
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2186 Session of
2003

INTRODUCED BY CURRY, BELFANTI, BUXTON, CAPPELLI, CAWLEY,
CORRIGAN, CRAHALLA, CREIGHTON, FICHTER, FRANKEL, FREEMAN,
GEORGE, HENNESSEY, HERMAN, HUTCHINSON, JAMES, KIRKLAND,
McILHATTAN, MELIO, PAYNE, PISTELLA, READSHAW, SAINATO,
SCAVELLO, SHANER, SOLOBAY, STETLER, STURLA, WALKO, WASHINGTON
AND YOUNGBLOOD, NOVEMBER 24, 2003

REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 24, 2003

AN ACT

1 Providing for the assessment of tax-exempt property, for payment
2 by the Commonwealth to municipalities with tax-exempt
3 property and for certain reduction in millage rate by
4 municipalities.

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 Tax-Exempt
9 Property Equity Act.

10 Section 2. Definitions.

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

14 "Municipality." A city, township, borough, incorporated town
15 and school district.

16 "Tax-exempt property." Real estate that is owned by the
17 Commonwealth or any instrumentality thereof or by an institution

1 of purely public charity as defined under the act of November
2 26, 1997 (P.L.508, No.55), known as the Institutions of Purely
3 Public Charity Act. The term does not include real estate owned
4 by the Federal Government or a municipality.

5 Section 3. Assessment.

6 All tax-exempt property shall be assessed in the same manner
7 and at the same times as taxable real estate is assessed. The
8 Commonwealth shall have the right to appeal any such assessment
9 regardless of whether it is the owner of the property.

10 Section 4. Payment.

11 The Commonwealth shall pay annually to every municipality
12 that contains tax-exempt property a sum equivalent to 80% of the
13 taxes that the municipality would collect on such property if it
14 were not tax-exempt. The payment shall be made according to the
15 same schedule that applies to properties that are not tax
16 exempt.

17 Section 5. Reduction.

18 In the first year that a municipality receives a payment
19 pursuant to section 4, the municipality shall reduce its millage
20 rate so that the total amount received from the combination of
21 taxes on real estate and payments pursuant to section 4 does not
22 exceed 105% of the amount received during the previous year from
23 taxes on real estate. Notwithstanding any other provision of law
24 to the contrary, the municipality may reduce the millage rate at
25 any time in order to comply with this section.

26 Section 6. Effective date.

27 This act shall take effect on January 1 of the year next
28 following its enactment.