVEL RATIOS IN THE RESPECTIVE COUNTIES.

30 (C) SPLIT RATE TAXES.--IN POLITICAL SUBDIVISIONS WHERE

1 DIFFERENT MILLAGE RATES ARE APPLIED TO LAND AND THE IMPROVEMENTS
2 UPON LAND, THE EXCLUSION ESTABLISHED UNDER SUBSECTION (A) SHALL
3 BE APPLIED FIRST TO THE VALUE OF THE IMPROVEMENTS, AND THE
4 REMAINDER OF THE EXCLUSION, IF ANY, SHALL BE APPLIED TO THE
5 VALUE OF THE LAND.

6 (D) NEW CONSTRUCTION.--THE EXCLUSION AUTHORIZED UNDER
7 SUBSECTION (A) FOR A DWELLING CONSTRUCTED DURING THE TAXABLE
8 YEAR AND USED AS HOMESTEAD PROPERTY SHALL BE PRORATED IN A
9 MANNER CONSISTENT WITH THE ASSESSMENT OF REAL PROPERTY TAXES ON
10 THAT DWELLING.

11 (E) REASSESSMENT.--AFTER A REVISION OF ASSESSMENTS BY MEANS
12 OF REVALUING ALL PROPERTIES, THE GOVERNING BODY OF THE POLITICAL
13 SUBDIVISION PROVIDING AN EXCLUSION UNDER THIS SECTION SHALL
14 ADJUST THE AMOUNT OF THE EXCLUSION FOR HOMESTEAD PROPERTY AS
15 FOLLOWS:

16 (1) IF THE ASSESSMENT BASE IS REVISED BY APPLYING A
17 CHANGE IN THE ESTABLISHED PREDETERMINED RATIO, THE EXCLUSION
18 FOR HOMESTEAD PROPERTY SHALL BE ADJUSTED BY THE PERCENTAGE
19 CHANGE BETWEEN THE EXISTING PREDETERMINED RATIO AND THE NEWLY
20 ESTABLISHED PREDETERMINED RATIO; OR

21 (2) IF THE ASSESSOR PERFORMS A REVISION OF ASSESSMENTS
22 BY REVALUING ALL PROPERTIES AND APPLYING AN ESTABLISHED
23 PREDETERMINED RATIO, THE EXCLUSION FOR HOMESTEAD PROPERTY
24 SHALL BE ADJUSTED BY DIVIDING THE EXCLUSION FOR HOMESTEAD
25 PROPERTY FOR THE YEAR PRECEDING THE REVISION OF ASSESSMENTS
26 BY THE COMMON LEVEL RATIO AND MULTIPLYING THE QUOTIENT OF
27 THAT CALCULATION BY THE NEWLY ESTABLISHED PREDETERMINED
28 RATIO.

29 § 8584. ADMINISTRATION AND PROCEDURE.

30 (A) APPLICATION; DETERMINATIONS.--THE OWNER OR OWNERS OF

1 REAL PROPERTY SEEKING TO HAVE PROPERTY APPROVED AS HOMESTEAD
2 PROPERTY OR FARMSTEAD PROPERTY SHALL FILE AN APPLICATION WITH
3 THE ASSESSOR ON THE FORM DEVELOPED UNDER SECTION 8587 (RELATING
4 TO UNIFORM APPLICATION). DETERMINATIONS WITH RESPECT TO THE
5 QUALIFICATION OF ALL OR A PART OF A PARCEL OF REAL PROPERTY AS
6 HOMESTEAD PROPERTY OR FARMSTEAD PROPERTY SHALL BE MADE BY THE
7 ASSESSOR.

8 (B) FILING DEADLINES; RENEWAL OF APPLICATION.--APPLICATIONS
9 SHALL BE FILED WITH THE ASSESSOR NOT LATER THAN MARCH 1 OF EACH
10 YEAR. THE GOVERNING BODY OF A COUNTY MAY ADOPT A SCHEDULE FOR
11 REVIEW OR REAPPLICATION FOR REAL PROPERTY PREVIOUSLY APPROVED AS
12 HOMESTEAD PROPERTY OR FARMSTEAD PROPERTY.

13 (C) NOTICE OF APPLICATIONS AND DEADLINES.--THE ASSESSOR
14 SHALL PROVIDE SUFFICIENT NOTICE TO THE PUBLIC REGARDING THE
15 AVAILABILITY OF APPLICATIONS TO DESIGNATE REAL PROPERTY AS
16 HOMESTEAD PROPERTY OR FARMSTEAD PROPERTY AND ALL FILING
17 DEADLINES. THE ASSESSOR SHALL MAKE APPLICATIONS AVAILABLE AT
18 LEAST 75 DAYS BEFORE THE FILING DEADLINE.

19 (D) DENIAL OF APPLICATION.--THE ASSESSOR SHALL PROVIDE TO
20 EACH PROPERTY OWNER WHOSE APPLICATION FOR APPROVAL AS HOMESTEAD
21 PROPERTY OR FARMSTEAD PROPERTY IS BEING DENIED, IN WHOLE OR IN
22 PART, A WRITTEN NOTICE OF DENIAL BY FIRST CLASS MAIL NOT LATER
23 THAN 120 DAYS AFTER THE FILING DEADLINE. THE NOTICE SHALL
24 INCLUDE ALL REASONS FOR DENIAL. FAILURE BY THE ASSESSOR TO
25 PROVIDE NOTICE UNDER THIS SUBSECTION SHALL BE DEEMED TO BE
26 APPROVAL OF THE APPLICATION.

27 (E) APPEALS OF ASSESSOR'S DECISION.--AN OWNER AGGRIEVED BY
28 THE DECISION OF THE ASSESSOR MAY APPEAL TO THE BOARD FOR A
29 REVIEW OF THE DECISION IN A MANNER CONSISTENT WITH THE
30 PROVISIONS FOR APPEAL OF ASSESSMENTS UNDER THE APPLICABLE

1 ASSESSMENT LAW. APPEALS UNDER THIS SUBSECTION SHALL BE LIMITED
2 TO WHETHER THE APPLICATION MEETS THE REQUIREMENTS OF SUBSECTIONS
3 (A) AND (B) OR WHETHER THE PARCEL FOR WHICH THE APPEAL IS MADE
4 MEETS THE DEFINITION OF "FARMSTEAD PROPERTY" OR "HOMESTEAD
5 PROPERTY."

6 (F) OTHER APPEALS.--APPEALS REGARDING THE ASSESSED VALUE OF
7 REAL PROPERTY UNDER THE APPLICABLE ASSESSMENT LAW SHALL BE BASED
8 ON THE ASSESSED VALUE OF THE REAL PROPERTY BEFORE APPLICATION OF
9 THE EXCLUSIONS FOR HOMESTEAD PROPERTY OR FARMSTEAD PROPERTY. THE
10 ISSUE OF QUALIFICATION AS HOMESTEAD PROPERTY OR FARMSTEAD
11 PROPERTY SHALL NOT BE RAISED IN AN APPEAL EXCEPT AS PROVIDED IN
12 SUBSECTION (E).

13 (G) FALSE OR FRAUDULENT APPLICATIONS.--THE ASSESSOR MAY
14 SELECT, RANDOMLY OR OTHERWISE, APPLICATIONS FILED UNDER
15 SUBSECTION (A) TO REVIEW FOR FALSE OR FRAUDULENT INFORMATION.

16 (H) PENALTIES.--ANY PERSON WHO FILES AN APPLICATION UNDER
17 SUBSECTION (A) WHICH IS FALSE AS TO ANY MATERIAL MATTER SHALL:

18 (1) PAY ANY TAXES WHICH WOULD HAVE BEEN DUE BUT FOR THE
19 FALSE APPLICATION, PLUS SIMPLE INTEREST COMPUTED AT THE RATE
20 PROVIDED IN SECTION 806 OF THE ACT OF APRIL 9, 1929 (P.L.343,
21 NO.176), KNOWN AS THE FISCAL CODE;

22 (2) PAY A PENALTY EQUAL TO 10% OF THE UNPAID TAXES
23 COMPUTED UNDER PARAGRAPH (1); AND

24 (3) UPON CONVICTION FOR FILING AN APPLICATION UNDER
25 SUBSECTION (A) WHICH A PERSON KNOWS TO BE FRAUDULENT, BE
26 GUILTY OF A MISDEMEANOR OF THE THIRD DEGREE AND BE SENTENCED
27 TO PAY A FINE NOT EXCEEDING \$2,500.

28 (I) REPORTS.--AT THE SAME TIME AS THE ASSESSOR CERTIFIES THE
29 TAX DUPLICATE, THE ASSESSOR SHALL PROVIDE TO THE GOVERNING
30 BODIES OF THE COUNTY AND EACH POLITICAL SUBDIVISION WITHIN THE

1 COUNTY UPON REQUEST AND AT NO CHARGE A CERTIFIED REPORT LISTING
2 AT LEAST ALL OF THE FOLLOWING INFORMATION:

3 (1) THE PARCEL NUMBER OF EACH PARCEL WHICH IS APPROVED,
4 IN WHOLE OR IN PART, AS HOMESTEAD PROPERTY.

5 (2) THE ASSESSED VALUE OF EACH PARCEL WHICH IS APPROVED,
6 IN WHOLE OR IN PART, AS HOMESTEAD PROPERTY.

7 (3) THE PORTION OF THE ASSESSED VALUE OF EACH PARCEL
8 LISTED UNDER PARAGRAPH (2) WHICH IS APPROVED AS HOMESTEAD
9 PROPERTY.

10 (4) THE MEDIAN ASSESSED VALUE OF THE HOMESTEAD PROPERTY
11 LISTED IN PARAGRAPH (3).

12 (5) THE PARCEL NUMBER OF EACH PARCEL WHICH IS APPROVED,
13 IN WHOLE OR IN PART, AS FARMSTEAD PROPERTY.

14 (6) THE ASSESSED VALUE OF EACH PARCEL WHICH IS APPROVED,
15 IN WHOLE OR IN PART, AS FARMSTEAD PROPERTY.

16 (7) THE PORTION OF THE ASSESSED VALUE OF EACH PARCEL
17 LISTED UNDER PARAGRAPH (6) WHICH IS APPROVED AS FARMSTEAD
18 PROPERTY.

19 THE GOVERNING BODY OF THE COUNTY MAY SET REASONABLE FEES FOR
20 PROVIDING CUSTOMIZED REPORTS OR SERVICES NOT OTHERWISE REQUIRED
21 UNDER THIS ACT OR OTHER APPLICABLE LAW TO POLITICAL
22 SUBDIVISIONS.

23 (J) NOTIFICATION ON CHANGE OF USE.--

24 (1) A PROPERTY OWNER WHOSE PROPERTY IS APPROVED AS
25 HOMESTEAD PROPERTY OR FARMSTEAD PROPERTY AND WHICH PROPERTY
26 NO LONGER QUALIFIES AS HOMESTEAD PROPERTY OR FARMSTEAD
27 PROPERTY SHALL NOTIFY THE ASSESSOR WITHIN 45 DAYS OF THE DATE
28 THE PROPERTY NO LONGER QUALIFIES AS HOMESTEAD PROPERTY OR
29 FARMSTEAD PROPERTY. FAILURE TO NOTIFY THE ASSESSOR AS
30 REQUIRED BY THIS SUBSECTION SHALL BE TREATED IN THE SAME

1 MANNER AS A FALSE APPLICATION UNDER SUBSECTION (G).

2 (2) THE RECORDER OF DEEDS SHALL PERIODICALLY PROVIDE TO
3 THE ASSESSOR A LIST OF REAL PROPERTY CONVEYANCE DOCUMENTS
4 WHICH HAVE BEEN PRESENTED FOR RECORDING. THE LIST SHALL
5 INCLUDE THE NAME OF THE GRANTOR AND THE ADDRESS OF THE
6 PROPERTY. FOR THE PURPOSES OF THIS PARAGRAPH, THE WORD
7 "DOCUMENT" SHALL HAVE THE MEANING ASCRIBED TO IT IN SECTION
8 1101-C OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS
9 THE TAX REFORM CODE OF 1971.

10 § 8585. EXCLUSION FOR FARMSTEAD PROPERTY.

11 (A) AUTHORIZATION.--THE EXCLUSION FOR FARMSTEAD PROPERTY
12 SHALL BE AUTHORIZED PURSUANT TO SECTION 2(B)(I) OF ARTICLE VIII
13 OF THE CONSTITUTION OF PENNSYLVANIA. THIS EXCLUSION SHALL APPLY
14 UNIFORMLY TO EACH FARMSTEAD PROPERTY WITHIN THE TAXING
15 JURISDICTION.

16 (B) GENERAL RULE.--ANY GOVERNING BODY THAT EXCLUDES A
17 PORTION OF THE VALUE OF HOMESTEAD PROPERTY UNDER SECTION 8583
18 (RELATING TO EXCLUSION FOR HOMESTEAD PROPERTY) SHALL EXCLUDE A
19 PORTION OF THE ASSESSED VALUE OF EACH FARMSTEAD PROPERTY IN THE
20 POLITICAL SUBDIVISION BY A FIXED DOLLAR AMOUNT ESTABLISHED BY
21 ITS GOVERNING BODY, NOT TO EXCEED THE AMOUNT OF THE EXCLUSION
22 FOR HOMESTEAD PROPERTY UNDER SECTION 8583. THE EXCLUSION FOR
23 FARMSTEAD PROPERTY SHALL BE IN ADDITION TO ANY EXCLUSION FOR
24 HOMESTEAD PROPERTY FOR WHICH THE DWELLING ON THE FARM MAY
25 QUALIFY.

26 (C) FARMSTEAD CROSSING COUNTY LINES.--IF A POLITICAL
27 SUBDIVISION IS LOCATED IN MORE THAN ONE COUNTY, THE EXCLUSION
28 FOR FARMSTEAD PROPERTY COMPUTED UNDER SUBSECTION (A) FOR EACH
29 COUNTY PORTION OF THE POLITICAL SUBDIVISION SHALL BE UNIFORM
30 AFTER ADJUSTMENT FOR THE COMMON LEVEL RATIOS IN THE RESPECTIVE

1 COUNTIES.

2 (D) NEW CONSTRUCTION.--THE EXCLUSION ALLOWED UNDER
3 SUBSECTION (B) FOR A BUILDING CONSTRUCTED DURING THE TAXABLE
4 YEAR AND USED AS FARMSTEAD PROPERTY SHALL BE PRORATED IN A
5 MANNER CONSISTENT WITH THE ASSESSMENT OF REAL PROPERTY TAXES ON
6 THAT BUILDING.

7 (E) REASSESSMENT.--AFTER A REVISION OF ASSESSMENTS BY MEANS
8 OF REVALUING ALL PROPERTIES, THE GOVERNING BODY OF THE POLITICAL
9 SUBDIVISION PROVIDING AN EVALUATION UNDER THIS SECTION SHALL
10 ADJUST THE AMOUNT OF THE EXCLUSION FOR FARMSTEAD PROPERTY AS
11 FOLLOWS:

12 (1) IF THE ASSESSMENT BASE IS REVISED BY APPLYING A
13 CHANGE IN THE ESTABLISHED PREDETERMINED RATIO, THE EXCLUSION
14 FOR FARMSTEAD PROPERTY SHALL BE ADJUSTED BY THE PERCENTAGE
15 CHANGE BETWEEN THE EXISTING PREDETERMINED RATIO AND THE NEWLY
16 ESTABLISHED PREDETERMINED RATIO; OR

17 (2) IF PERFORMING A REVISION OF ASSESSMENTS BY REVALUING
18 ALL PROPERTIES AND APPLYING AN ESTABLISHED PREDETERMINED
19 RATIO, THE EXCLUSION FOR FARMSTEAD PROPERTY SHALL BE ADJUSTED
20 BY DIVIDING THE EXCLUSION FOR FARMSTEAD PROPERTY FOR THE YEAR
21 PRECEDING THE REVISION OF ASSESSMENTS BY THE COMMON LEVEL
22 RATIO AND MULTIPLYING THE QUOTIENT OF THAT CALCULATION BY THE
23 NEWLY ESTABLISHED PREDETERMINED RATIO.

24 § 8586. LIMITATIONS.

25 (A) LIMIT ON EXCLUSION.--

26 (1) IN ACCORDANCE WITH THE LIMITS ESTABLISHED ON THE
27 EXCLUSION FOR HOMESTEAD PROPERTY IN ARTICLE VIII OF THE
28 CONSTITUTION OF PENNSYLVANIA, NO GOVERNING BODY OF A
29 POLITICAL SUBDIVISION SHALL AUTHORIZE AN EXCLUSION FOR
30 HOMESTEAD PROPERTY IN EXCESS OF THE AMOUNT WHICH IS ONE-HALF

1 OF THE MEDIAN ASSESSED VALUE OF HOMESTEAD PROPERTY IN THE
2 POLITICAL SUBDIVISION. THE MEDIAN ASSESSED VALUE OF HOMESTEAD
3 PROPERTY SHALL BE DETERMINED BY THE INFORMATION PROVIDED TO
4 THE GOVERNING BODY UNDER SECTION 8584(I) (RELATING TO
5 ADMINISTRATION AND PROCEDURE).

6 (2) FOR THE PURPOSES OF CALCULATING THE LIMIT ON THE
7 EXCLUSION UNDER PARAGRAPH (1), A POLITICAL SUBDIVISION THAT
8 IS LOCATED IN MORE THAN ONE COUNTY SHALL DETERMINE THE MEDIAN
9 ASSESSED VALUE OF HOMESTEAD PROPERTY FOR THE ENTIRE POLITICAL
10 SUBDIVISION AFTER DIVIDING THE ASSESSED VALUE OF EACH
11 HOMESTEAD PROPERTY BY THE COMMON LEVEL RATIO OF THE COUNTY IN
12 WHICH THE HOMESTEAD PROPERTY IS LOCATED.

13 (B) PROHIBITION.--THE GOVERNING BODY OF THE POLITICAL
14 SUBDIVISION MAY NOT INCREASE THE MILLAGE RATE OF ITS TAX ON REAL
15 PROPERTY TO PAY FOR THE EXCLUSIONS AUTHORIZED BY SECTIONS 8583
16 (RELATING TO EXCLUSION FOR HOMESTEAD PROPERTY) AND 8585
17 (RELATING TO EXCLUSION FOR FARMSTEAD PROPERTY).

18 § 8587. UNIFORM APPLICATION.

19 AN APPLICATION FORM FOR USE BY ASSESSORS UNDER SECTION
20 8584(A) (RELATING TO ADMINISTRATION AND PROCEDURE) SHALL BE
21 DEVELOPED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC
22 DEVELOPMENT AND PUBLISHED IN THE PENNSYLVANIA BULLETIN BY
23 SEPTEMBER 30, 1998.

24 CHAPTER 86

25 (RESERVED)

26 CHAPTER 87

27 OTHER SUBJECTS OF TAXATION

28 SUBCHAPTER

29 A. TAX AUTHORIZATION AND REFERENDUM REQUIREMENTS

30 B. EARNED INCOME AND NET PROFITS TAX

1 SUBCHAPTER A

2 TAX AUTHORIZATION AND REFERENDUM REQUIREMENTS

3 SEC.

4 8701. GENERAL TAX AUTHORIZATION.

5 8702. CONTINUITY OF TAX.

6 8703. ADOPTION OF REFERENDUM.

7 8704. PUBLIC REFERENDUM REQUIREMENTS FOR INCREASING PROPERTY
8 TAXES PREVIOUSLY REDUCED.

9 8705. LOCAL TAX STUDY COMMISSION.

10 8706. PROPERTY TAX LIMITS ON REASSESSMENT.

11 § 8701. GENERAL TAX AUTHORIZATION.

12 (A) GENERAL RULE.--SUBJECT TO SECTIONS 8703 (RELATING TO
13 ADOPTION OF REFERENDUM) AND 8704 (RELATING TO PUBLIC REFERENDUM
14 REQUIREMENTS FOR INCREASING PROPERTY TAXES PREVIOUSLY REDUCED)
15 AND EXCEPT AS PROVIDED IN SUBSECTION (B), EACH SCHOOL DISTRICT
16 SHALL HAVE THE POWER AND MAY BY RESOLUTION LEVY, ASSESS AND
17 COLLECT OR PROVIDE FOR THE LEVYING, ASSESSMENT AND COLLECTION OF
18 THE EARNED INCOME AND NET PROFITS TAX UNDER THIS CHAPTER.

19 (B) EXCLUSIONS.--NO SCHOOL DISTRICT WHICH LEVIES AN EARNED
20 INCOME AND NET PROFITS TAX AUTHORIZED BY THIS CHAPTER SHALL HAVE
21 ANY POWER OR AUTHORITY TO LEVY, ASSESS OR COLLECT:

22 (1) A TAX BASED UPON A FLAT RATE OR ON A MILLAGE RATE ON
23 AN ASSESSED VALUATION OF A PARTICULAR TRADE, OCCUPATION OR
24 PROFESSION, COMMONLY KNOWN AS AN OCCUPATION TAX.

25 (2) A TAX AT A SET OR FLAT RATE UPON PERSONS EMPLOYED
26 WITHIN THE TAXING DISTRICT, COMMONLY KNOWN AS AN OCCUPATIONAL
27 PRIVILEGE TAX.

28 (3) A PER CAPITA, POLL, RESIDENCE OR SIMILAR HEAD TAX.

29 (4) THE EARNED INCOME AND NET PROFITS TAX LEVIED UNDER
30 THE LOCAL TAX ENABLING ACT.

1 (5) AN EARNED INCOME TAX UNDER THE ACT OF AUGUST 24,
2 1961 (P.L.1135, NO.508), REFERRED TO AS THE FIRST CLASS A
3 SCHOOL DISTRICT EARNED INCOME TAX ACT, OR UNDER THE
4 ADDITIONAL AUTHORITY IN SECTION 652.1(A)(2) OF THE ACT OF
5 MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL
6 CODE OF 1949.

7 (6) ANY TAX UNDER SECTION 652.1(A)(4) OF THE PUBLIC
8 SCHOOL CODE OF 1949 EXCEPT AS IT PERTAINS TO REAL ESTATE
9 TRANSFER TAXES.

10 (7) EXCEPT FOR TAXES PERMITTED UNDER SECTION 8402(B)
11 (RELATING TO SCOPE AND LIMITATIONS), (C), (D), (E) AND (F),
12 ANY OTHER TAX AUTHORIZED OR PERMITTED UNDER THE LOCAL TAX
13 ENABLING ACT.

14 (C) DELINQUENT TAXES.--THE PROVISIONS OF SUBSECTION (B)
15 SHALL NOT APPLY TO COLLECTION OF DELINQUENT TAXES.

16 § 8702. CONTINUITY OF TAX.

17 THE EARNED INCOME AND NET PROFITS TAX LEVIED UNDER THE
18 PROVISIONS OF THIS CHAPTER SHALL CONTINUE IN FORCE ON A FISCAL
19 YEAR BASIS WITHOUT ANNUAL REENACTMENT UNLESS THE RATE OF TAX IS
20 INCREASED OR THE TAX IS SUBSEQUENTLY REPEALED.

21 § 8703. ADOPTION OF REFERENDUM.

22 (A) GENERAL RULE.--

23 (1) IN ORDER TO LEVY AN EARNED INCOME AND NET PROFITS
24 TAX UNDER THIS CHAPTER, A GOVERNING BODY SHALL USE THE
25 PROCEDURES SET FORTH IN SUBSECTION (B).

26 (2) ANY GOVERNING BODY AFTER MAKING AN ELECTION TO LEVY
27 AN EARNED INCOME AND NET PROFITS TAX UNDER THIS CHAPTER MAY,
28 AFTER A PERIOD OF AT LEAST THREE FULL FISCAL YEARS, ELECT,
29 UNDER THE PROVISIONS OF SUBSECTION (C), TO LEVY, ASSESS AND
30 COLLECT THE TAXES PROHIBITED BY SECTION 8701(B) (RELATING TO

1 GENERAL TAX AUTHORIZATION) TO THE EXTENT OTHERWISE PROVIDED
2 BY LAW. IF THE ELECTORATE APPROVES SUCH REFERENDUM, THE
3 GOVERNING BODY SHALL LOSE THE AUTHORITY TO CONTINUE TO LEVY
4 AN EARNED INCOME AND NET PROFITS TAX AUTHORIZED UNDER THIS
5 CHAPTER.

6 (B) PUBLIC REFERENDUM REQUIREMENTS.--SUBJECT TO THE NOTICE
7 AND PUBLIC HEARING REQUIREMENTS OF SECTION 8716 (RELATING TO
8 PROCEDURE AND ADMINISTRATION), A GOVERNING BODY MAY LEVY THE
9 EARNED INCOME AND NET PROFITS TAX UNDER THIS CHAPTER ONLY BY
10 OBTAINING THE APPROVAL OF THE ELECTORATE OF THE AFFECTED SCHOOL
11 DISTRICT IN A PUBLIC REFERENDUM AT ONLY THE MUNICIPAL ELECTION
12 PRECEDING THE FISCAL YEAR WHEN THE EARNED INCOME AND NET PROFITS
13 TAX WILL BE INITIALLY IMPOSED. THE REFERENDUM QUESTION MUST
14 STATE THE INITIAL RATE OF THE PROPOSED EARNED INCOME AND NET
15 PROFITS TAX, THE REASON FOR THE TAX AND THE AMOUNT OF PROPOSED
16 BUDGETED REVENUE GROWTH, IF ANY, IN THE FIRST FISCAL YEAR
17 FOLLOWING ADOPTION OF THE REFERENDUM, EXPRESSED AS A PERCENT
18 INCREASE OVER THE PRIOR YEAR'S BUDGETED REVENUE. ANY INCREASE IN
19 BUDGETED REVENUE BETWEEN THE FIRST FISCAL YEAR FOLLOWING
20 ADOPTION OF THE REFERENDUM AND THE PRIOR YEAR'S BUDGETED REVENUE
21 SHALL NOT EXCEED THE ANNUAL PERCENT CHANGE IN THE STATEWIDE
22 AVERAGE WEEKLY WAGE. THE QUESTION SHALL BE IN CLEAR LANGUAGE
23 THAT IS READILY UNDERSTANDABLE BY A LAYPERSON. FOR THE PURPOSE
24 OF ILLUSTRATION, A REFERENDUM QUESTION MAY BE FRAMED AS FOLLOWS:

25 DO YOU FAVOR THE IMPOSITION OF AN EARNED INCOME AND NET
26 PROFITS TAX OF X% TO BE USED TO REPLACE (NAMES OF LOCAL
27 TAXES TO BE REPEALED), REDUCE REAL PROPERTY TAXES BY X%
28 BY MEANS OF A HOMESTEAD EXCLUSION AND PROVIDE FOR A ONE-
29 TIME REVENUE INCREASE OF X% OVER THE PRECEDING FISCAL
30 YEAR?

1 A NONLEGAL INTERPRETATIVE STATEMENT MUST ACCOMPANY THE QUESTION
2 IN ACCORDANCE WITH SECTION 201.1 OF THE ACT OF JUNE 3, 1937
3 (P.L.1333, NO.320), KNOWN AS THE PENNSYLVANIA ELECTION CODE,
4 THAT INCLUDES THE FOLLOWING: THE INITIAL RATE OF THE EARNED
5 INCOME AND NET PROFITS TAX AND THE MAXIMUM ALLOWABLE RATE OF THE
6 EARNED INCOME AND NET PROFITS TAX IMPOSED UNDER THIS CHAPTER;
7 THE ESTIMATED REVENUES TO BE DERIVED FROM THE INITIAL RATE OF
8 THE EARNED INCOME AND NET PROFITS TAX IMPOSED UNDER THIS
9 CHAPTER; THE AMOUNT OF PROPOSED REVENUE GROWTH, IF ANY, IN THE
10 FIRST FISCAL YEAR FOLLOWING ADOPTION OF THE REFERENDUM; THE
11 ESTIMATED REDUCTION IN REAL PROPERTY TAXES AND THE ELIMINATION
12 OF CERTAIN EXISTING TAXES UNDER THIS CHAPTER; THE IDENTIFICATION
13 OF THE EXISTING TAXES TO BE ELIMINATED UNDER THIS CHAPTER; THE
14 METHOD TO BE USED TO REDUCE REAL PROPERTY TAXES; THE CLASS OR
15 CLASSES OF REAL PROPERTY FOR WHICH REAL PROPERTY TAXES WOULD BE
16 REDUCED; AND THE ESTIMATED AMOUNT OF REAL PROPERTY TAX REDUCTION
17 BY CLASS, EXPRESSED AS AN AVERAGE PERCENT REDUCTION BY CLASS.
18 ANY GOVERNING BODY WHICH USES THE PROCEDURES UNDER THIS SECTION
19 SHALL NOT BE SUBJECT TO THE PROVISIONS OF SECTION 8704 (RELATING
20 TO PUBLIC REFERENDUM REQUIREMENTS FOR INCREASING PROPERTY TAXES
21 PREVIOUSLY REDUCED) FOR ANY FUTURE INCREASES IN THE EARNED
22 INCOME AND NET PROFITS TAX RATES AUTHORIZED UNDER THIS CHAPTER.
23 ANY FUTURE REAL PROPERTY TAX RATE INCREASES ARE SUBJECT TO THE
24 PROVISIONS OF SECTION 8704. IF THE BALLOT QUESTION FAILS TO
25 RECEIVE A MAJORITY VOTE PURSUANT TO THIS SECTION, APPROVAL OF
26 THE ELECTORATE UNDER SECTION 8704 SHALL NOT BE REQUIRED TO
27 INCREASE THE RATE OF ANY TAX WHICH THE GOVERNING BODY OF THE
28 AFFECTED OR SCHOOL DISTRICT IS AUTHORIZED TO LEVY AND INCREASE
29 PURSUANT TO ANY OTHER ACT.

30 (C) PUBLIC REFERENDUM REQUIREMENTS TO END PARTICIPATION

1 UNDER THIS CHAPTER.--SUBJECT TO THE NOTICE AND PUBLIC HEARING
2 REQUIREMENTS IN SECTION 4 OF THE LOCAL TAX ENABLING ACT, A
3 GOVERNING BODY MAY ELECT TO END PARTICIPATION UNDER THIS CHAPTER
4 IN ACCORDANCE WITH SUBSECTION (A)(2) BY OBTAINING THE APPROVAL
5 OF THE ELECTORATE OF THE AFFECTED SCHOOL DISTRICT IN A PUBLIC
6 REFERENDUM AT A MUNICIPAL ELECTION.

7 (D) PUBLIC REQUIREMENTS TO INITIATE REFERENDUM.--

8 (1) IF THE GOVERNING BODY OF A SCHOOL DISTRICT FAILS TO
9 PLACE A REFERENDUM QUESTION ON THE BALLOT WITHIN TWO YEARS
10 AFTER THE EFFECTIVE DATE OF THIS CHAPTER, THE ELECTORS OF THE
11 SCHOOL DISTRICT MAY:

12 (I) CIRCULATE A PETITION, WHICH, IF SIGNED BY
13 ELECTORS COMPRISING 2% OF THE NUMBER OF ELECTORS VOTING
14 FOR THE OFFICE OF GOVERNOR IN THE LAST GUBERNATORIAL
15 ELECTION IN THE SCHOOL DISTRICT AND FILED WITH THE
16 ELECTION OFFICIALS AND SUBMITTED TO THE GOVERNING BODY
17 THEREOF, SHALL REQUIRE THE GOVERNING BODY TO ESTABLISH A
18 LOCAL TAX STUDY COMMISSION. THE PROVISIONS UNDER
19 PARAGRAPH (2)(V), (VI), (VII), (VIII) (IX) AND (X) SHALL
20 NOT APPLY TO THIS SUBPARAGRAPH.

21 (II) IF THE LOCAL TAX STUDY COMMISSION MAKES A
22 RECOMMENDATION TO LEVY THE EARNED INCOME AND NET PROFITS
23 TAX UNDER THIS CHAPTER AND THE GOVERNING BODY FAILS TO
24 PLACE THE RECOMMENDATION OR OTHER ALTERNATIVE OF THE
25 GOVERNING BODY AUTHORIZED UNDER THIS CHAPTER ON THE
26 BALLOT IN ACCORDANCE WITH THIS CHAPTER AT THE NEXT
27 MUNICIPAL ELECTION OCCURRING AT LEAST 90 DAYS AFTER THE
28 SUBMISSION OF THE RECOMMENDATION TO THE GOVERNING BODY, A
29 PETITION UNDER THIS PARAGRAPH MAY BE CIRCULATED. IF THE
30 PETITION IS SIGNED BY THE ELECTORS COMPRISING 5% OF THE

1 NUMBER OF ELECTORS VOTING FOR THE OFFICE OF GOVERNOR IN
2 THE LAST GUBERNATORIAL ELECTION IN THE SCHOOL DISTRICT
3 AND FILED WITH ELECTION OFFICIALS AT LEAST 90 DAYS PRIOR
4 TO THE NEXT MUNICIPAL ELECTION, THE PETITION SHALL COMPEL
5 THE ELECTION OFFICIALS TO PLACE THE RECOMMENDATION UPON
6 THE BALLOT AT THE NEXT MUNICIPAL ELECTION OCCURRING AT
7 LEAST 90 DAYS AFTER THE FILING OF THE PETITION.

8 (2) THE FOLLOWING REQUIREMENTS SHALL APPLY TO THE
9 PROCESS UNDER PARAGRAPH (1):

10 (I) THE NAME AND STREET ADDRESS OF EACH ELECTOR
11 SIGNING THE PETITION AND OF THE PERSON FILING THE
12 PETITION SHALL BE CLEARLY STATED ON THE PETITION. THE
13 PETITION SHALL INCLUDE AN AFFIDAVIT OF THE CIRCULATOR
14 THAT HE OR SHE IS A QUALIFIED ELECTOR OF THE SCHOOL
15 DISTRICT REFERRED TO IN THE PETITION; THAT THE SIGNERS
16 SIGNED WITH FULL KNOWLEDGE OF THE CONTENTS OF THE
17 PETITION; THAT THE SIGNERS' RESIDENCES ARE CORRECTLY
18 STATED; AND THAT, TO THE BEST OF THE CIRCULATOR'S
19 KNOWLEDGE AND BELIEF, THE SIGNERS ARE QUALIFIED ELECTORS.

20 (II) THE ELECTION OFFICIALS SHALL, WITHIN TEN DAYS
21 AFTER FILING, REVIEW THE PETITION AS TO THE NUMBER AND
22 QUALIFICATIONS OF SIGNERS. IF THE PETITION APPEARS TO BE
23 DEFECTIVE, THE ELECTION OFFICIALS SHALL IMMEDIATELY
24 NOTIFY THE PERSON FILING THE PETITION OF THE DEFECT AND
25 MAY REJECT THE PETITION IF WARRANTED.

26 (III) THE PETITION AS SUBMITTED TO THE ELECTION
27 OFFICIALS, ALONG WITH THE LIST OF SIGNATORIES, SHALL BE
28 OPEN TO PUBLIC INSPECTION IN THE OFFICE OF THE ELECTION
29 OFFICIALS.

30 (IV) IF THE ELECTION OFFICIALS FIND THAT THE

1 PETITION, AS SUBMITTED, IS IN PROPER ORDER, THEY SHALL
2 SEND COPIES OF THE PETITION WITHOUT SIGNATURES THEREON TO
3 THE GOVERNING BODY INVOLVED.

4 (V) THE PROCEDURE FOR THE REFERENDUM SHALL BE
5 GOVERNED BY THE ACT OF JUNE 3, 1937 (P.L.1333, NO.320),
6 KNOWN AS THE PENNSYLVANIA ELECTION CODE.

7 (VI) IF THE ELECTION OFFICIALS FIND THE PETITION
8 MEETS THE REQUIREMENTS OF THIS CHAPTER, THEY SHALL PLACE
9 THE PROPOSAL ON THE BALLOT IN A MANNER FAIRLY
10 REPRESENTING THE CONTENT OF THE PETITION FOR DECISION BY
11 REFERENDUM AT THE PROPER ELECTION.

12 (VII) THE ELECTION OFFICIALS SHALL CERTIFY THE DATE
13 FOR THE REFERENDUM AND SHALL NOTIFY THE GOVERNING BODY AT
14 LEAST 30 DAYS PRIOR TO SUCH DATE.

15 (VIII) AT LEAST 30 DAYS' NOTICE OF THE REFERENDUM
16 SHALL BE GIVEN BY PROCLAMATION OF THE GOVERNING BODY. A
17 COPY OF THE PROCLAMATION SHALL BE POSTED AT EACH POLLING
18 PLACE ON THE DAY OF THE ELECTION AND SHALL BE PUBLISHED
19 ONCE IN AT LEAST ONE NEWSPAPER OF GENERAL CIRCULATION
20 WHICH IS DISTRIBUTED WITHIN THE SCHOOL DISTRICT DURING
21 THE 30-DAY PERIOD PRIOR TO THE ELECTION.

22 (IX) APPROVAL OF A REFERENDUM SHALL BE BY MAJORITY
23 VOTE OF THOSE VOTING IN THE SCHOOL DISTRICT INVOLVED.

24 (X) THE ELECTION OFFICIALS SHALL CERTIFY THE RESULTS
25 OF THE REFERENDUM TO THE GOVERNING BODY.

26 (E) SCHOOL DISTRICTS LOCATED IN MORE THAN ONE COUNTY.--

27 (1) IN THE EVENT A SCHOOL DISTRICT IS LOCATED IN MORE
28 THAN ONE COUNTY, PETITIONS UNDER THIS SECTION SHALL BE FILED
29 WITH THE ELECTION OFFICIALS OF THE COUNTY WHEREIN THE
30 ADMINISTRATIVE OFFICES OF THE SCHOOL DISTRICT ARE LOCATED.

1 (2) THE ELECTION OFFICIALS RECEIVING A PETITION SHALL BE
2 RESPONSIBLE FOR ALL ADMINISTRATIVE FUNCTIONS IN REVIEWING AND
3 CERTIFYING THE VALIDITY OF THE PETITION AND FOR MAKING ALL
4 NECESSARY COMMUNICATIONS WITH THE SCHOOL DISTRICT.

5 (3) IF THE ELECTION OFFICIALS OF THE COUNTY RECEIVING
6 THE PETITION CERTIFY THAT IT IS SUFFICIENT UNDER THIS SUBPART
7 AND DETERMINE THAT A QUESTION SHOULD BE PLACED UPON THE
8 BALLOT, SUCH DECISION SHALL BE COMMUNICATED TO ELECTION
9 OFFICIALS IN ANY OTHER COUNTY IN WHICH THE SCHOOL DISTRICT IS
10 ALSO LOCATED. ELECTION OFFICIALS IN THE OTHER COUNTY OR
11 COUNTIES SHALL COOPERATE WITH ELECTION OFFICIALS OF THE
12 COUNTY RECEIVING THE PETITION TO INSURE THAT AN IDENTICAL
13 QUESTION IS PLACED ON THE BALLOT AT THE SAME ELECTION
14 THROUGHOUT THE ENTIRE SCHOOL DISTRICT.

15 (4) ELECTION OFFICIALS FROM EACH COUNTY INVOLVED SHALL
16 INDEPENDENTLY CERTIFY THE RESULTS FROM THEIR COUNTY TO THE
17 GOVERNING BODY.

18 § 8704. PUBLIC REFERENDUM REQUIREMENTS FOR INCREASING PROPERTY
19 TAXES PREVIOUSLY REDUCED.

20 (A) GENERAL RULE.--EXCEPT AS PROVIDED IN SUBSECTIONS (C) AND
21 (D), A GOVERNING BODY THAT ELECTS TO LEVY AN EARNED INCOME AND
22 NET PROFITS TAX UNDER THIS CHAPTER PURSUANT TO SECTION 8703(A)
23 (RELATING TO ADOPTION OF REFERENDUM) SHALL NOT INCREASE THE RATE
24 OF ITS TAX ON REAL PROPERTY WITHOUT FIRST OBTAINING THE APPROVAL
25 OF THE ELECTORATE OF THE AFFECTED SCHOOL DISTRICT IN A
26 REFERENDUM AT THE PRIMARY ELECTION IMMEDIATELY PRECEDING THE
27 FISCAL YEAR OF THE PROPOSED TAX INCREASE.

28 (B) DISAPPROVAL.--WHENEVER THE ELECTORATE FAILS TO APPROVE
29 THE PROPOSED REFERENDUM QUESTION TO INCREASE THE RATE OF TAX ON
30 REAL PROPERTY UNDER SUBSECTION (A), THE GOVERNING BODY SHALL BE

1 LIMITED TO THE RATE OF TAX IN EFFECT PRIOR TO THE REFERENDUM.

2 (C) EXCEPTION TO GENERAL RULE.--THE PROVISIONS OF SUBSECTION
3 (A) SHALL NOT APPLY TO AN INCREASE IN THE RATE OF THE REAL
4 PROPERTY TAX THAT DOES NOT CAUSE LOCAL TAX REVENUE, EXCLUDING
5 REAL PROPERTY TAXES TO BE LEVIED ON NEWLY CONSTRUCTED BUILDINGS
6 OR STRUCTURES OR ON INCREASED VALUATIONS BASED ON NEW
7 IMPROVEMENTS MADE TO EXISTING HOUSES, TO INCREASE BY MORE THAN
8 THE PERCENTAGE INCREASE IN THE STATEWIDE AVERAGE WEEKLY WAGE IN
9 THE PRECEDING YEAR. PRIOR TO ANY INCREASE UNDER THIS SUBSECTION,
10 THE GOVERNING BODY MUST CERTIFY TO THE COURT OF COMMON PLEAS IN
11 THE JUDICIAL DISTRICT IN WHICH THE GOVERNING BODY IS LOCATED THE
12 ESTIMATES OF TOTAL LOCAL TAX REVENUES USED IN THE CALCULATION
13 UNDER THIS SUBSECTION. THE COURT MAY, ON ITS OWN MOTION OR ON
14 PETITION OF A PERSON HAVING STANDING UNDER SUBSECTION (F),
15 REVISE THE ESTIMATES CERTIFIED BY THE GOVERNING BODY AND REDUCE
16 THE ALLOWABLE INCREASE IN THE RATE OF THE REAL PROPERTY TAX
17 UNDER THIS SUBSECTION.

18 (D) REFERENDUM EXCEPTIONS.--THE PROVISIONS OF SUBSECTION (A)
19 SHALL NOT APPLY TO INCREASES IN THE RATE OF TAX ON REAL PROPERTY
20 IN THIS SUBSECTION ONLY IF THE EXCEPTION TO THE GENERAL RULE
21 UNDER SUBSECTION (C) HAS BEEN UTILIZED, IF APPLICABLE, TO THE
22 MAXIMUM AMOUNT ALLOWED:

23 (1) TO RESPOND TO OR RECOVER FROM AN EMERGENCY OR
24 DISASTER DECLARED PURSUANT TO 35 PA.C.S. § 7301 (RELATING TO
25 GENERAL AUTHORITY OF GOVERNOR) OR 75 PA.C.S. § 6108 (RELATING
26 TO POWER OF GOVERNOR DURING EMERGENCY), ONLY FOR THE DURATION
27 OF THE EMERGENCY OR DISASTER AND FOR THE COSTS OF THE
28 RECOVERY FROM THE EMERGENCY OR DISASTER.

29 (2) TO IMPLEMENT A COURT ORDER OR AN ADMINISTRATIVE
30 ORDER FROM A FEDERAL OR STATE AGENCY THAT REQUIRES THE

1 EXPENDITURE OF FUNDS THAT EXCEED CURRENT AVAILABLE REVENUES.
2 THE RATE INCREASE SHALL BE RESCINDED FOLLOWING FULFILLMENT OF
3 THE COURT ORDER OR ADMINISTRATIVE ORDER.

4 (3) TO PAY INTEREST AND PRINCIPAL ON ANY INDEBTEDNESS
5 INCURRED UNDER SUBPART B (RELATING TO INDEBTEDNESS AND
6 BORROWING). HOWEVER, IN NO CASE MAY A SCHOOL DISTRICT INCUR
7 ADDITIONAL DEBT UNDER THIS PARAGRAPH, EXCEPT FOR THE
8 REFINANCING OF EXISTING DEBT, INCLUDING THE PAYMENT OF COSTS
9 AND EXPENSES RELATED TO SUCH REFINANCING AND THE
10 ESTABLISHMENT OR FUNDING OF APPROPRIATE DEBT SERVICE
11 RESERVES. THE INCREASE SHALL BE RESCINDED FOLLOWING THE FINAL
12 PAYMENT OF INTEREST AND PRINCIPAL. THE EXCEPTION PROVIDED
13 UNDER THIS PARAGRAPH SHALL NOT BE USED TO AVOID REFERENDUM
14 REQUIREMENTS TO PAY FOR COSTS WHICH COULD NOT BE FINANCED BY
15 THE ISSUANCE OF DEBT UNDER SUBPART B OF PART VII.

16 (4) TO RESPOND TO CONDITIONS THAT POSE AN IMMEDIATE
17 THREAT OF SERIOUS PHYSICAL HARM OR INJURY TO THE STUDENTS,
18 STAFF OR RESIDENTS OF THE SCHOOL DISTRICT UNTIL THE
19 CIRCUMSTANCES CAUSING THE THREAT HAVE BEEN FULLY RESOLVED.

20 (5) SPECIAL PURPOSE TAX LEVIES APPROVED BY THE
21 ELECTORATE.

22 (6) TO MAINTAIN PER-STUDENT LOCAL TAX REVENUE IN THE
23 SCHOOL DISTRICT AT AN AMOUNT NOT EXCEEDING THE AMOUNT OF PER-
24 STUDENT LOCAL TAX REVENUE AT THE LEVEL OF THE PRECEDING YEAR,
25 ADJUSTED FOR THE PERCENTAGE INCREASE IN THE STATEWIDE AVERAGE
26 WEEKLY WAGE. THIS PARAGRAPH SHALL APPLY ONLY IF THE
27 PERCENTAGE GROWTH IN STUDENT ENROLLMENT IN THE SCHOOL
28 DISTRICT BETWEEN THE CURRENT FISCAL YEAR AND THE THIRD FISCAL
29 YEAR IMMEDIATELY PRECEDING THE CURRENT FISCAL YEAR EXCEEDS
30 10%. FOR THE PURPOSES OF THIS PARAGRAPH, STUDENT ENROLLMENT

1 SHALL BE MEASURED BY "AVERAGE DAILY MEMBERSHIP" AS DEFINED BY
2 THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE
3 PUBLIC SCHOOL CODE OF 1949. FOR THE PURPOSES OF THIS
4 PARAGRAPH, PER-STUDENT LOCAL TAX REVENUE SHALL BE DETERMINED
5 BY DIVIDING LOCAL TAX REVENUE BY AVERAGE DAILY MEMBERSHIP.

6 (E) COURT ACTION.--PRIOR TO THE IMPOSITION OF THE TAX
7 INCREASE UNDER SUBSECTION (D)(1), (2), (4) OR (6), APPROVAL IS
8 REQUIRED BY THE COURT OF COMMON PLEAS IN THE JUDICIAL DISTRICT
9 IN WHICH THE GOVERNING BODY IS LOCATED. THE GOVERNING BODY SHALL
10 PUBLISH IN A NEWSPAPER OF GENERAL CIRCULATION A NOTICE OF ITS
11 INTENT TO FILE AN ACTION UNDER THIS SUBSECTION AT LEAST ONE WEEK
12 PRIOR TO THE FILING OF THE PETITION. THE GOVERNING BODY SHALL
13 ALSO PUBLISH IN A NEWSPAPER OF GENERAL CIRCULATION NOTICE, AS
14 SOON AS POSSIBLE FOLLOWING NOTIFICATION FROM THE COURT THAT A
15 HEARING HAS BEEN SCHEDULED, STATING THE DATE, TIME AND PLACE OF
16 THE HEARING ON THE PETITION. THE FOLLOWING SHALL APPLY TO ANY
17 PROCEEDINGS INSTITUTED UNDER THIS SUBSECTION:

18 (1) THE GOVERNING BODY MUST PROVE BY CLEAR AND
19 CONVINCING EVIDENCE THE NECESSITY FOR THE TAX INCREASE.

20 (2) THE GOVERNING BODY MUST PROVE BY CLEAR AND
21 CONVINCING EVIDENCE THAT THERE ARE NO ASSETS OR OTHER
22 FEASIBLE ALTERNATIVES AVAILABLE TO THE SCHOOL DISTRICT.

23 (3) THE COURT SHALL DETERMINE THE APPROPRIATE DURATION
24 OF THE INCREASE AND MAY RETAIN CONTINUING JURISDICTION. THE
25 COURT MAY, ON ITS OWN MOTION OR ON PETITION OF AN INTERESTED
26 PARTY, REVOKE APPROVAL FOR OR ORDER RESCISSION OF A TAX
27 INCREASE.

28 (F) STANDING.--A PERSON SHALL HAVE STANDING AS A PARTY TO A
29 PROCEEDING UNDER THIS SECTION AS LONG AS THE PERSON RESIDES
30 WITHIN OR PAYS REAL PROPERTY TAXES TO THE TAXING JURISDICTION OF

1 THE GOVERNING BODY INSTITUTING THE ACTION.

2 § 8705. LOCAL TAX STUDY COMMISSION.

3 (A) APPOINTMENT.--A GOVERNING BODY MAY APPOINT A LOCAL TAX
4 STUDY COMMISSION.

5 (B) MEMBERSHIP.--THE LOCAL TAX STUDY COMMISSION SHALL
6 CONSIST OF FIVE MEMBERS WHO ARE RESIDENT INDIVIDUALS OR
7 TAXPAYERS OF THE SCHOOL DISTRICT AND SHALL REFLECT THE
8 SOCIOECONOMIC, AGE AND OCCUPATIONAL DIVERSITY OF THE SCHOOL
9 DISTRICT TO THE EXTENT POSSIBLE.

10 (1) EXCEPT FOR PARAGRAPH (2), NO MEMBER SHALL BE AN
11 OFFICIAL OR EMPLOYEE, OR A RELATIVE THEREOF, OF THE SCHOOL
12 DISTRICT.

13 (2) ONE MEMBER MAY BE A MEMBER OF THE GOVERNING BODY.

14 (C) STAFF AND EXPENSES.--THE GOVERNING BODY SHALL PROVIDE
15 NECESSARY AND REASONABLE SUPPORT STAFF AND SHALL REIMBURSE THE
16 MEMBERS OF THE LOCAL TAX STUDY COMMISSION FOR NECESSARY AND
17 REASONABLE EXPENSES IN THE DISCHARGE OF THEIR DUTIES.

18 (D) CONTENTS OF STUDY.--THE LOCAL TAX STUDY COMMISSION SHALL
19 STUDY THE EXISTING TAXES LEVIED, ASSESSED AND COLLECTED BY THE
20 SCHOOL DISTRICT AND THEIR EFFECT. THE LOCAL TAX STUDY COMMISSION
21 SHALL DETERMINE HOW THE TAX POLICIES OF THE SCHOOL DISTRICT
22 COULD BE IMPROVED BY THE LEVY, ASSESSMENT AND COLLECTION OF THE
23 TAXES AUTHORIZED PURSUANT TO THIS CHAPTER. THE STUDY SHALL
24 INCLUDE, BUT NOT BE LIMITED TO, CONSIDERATION OF ALL OF THE
25 FOLLOWING:

26 (1) HISTORIC AND PRESENT RATES OF AND REVENUE FROM TAXES
27 CURRENTLY LEVIED, ASSESSED AND COLLECTED.

28 (2) THE AGE, INCOME, EMPLOYMENT AND PROPERTY USE
29 CHARACTERISTICS OF THE EXISTING TAX BASE.

30 (3) PROJECTED REVENUES OF TAXES CURRENTLY LEVIED,

1 ASSESSED AND COLLECTED, INCLUDING TAXES AUTHORIZED AND TAXES
2 NOT LEVIED UNDER THIS CHAPTER.

3 (E) RECOMMENDATION.--WITHIN 90 DAYS OF ITS APPOINTMENT, THE
4 LOCAL TAX STUDY COMMISSION SHALL MAKE A NONBINDING
5 RECOMMENDATION TO THE GOVERNING BODY REGARDING THE IMPOSITION OF
6 AN EARNED INCOME AND NET PROFITS TAX TO BE LEVIED, ASSESSED AND
7 COLLECTED COMMENCING THE NEXT FISCAL YEAR. EXCEPT AS PROVIDED IN
8 SUBSECTION (F), IF THE GOVERNING BODY APPOINTS A COMMISSION, THE
9 EARNED INCOME AND NET PROFITS TAX AUTHORIZED UNDER THIS CHAPTER
10 MAY NOT BE LEVIED, ASSESSED OR COLLECTED UNTIL RECEIPT OF THE
11 RECOMMENDATION. NO LATER THAN 90 DAYS PRIOR TO THE NEXT
12 MUNICIPAL ELECTION OCCURRING AT LEAST 150 DAYS AFTER THE
13 SUBMISSION OF THE RECOMMENDATION, THE GOVERNING BODY SHALL
14 ACCEPT OR REJECT THE RECOMMENDATION OF THE LOCAL TAX STUDY
15 COMMISSION OR ADOPT AN ALTERNATIVE PROPOSAL AUTHORIZED UNDER
16 THIS CHAPTER.

17 (F) FAILURE TO ISSUE A RECOMMENDATION.--IF THE LOCAL TAX
18 STUDY COMMISSION FAILS TO MAKE A RECOMMENDATION UNDER SUBSECTION
19 (E), THE GOVERNING BODY MAY ADOPT A PROPOSAL AUTHORIZED UNDER
20 THIS CHAPTER.

21 (G) PUBLIC DISTRIBUTION OF REPORT.--THE LOCAL TAX STUDY
22 COMMISSION SHALL PUBLISH A FINAL REPORT OF ITS FINDINGS AND
23 RECOMMENDATION AND DELIVER THE REPORT TO THE GOVERNING BODY. THE
24 GOVERNING BODY SHALL SUPPLY COPIES TO ANY INTERESTED PERSONS
25 UPON REQUEST.

26 (H) MATERIALS.--ALL RECORDS OF THE LOCAL TAX STUDY
27 COMMISSION SHALL BE AVAILABLE FOR PUBLIC INSPECTION DURING THE
28 REGULAR BUSINESS HOURS OF THE SCHOOL DISTRICT.

29 § 8706. PROPERTY TAX LIMITS ON REASSESSMENT.

30 AFTER ANY COUNTY MAKES A COUNTYWIDE REVISION OF ASSESSMENT OF

1 REAL PROPERTY AT VALUES BASED UPON AN ESTABLISHED PREDETERMINED
2 RATIO AS REQUIRED BY LAW OR AFTER ANY COUNTY CHANGES ITS
3 ESTABLISHED PREDETERMINED RATIO, EACH SCHOOL DISTRICT THAT HAS
4 MADE AN ELECTION UNDER SECTION 8703 (RELATING TO ADOPTION OF
5 REFERENDUM), WHICH HEREAFTER FOR THE FIRST TIME LEVIES ITS REAL
6 ESTATE TAXES ON THAT REVISED ASSESSMENT OR VALUATION, SHALL, FOR
7 THE FIRST YEAR, REDUCE ITS TAX RATE, IF NECESSARY, FOR THE
8 PURPOSE OF HAVING THE PERCENTAGE INCREASE IN TAXES LEVIED FOR
9 THAT YEAR AGAINST THE REAL PROPERTIES CONTAINED IN THE DUPLICATE
10 FOR THE PRECEDING YEAR BE LESS THAN OR EQUAL TO THE PERCENTAGE
11 INCREASE IN THE STATEWIDE AVERAGE WEEKLY WAGE FOR THE PRECEDING
12 YEAR NOTWITHSTANDING THE INCREASED VALUATIONS OF SUCH PROPERTIES
13 UNDER THE REVISED ASSESSMENT. FOR THE PURPOSE OF DETERMINING THE
14 TOTAL AMOUNT OF TAXES TO BE LEVIED FOR THE FIRST YEAR, THE
15 AMOUNT TO BE LEVIED ON NEWLY CONSTRUCTED BUILDINGS OR STRUCTURES
16 OR ON INCREASED VALUATIONS BASED ON NEW IMPROVEMENTS MADE TO
17 EXISTING HOUSES NEED NOT BE CONSIDERED. THE TAX RATE SHALL BE
18 FIXED FOR THAT YEAR AT A FIGURE WHICH WILL ACCOMPLISH THIS
19 PURPOSE. THE PROVISIONS OF SECTION 8704 (RELATING TO PUBLIC
20 REFERENDUM REQUIREMENTS FOR INCREASING PROPERTY TAXES PREVIOUSLY
21 REDUCED) SHALL APPLY TO INCREASES IN THE TAX RATE ABOVE THE
22 LIMITS PROVIDED IN THIS SECTION.

23 SUBCHAPTER B

24 EARNED INCOME AND NET PROFITS TAX

25 SEC.

26 8711. EARNED INCOME AND NET PROFITS TAX.

27 8712. COLLECTIONS.

28 8713. CREDITS.

29 8714. EARNED INCOME AND NET PROFITS TAX EXEMPTION.

30 8715. RULES AND REGULATIONS.

1 8716. PROCEDURE AND ADMINISTRATION.

2 8717. DISPOSITION OF EARNED INCOME AND NET PROFITS TAX
3 REVENUE.

4 § 8711. EARNED INCOME AND NET PROFITS TAX.

5 A SCHOOL DISTRICT SHALL HAVE THE POWER TO LEVY, ASSESS AND
6 COLLECT A TAX ON THE EARNED INCOME AND NET PROFITS OF RESIDENT
7 INDIVIDUALS OF THE SCHOOL DISTRICT UP TO A MAXIMUM RATE OF 1.5%.
8 THE EARNED INCOME AND NET PROFITS TAX MAY BE LEVIED BY THE
9 SCHOOL DISTRICT AT A RATE OF 1.0%, 1.25% OR 1.5%.

10 § 8712. COLLECTIONS.

11 ANY SCHOOL DISTRICT IMPOSING A TAX UNDER SECTION 8711
12 (RELATING TO EARNED INCOME AND NET PROFITS TAX) SHALL DESIGNATE
13 THE TAX OFFICER WHO IS APPOINTED UNDER SECTION 10 OF THE LOCAL
14 TAX ENABLING ACT, OR OTHERWISE BY LAW, AS THE COLLECTOR OF THE
15 EARNED INCOME AND NET PROFITS TAX. IN THE PERFORMANCE OF THE TAX
16 COLLECTION DUTIES UNDER THIS SUBCHAPTER, THE DESIGNATED TAX
17 OFFICER SHALL HAVE ALL THE SAME POWERS, RIGHTS, RESPONSIBILITIES
18 AND DUTIES FOR THE COLLECTION OF THE TAXES WHICH MAY BE IMPOSED
19 UNDER THE LOCAL TAX ENABLING ACT, SUBCHAPTER C OF CHAPTER 84
20 (RELATING TO LOCAL TAXPAYERS BILL OF RIGHTS) OR AS OTHERWISE
21 PROVIDED BY LAW.

22 § 8713. CREDITS.

23 (A) GENERAL RULE.--THE PROVISIONS OF SECTION 14 OF THE LOCAL
24 TAX ENABLING ACT SHALL BE USED TO DETERMINE ANY CREDITS UNDER
25 THE PROVISIONS OF THIS CHAPTER FOR ANY TAXES IMPOSED UNDER
26 SECTION 8711 (RELATING TO EARNED INCOME AND NET PROFITS TAX).

27 (B) STATE TAX CREDIT.--A CREDIT AGAINST PERSONAL INCOME TAX
28 DUE TO THE COMMONWEALTH UNDER SECTION 302 OF THE TAX REFORM CODE
29 SHALL BE GRANTED TO ALL NONRESIDENTS OF A CITY OF THE FIRST
30 CLASS WHO ARE SUBJECT TO A TAX IMPOSED BY A CITY OF THE FIRST

1 CLASS PURSUANT TO THE ACT OF AUGUST 5, 1932 (SP.SESS., P.L.45,
2 NO.45), REFERRED TO AS THE STERLING ACT. THE CREDIT SHALL EQUAL
3 0.2756% OF SALARIES, WAGES, COMMISSIONS, COMPENSATION OR OTHER
4 INCOME RECEIVED FOR WORK DONE OR SERVICES PERFORMED WITHIN A
5 CITY OF THE FIRST CLASS. THE SECRETARY OF REVENUE SHALL
6 PROMULGATE SUCH REGULATIONS AND FORMS AS ARE NECESSARY TO
7 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION. THIS SECTION SHALL
8 ONLY APPLY TO RESIDENTS OF SCHOOL DISTRICTS WHICH IMPOSE THE TAX
9 UNDER THIS SUBCHAPTER. A GOVERNING BODY OF A SCHOOL DISTRICT IN
10 A COUNTY OF THE SECOND CLASS A SHALL, AND A GOVERNING BODY OF A
11 SCHOOL DISTRICT IN A COUNTY OF THE THIRD CLASS MAY, INCLUDE IN
12 THE REFERENDUM QUESTION UNDER SECTION 8703 (RELATING TO ADOPTION
13 OF REFERENDUM) LANGUAGE ASKING WHETHER THE CREDIT AGAINST THE
14 PERSONAL INCOME TAX IN THIS SUBSECTION SHOULD BE PROVIDED TO THE
15 NONRESIDENT TAXPAYER IN THE CITY OF THE FIRST CLASS OR THE
16 SCHOOL DISTRICT IN WHICH THE TAXPAYER RESIDES FOR THE PURPOSE OF
17 MAKING ADDITIONAL TAX REDUCTIONS IN THE SAME MANNER AS SECTION
18 8717 (RELATING TO DISPOSITION OF EARNED INCOME AND NET PROFITS
19 TAX REVENUE). SHOULD ANY COURT OF COMPETENT JURISDICTION
20 DETERMINE THAT THIS SUBSECTION IS UNCONSTITUTIONAL, THE
21 PROVISIONS OF THIS SUBSECTION SHALL BE VOID AND NO CREDIT SHALL
22 BE EXPANDED OR EXTENDED IN ANY WAY BY ANY COURT.

23 § 8714. EARNED INCOME AND NET PROFITS TAX EXEMPTION.

24 A SCHOOL DISTRICT THAT IMPOSES AN EARNED INCOME AND NET
25 PROFITS TAX, UNDER THIS ACT MAY EXEMPT FROM THE PAYMENT OF THAT
26 TAX ANY PERSON WHOSE TOTAL INCOME FROM ALL SOURCES IS LESS THAN
27 \$7,500.

28 § 8715. RULES AND REGULATIONS.

29 TAXES IMPOSED UNDER SECTION 8711 (RELATING TO EARNED INCOME
30 AND NET PROFITS TAX), WILL BE SUBJECT TO ALL REGULATIONS ADOPTED

1 UNDER SECTION 13 OF THE LOCAL TAX ENABLING ACT. A SCHOOL
2 DISTRICT MAY ADOPT REGULATIONS FOR THE PROCESSING OF CLAIMS FOR
3 CREDITS OR EXEMPTIONS UNDER SECTIONS 8713 (RELATING TO CREDITS)
4 AND 8714 (RELATING TO EARNED INCOME AND NET PROFITS TAX
5 EXEMPTION).

6 § 8716. PROCEDURE AND ADMINISTRATION.

7 IN ORDER TO LEVY THE TAX UNDER SECTION 8711 (RELATING TO
8 EARNED INCOME AND NET PROFITS TAX), THE GOVERNING BODY SHALL
9 ADOPT A RESOLUTION WHICH SHALL REFER TO THIS SUBCHAPTER PRIOR TO
10 PLACING A QUESTION ON THE BALLOT UNDER SECTION 8703 (RELATING TO
11 ADOPTION OF REFERENDUM). PRIOR TO ADOPTING A RESOLUTION IMPOSING
12 THE TAX AUTHORIZED BY SECTION 8711, THE GOVERNING BODY SHALL
13 GIVE PUBLIC NOTICE OF ITS INTENT TO ADOPT THE RESOLUTION IN THE
14 MANNER PROVIDED BY SECTION 4 OF THE LOCAL TAX ENABLING ACT, AND
15 SHALL CONDUCT AT LEAST ONE PUBLIC HEARING REGARDING THE PROPOSED
16 ADOPTION OF THE RESOLUTION.

17 § 8717. DISPOSITION OF EARNED INCOME AND NET PROFITS TAX
18 REVENUE.

19 THE DISPOSITION OF REVENUE FROM AN EARNED INCOME AND NET
20 PROFITS TAX OR AN INCREASE IN THE RATE OF AN EARNED INCOME AND
21 NET PROFITS TAX IMPOSED BY SCHOOL DISTRICTS UNDER THE AUTHORITY
22 OF THIS CHAPTER SHALL OCCUR IN THE FOLLOWING MANNER:

23 (1) FOR THE FISCAL YEAR OF IMPLEMENTATION OF A NEWLY
24 IMPOSED INCOME TAX, ALL EARNED INCOME AND NET PROFITS TAX
25 REVENUE RECEIVED BY A SCHOOL DISTRICT SHALL BE USED FIRST TO
26 OFFSET ANY LOST REVENUE TO THE SCHOOL DISTRICT FROM THE TAXES
27 PROHIBITED UNDER SECTION 8701(B) (RELATING TO GENERAL TAX
28 AUTHORIZATION) IN AN AMOUNT EQUAL TO THE REVENUE COLLECTED
29 FROM THE PROHIBITED TAXES IN SECTION 8701(B) IN THE PRECEDING
30 FISCAL YEAR; SECOND, TO PROVIDE FOR AN INCREASE IN BUDGETED

1 REVENUES OVER THE PRECEDING FISCAL YEAR IN ACCORDANCE WITH
2 THE AMOUNT SPECIFIED IN THE REFERENDUM QUESTION APPROVED BY
3 THE VOTERS UNDER SECTION 8703 (RELATING TO ADOPTION OF
4 REFERENDUM) AND THIRD, TO REDUCE THE SCHOOL DISTRICT REAL
5 PROPERTY TAX IN THE FOLLOWING ORDER:

6 (I) BY MEANS OF AN EXCLUSION FOR HOMESTEAD PROPERTY
7 PURSUANT TO SECTION 8583 (RELATING TO EXCLUSION FOR
8 HOMESTEAD PROPERTY).

9 (II) BY MEANS OF A REDUCTION IN THE MILLAGE RATE
10 AFTER THE LIMIT ON THE EXCLUSION FOR HOMESTEAD PROPERTY
11 HAS BEEN REACHED UNDER SECTION 8586 (RELATING TO
12 LIMITATIONS).

13 (2) FOR THE FISCAL YEAR OF IMPLEMENTATION OF AN INCREASE
14 IN THE RATE OF THE EXISTING EARNED INCOME AND NET PROFITS TAX
15 IMPOSED UNDER THIS CHAPTER, ALL REVENUE RECEIVED BY A SCHOOL
16 DISTRICT DIRECTLY ATTRIBUTABLE TO THE INCREASED RATE SHALL BE
17 USED TO REDUCE THE SCHOOL DISTRICT REAL PROPERTY TAX IN THE
18 FOLLOWING ORDER:

19 (I) BY MEANS OF AN EXCLUSION FOR HOMESTEAD PROPERTY
20 PURSUANT TO SECTION 8583.

21 (II) BY MEANS OF A REDUCTION IN THE MILLAGE RATE
22 AFTER THE LIMIT ON THE EXCLUSION FOR HOMESTEAD PROPERTY
23 HAS BEEN REACHED UNDER SECTION 8586.

24 CHAPTER 89

25 PAYMENT AND COLLECTION OF TAXES

26 SUBCHAPTER

27 A. (RESERVED)

28 B. REGISTER FOR CERTAIN TAXES

29 SUBCHAPTER A

30 (RESERVED)

1 SUBCHAPTER B

2 REGISTER FOR CERTAIN TAXES

3 SEC.

4 8911. DEFINITIONS.

5 8912. REGISTER FOR TAXES UNDER CHAPTER 87.

6 8913. INFORMATION FOR REGISTER.

7 8914. AVAILABILITY AND EFFECTIVE PERIOD OF REGISTER.

8 8915. EFFECT OF NONFILING.

9 8916. EFFECT OF SUBCHAPTER ON LIABILITY OF TAXPAYER.

10 § 8911. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBCHAPTER
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
15 DEVELOPMENT OF THE COMMONWEALTH.

16 § 8912. REGISTER FOR TAXES UNDER CHAPTER 87.

17 (A) GENERAL RULE.--THE DEPARTMENT SHALL MAINTAIN AN OFFICIAL
18 CONTINUING REGISTER SUPPLEMENTED ANNUALLY OF ALL LOCAL EARNED
19 INCOME AND NET PROFITS TAXES LEVIED UNDER CHAPTER 87 (RELATING
20 TO OTHER SUBJECTS OF TAXATION).

21 (B) CONTENTS OF REGISTER.--THE REGISTER SHALL LIST:

22 (1) THE SCHOOL DISTRICTS LEVYING LOCAL EARNED INCOME AND
23 NET PROFITS TAX.

24 (2) THE RATE OF TAX AS STATED IN THE RESOLUTION LEVYING
25 THE TAX.

26 (3) THE RATE ON TAXPAYERS.

27 (4) THE NAME AND ADDRESS OF THE OFFICIAL RESPONSIBLE FOR
28 ADMINISTERING THE COLLECTION OF THE TAX AND FROM WHOM
29 INFORMATION, FORMS AND COPIES OF REGULATIONS ARE AVAILABLE.

30 § 8913. INFORMATION FOR REGISTER.

1 INFORMATION FOR THE REGISTER SHALL BE FURNISHED BY THE SCHOOL
2 DISTRICT TO THE DEPARTMENT AS PRESCRIBED BY THE DEPARTMENT. THE
3 INFORMATION MUST BE RECEIVED BY THE DEPARTMENT NO LATER THAN
4 JULY 15 OF EACH YEAR TO SHOW NEW TAX ENACTMENTS, REPEALS AND
5 CHANGES. FAILURE TO COMPLY WITH THE FILING DATE MAY RESULT IN
6 THE OMISSION OF THE TAX LEVY FROM THE REGISTER FOR THAT YEAR.
7 FAILURE OF THE DEPARTMENT TO RECEIVE INFORMATION OF TAXES
8 CONTINUED WITHOUT CHANGE MAY BE CONSTRUED BY THE DEPARTMENT TO
9 MEAN THAT THE INFORMATION CONTAINED IN THE PREVIOUS REGISTER
10 REMAINS IN FORCE.

11 § 8914. AVAILABILITY AND EFFECTIVE PERIOD OF REGISTER.

12 THE REGISTER, WITH SUCH ANNUAL SUPPLEMENTS AS MAY BE REQUIRED
13 BY NEW TAX ENACTMENTS, REPEALS OR CHANGES, SHALL BE AVAILABLE
14 UPON REQUEST NO LATER THAN AUGUST 15 OF EACH YEAR. THE EFFECTIVE
15 PERIOD FOR EACH REGISTER SHALL BE FROM JULY 1 OF THE YEAR IN
16 WHICH IT IS ISSUED TO JUNE 30 OF THE FOLLOWING YEAR.

17 § 8915. EFFECT OF NONFILING.

18 EMPLOYERS SHALL NOT BE REQUIRED BY ANY ORDINANCE TO WITHHOLD
19 FROM THE COMPENSATION OF THEIR EMPLOYEES ANY LOCAL EARNED INCOME
20 AND NET PROFITS TAX IMPOSED UNDER CHAPTER 87 (RELATING TO OTHER
21 SUBJECTS OF TAXATION) WHICH IS NOT LISTED IN THE REGISTER OR TO
22 MAKE REPORTS OF COMPENSATION IN CONNECTION WITH TAXES NOT SO
23 LISTED. IF THE REGISTER IS NOT AVAILABLE BY AUGUST 15, THE
24 REGISTER OF THE PREVIOUS YEAR SHALL CONTINUE TO BE EFFECTIVE FOR
25 AN ADDITIONAL PERIOD OF NOT MORE THAN ONE YEAR.

26 § 8916. EFFECT OF SUBCHAPTER ON LIABILITY OF TAXPAYER.

27 THE PROVISIONS OF THIS SUBCHAPTER SHALL NOT AFFECT THE
28 LIABILITY OF ANY TAXPAYER FOR TAXES LAWFULLY IMPOSED UNDER
29 CHAPTER 87 (RELATING TO OTHER SUBJECTS OF TAXATION).

30 SECTION 10. THE SUM OF \$6,000,000, OR AS MUCH THEREOF AS MAY

1 BE NECESSARY, IS HEREBY APPROPRIATED TO THE DEPARTMENT OF
2 COMMUNITY AND ECONOMIC DEVELOPMENT FOR THE FISCAL YEAR JULY 1,
3 1998, TO JUNE 30, 1999, FOR THE PURPOSE OF MAKING ONE-TIME
4 TRANSITION GRANTS TO COUNTIES FOR COSTS ASSOCIATED WITH
5 IMPLEMENTING THE HOMESTEAD PROPERTY EXCLUSION. GRANTS SHALL BE
6 MADE PURSUANT TO GUIDELINES ADOPTED BY THE DEPARTMENT AND SHALL
7 BE LIMITED TO FUNDS APPROPRIATED FOR THIS PURPOSE.

8 SECTION 11. THE FOLLOWING ACTS AND PARTS OF ACTS ARE
9 REPEALED TO THE EXTENT SPECIFIED:

10 SECTION 409(A) OF THE ACT OF JULY 12, 1972 (P.L.781, NO.185),
11 KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, AS AMENDED OCTOBER
12 16, 1996 (P.L.710, NO.125), IS REPEALED.

13 EXCEPT FOR SECTIONS 533 AND 1301(B), THE ACT OF DECEMBER 13,
14 1988 (P.L.1121, NO.145), KNOWN AS THE LOCAL TAX REFORM ACT, IS
15 REPEALED.

16 SECTION 12. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

17 (1) THE ADDITION OF 53 PA.C.S. § 8402(C), (E) AND (F)
18 SHALL TAKE EFFECT IMMEDIATELY.

19 (2) THE ADDITION OF 53 PA.C.S. CH. 85 SUBCH. F SHALL
20 TAKE EFFECT JULY 1, 1998.

21 (3) THE REMAINDER OF 53 PA.C.S. PT. VII SUBPT. C SHALL
22 TAKE EFFECT JANUARY 1, 1999.

23 (4) SECTION 10 OF THIS ACT SHALL TAKE EFFECT
24 IMMEDIATELY.

25 (5) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

26 (6) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
27 DAYS.