

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 2**Session of
2000

INTRODUCED BY SALVATORE, LOEPER, JUBELIRER, TILGHMAN, WAUGH,
RHOADES, LEMMOND, THOMPSON, DENT, HOLL, WENGER, BRIGHTBILL,
ROBBINS, WAGNER AND BOSCOLA, MARCH 20, 2000

AS AMENDED ON THIRD CONSIDERATION, APRIL 11, 2000

AN ACT

1 Providing a rebate to homeowners and for the powers and duties
2 of the Department of Revenue and local assessors; and
3 imposing penalties.

4 The General Assembly finds and declares as follows:

5 (1) School property taxes have escalated at a rate over
6 and above the rate of inflation and have become a substantial
7 burden on millions of Pennsylvania homeowners. Property tax
8 increases are of great concern to citizens of this
9 Commonwealth.

10 (2) Pennsylvania currently enjoys a unique opportunity
11 to provide some relief to homeowners for properties
12 identified as homestead properties within the meaning of
13 homestead in section 2(b)(vi) of Article VIII of the
14 Constitution of Pennsylvania.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Short title.

18 This act shall be known and may be cited as the Homeowners'

1 Century Tax Rebate Act.

2 Section 2. Definitions.

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

6 "Assessor." The chief assessor of a county, the equivalent
7 position in a home rule county or the equivalent position in a
8 city of the third class that performs its own assessments of
9 real property.

10 "Department." The Department of Revenue of the Commonwealth
11 or its designee.

12 "Homeowner." Any owner of a homestead who is:

13 (1) an individual who is a natural person domiciled in
14 this Commonwealth;

15 (2) a grantor who has placed real property in a
16 revocable trust, provided that the grantor is a natural
17 person domiciled in this Commonwealth; or

18 (3) a partner of a family farm partnership or a
19 shareholder of a family farm corporation as the terms are
20 defined in section 1101-C of the act of March 4, 1971 (P.L.6,
21 No.2), known as the Tax Reform Code of 1971, provided that
22 the partner or shareholder is a natural person domiciled in
23 this Commonwealth.

24 "Homestead." The owner-occupied, primary residence and the
25 parcel of land within this Commonwealth on which the residence
26 is located and other improvements located on the parcel. If a
27 portion of the structure is used for a nonresidential purpose,
28 the homestead is equal to that portion of the property used as
29 the primary residence of the owner-occupant. This definition of
30 "homestead" shall have no effect, evidentiary or otherwise,

1 concerning the issue of whether the property constitutes a
2 homestead or homestead property under any other act.

3 "Real property tax." The total real property tax imposed by
4 a school district on a homestead for the tax year. The term does
5 not include payments made in lieu of taxes or any penalties or
6 interest paid in connection with the tax.

7 "Rebate." An amount equal to 100% of the real property tax
8 paid on the assessed value of a homestead to a school district
9 for the tax year, except that no rebate paid pursuant to this
10 act shall exceed \$100.

11 "Residence." A structure used as a place of habitation by
12 the owner of the structure.

13 "School district." A school district of the first class,
14 first class A, second class, third class or fourth class,
15 including any independent school district.

16 "Tax year." The school district's fiscal year 1999-2000
17 during which real property tax is due and payable.

18 Section 3. Rebate qualifications.

19 (a) General rule.--Subject to section 4, a rebate shall be
20 issued ON ACCOUNT OF SCHOOL REAL PROPERTY TAXES for a homestead ←
21 if all of the following apply:

22 (1) The homeowner occupied the homestead during the tax
23 year.

24 (2) The homeowner has paid real property tax owed on the
25 homestead to the school district for the tax year.

26 (3) The homeowner is the owner of record as of July 1,
27 1999.

28 (4) The homeowner applies in a form and time prescribed
29 by the department.

30 No homeowner shall be eligible to receive more than one rebate.

1 (b) Multiple owners.--If title to a homestead is held by
2 more than one individual, a rebate shall be issued in the names
3 appearing on the school property tax record.

4 Section 4. Rebate administration.

5 (a) Implementation.--The department shall establish any
6 administrative and application procedures and deadlines
7 necessary to implement and administer this act. TO FACILITATE <—
8 THE TIMELY IMPLEMENTATION OF THIS ACT, THE PROVISIONS OF ARTICLE
9 III PT. X OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS
10 THE TAX REFORM CODE OF 1971, AND ARTICLE VII OF THE ACT OF APRIL
11 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, SHALL NOT
12 APPLY TO THIS ACT. The department may enter into any contracts
13 which are necessary to administer this act.

14 (b) Submission of certified lists.--Within 30 days of the
15 effective date of this act, every assessor shall submit to the
16 department a certified list, categorized by school district, of
17 all residential and farm real property and owners of record as
18 of July 1, 1999, within its jurisdiction. The certified list
19 shall include only those homeowners of record who have fully
20 paid their 1999-2000 school real property taxes owed on their
21 respective homesteads.

22 (c) Departmental review.--Only certified lists submitted by
23 or within 30 days of the effective date of this act shall be
24 reviewed by the department. The department shall make the
25 initial determination of homeowner rebate eligibility from
26 information submitted by the homeowner. The department shall
27 thereafter forward the list of eligible homeowners to the
28 respective assessor.

29 (d) Verification of lists.--Within 30 days after receipt of
30 the list of eligible homeowners, the assessor shall verify the

1 list and report to the department any corrections to the list.

2 (e) Issuance of rebates.--The department shall finalize the
3 list and authorize rebates which shall be issued and mailed to
4 all homeowners on the final verified list by October 20, 2000.
5 If the assessor fails to verify the list or notify the
6 department of any corrections within the time limitation set
7 forth under subsection (d), the department shall authorize
8 rebates to all homeowners on the list developed by the
9 department pursuant to subsection (c).

10 Section 5. Petitions for review.

11 A homeowner whose rebate is either denied, corrected or
12 otherwise adversely affected by either the department or the
13 assessor may petition for administrative review in the manner
14 prescribed by the department. An individual aggrieved by the
15 department's action in connection with the administrative review
16 may petition for review in the manner specified in sections 11.1
17 and 11.2 of the act of March 11, 1971 (P.L.104, No.3), known as
18 the Senior Citizens Rebate and Assistance Act.

19 Section 6. Penalties.

20 (a) General rule.--Any homeowner who receives a rebate
21 through false or misleading information or who otherwise
22 improperly receives a rebate may be required to do the
23 following:

24 (1) refund to the department the amount of rebate
25 received;

26 (2) pay a civil penalty of \$50 to the department; or

27 (3) both paragraphs (1) and (2).

28 (b) Tax offset.--The department may offset any rebate due ~~or~~ ←
29 ~~received by a homeowner against taxes owed to the Commonwealth~~
30 ~~by the homeowner for prior tax years. Section 731 of the act of~~

1 ~~April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, shall~~
2 ~~be applicable to an offset by the department of any rebate due~~
3 ~~or received by a homeowner against taxes owed to the~~

4 ~~Commonwealth.~~ TO A HOMEOWNER AGAINST COLLECTIBLE LIABILITIES <—
5 OWED TO THE COMMONWEALTH BY THE HOMEOWNER FOR TAXES IMPOSED
6 UNDER ARTICLE III OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2),
7 KNOWN AS THE TAX REFORM CODE OF 1971.

8 Section 7. Erroneous rebates.

9 (a) General rule.--If the department determines or finds a
10 rebate to have been incorrectly or erroneously paid, it shall
11 redetermine the correct amount of the rebate, if any, and notify
12 the homeowner of the reason for the correction and the amount of
13 the rebate.

14 (b) Recovery.--If a rebate has been issued in error and the
15 homeowner fails to refund the rebate upon the department's
16 request, the rebate shall be recoverable by the department in
17 the same manner as assessments as provided for in ~~section 338 of~~ <—
18 ~~the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform~~
19 ~~Code of 1971.~~ THE ACT OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN <—
20 AS THE SENIOR CITIZENS REBATE AND ASSISTANCE ACT.

21 SECTION 8. CONSTRUCTION.

22 NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY,
23 ANY PROPERTY TAX REBATE RECEIVED UNDER THIS ACT SHALL NOT BE
24 CONSIDERED "INCOME" FOR PURPOSES OF DETERMINING ELIGIBILITY FOR
25 ANY STATE GOVERNMENT PROGRAM, INCLUDING, BUT NOT LIMITED TO,
26 THOSE PROGRAMS AUTHORIZED BY THE ACT OF MARCH 11, 1971 (P.L.104,
27 NO.3), KNOWN AS THE SENIOR CITIZENS REBATE AND ASSISTANCE ACT,
28 OR CHAPTER 5 OF THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91),
29 KNOWN AS THE STATE LOTTERY LAW.

30 Section 9. Effective date. <—

1 This act shall take effect immediately.