
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 163 Session of
2001

INTRODUCED BY CURRY, ARMSTRONG, BEBKO-JONES, BELARDI,
CAPPABIANCA, CIVERA, L. I. COHEN, SHANER, SURRA, THOMAS,
WANSACZ, C. WILLIAMS, WOJNAROSKI, YOUNGBLOOD AND M. COHEN,
JANUARY 23, 2001

REFERRED TO COMMITTEE ON FINANCE, JANUARY 23, 2001

AN ACT

1 Providing school district property tax exemption to certain
2 senior citizens, widows, widowers and permanently disabled
3 persons with limited incomes; providing for in-lieu-of-tax
4 payments; and providing for State reimbursement.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Senior
9 Citizen School Real Property Tax Exemption Act.

10 Section 2. Declaration of policy.

11 In recognition of the severe economic plight of senior
12 citizens, widows, widowers and permanently disabled persons who
13 are real property owners with fixed and limited incomes and who
14 are faced with rising living costs and constantly increasing
15 taxes which threaten their homesteads and self-sufficiency, the
16 General Assembly, pursuant to section 2(b)(iii) of Article VIII
17 of the Constitution of Pennsylvania, considers it to be a matter
18 of sound public policy to exempt such property owners from

1 certain school district taxes to enable them to remain in
2 peaceable possession of their homes and relieve their economic
3 burdens.

4 Section 3. Definitions.

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

8 "Claimant." A person who files a claim for real property tax
9 exemption and was:

10 (1) 65 years of age or older, or whose spouse, if a
11 member of the household, was 65 years of age or older, during
12 a calendar year in which real property taxes were due and
13 payable;

14 (2) a widow or widower and was 50 years of age or older
15 during a calendar year in which real property taxes were due
16 and payable; or

17 (3) a permanently disabled person 18 years of age or
18 older during a calendar year in which real property taxes
19 were due and payable.

20 "Homestead." An owned dwelling and as much of the land
21 surrounding it as is reasonably necessary for use of the
22 dwelling as a home occupied by a claimant. The term includes all
23 of the following:

24 (1) Premises occupied by reason of ownership in a
25 cooperative housing corporation, mobile homes which are
26 assessed as realty for local real property tax purposes and
27 the land, if owned by the claimant, upon which the mobile
28 home is situated and other similar living accommodations, as
29 well as a part of a multidwelling or multipurpose building
30 and a part of the land upon which it is built.

1 (2) Premises occupied by reason of the claimant's
2 ownership of a dwelling located on land owned by a nonprofit
3 incorporated association, of which the claimant is a member,
4 if the claimant is required to pay a pro rata share of the
5 real property taxes levied against the association's land.

6 (3) Premises occupied by a claimant if the claimant is
7 required by law to pay a real property tax by reason of his
8 ownership, including a possessory interest, in the dwelling,
9 the land or both.

10 An owner includes a person in possession under a contract of
11 sale, deed of trust, life, estate, joint tenancy or tenancy in
12 common or by reason of statutes of descent and distribution.

13 "Household income." Household income defined in the act of
14 March 11, 1971 (P.L.104, No.3), known as the Senior Citizens
15 Rebate and Assistance Act.

16 "Permanently disabled person." A person who is unable to
17 engage in any substantial gainful activity by reason of any
18 medically determinable physical or mental impairment which can
19 be expected to continue indefinitely.

20 "Real property taxes." All school district taxes on a
21 homestead, exclusive of municipal assessments, delinquent
22 charges and interest, due and payable during a calendar year.

23 "Widow" or "widower." The surviving wife or the surviving
24 husband, as the case may be, of a deceased individual and who
25 has not remarried.

26 Section 4. Property tax exemption.

27 (a) Amount of exemption.--The amount of any claim for real
28 property tax exemption shall be determined in accordance with
29 the following schedule:

| Household Income | Percentage of Real Estate Tax Exemption |
|------------------|---|
|------------------|---|

| | | |
|---|-----------------|------|
| 1 | \$ 0 - \$14,999 | 100% |
| 2 | 15,000 - 19,999 | 90% |
| 3 | 20,000 - 24,999 | 75% |
| 4 | 25,000 - 29,999 | 60% |
| 5 | 30,000 - 34,999 | 40% |
| 6 | 35,000 - 39,999 | 20% |

7 (b) Time period for filing.--The claimant must file claim
8 for exemption with the taxing school district within two months
9 of receipt of a real property tax bill.

10 (c) Income basis.--Income for a claim of exemption shall be
11 the income of the prior calendar year.

12 (d) Partial occupation of homestead.--If a homestead is
13 owned and occupied by an eligible claimant for only a portion of
14 a year, the school district shall apportion the real estate
15 taxes in accordance with the period for which the claimant was
16 eligible.

17 Section 5. In-lieu-of-tax payment.

18 All claimants filing a claim for exemption shall include an
19 in-lieu-of-tax payment of 1% of the household income used in
20 making such claim.

21 Section 6. Proof of claim.

22 School districts may require proof of claim as required in
23 the act of March 11, 1971 (P.L.104, No.3), known as the Senior
24 Citizens Rebate and Assistance Act.

25 Section 7. Incorrect claim.

26 Whenever a school district finds a claim to be incorrectly
27 determined, the school district shall redetermine the correct
28 amount of the claim and notify the claimant of the reason for
29 the redetermination and the amount of the correct claim.

30 Section 8. Fraudulent claim.

1 (a) Claim rejection.--In any case in which a claim is
2 excessive and was filed with fraudulent intent, the claim shall
3 be disallowed in full and a penalty of 25% of the amount claimed
4 shall be imposed. The penalty and the amount of the disallowed
5 claim, if the claim has been paid, shall bear interest at the
6 rate of 1/2 of 1% per month from the date of the claim until
7 repaid.

8 (b) Penalty.--The preparation of or filing of a fraudulent
9 claim shall be a misdemeanor, punishable by a fine of not more
10 than \$1,000 or a term of imprisonment of not more than one year,
11 or both.

12 (c) Disallowance of claim.--A claim shall be disallowed if
13 the claimant received title to the homestead primarily for the
14 purpose of receiving a real property tax exemption.

15 Section 9. State reimbursement.

16 All school districts shall report to the Department of
17 Revenue the amount of exemptions granted under this act, within
18 three months of granting such exemptions. The Commonwealth shall
19 pay the full amount of such exemptions to the school district
20 within 60 days of the report. The Commonwealth payment shall be
21 for real property tax exemption only. No administrative costs
22 shall be reimbursed.

23 Section 10. Regulations.

24 The Secretary of Revenue may promulgate such rules and
25 regulations as necessary to administer this act.

26 Section 11. Application.

27 Exemption shall begin with the school district real estate
28 taxes due on or after July 1 next succeeding the effective date
29 of this act.

30 Section 12. Effective date.

1 This act shall take effect in 60 days.