

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 195      Session of  
2005

---

INTRODUCED BY CURRY, BELARDI, BELFANTI, BUXTON, CALTAGIRONE,  
CAPPELLI, CAWLEY, CRAHALLA, CREIGHTON, DALEY, FABRIZIO,  
FREEMAN, GEORGE, KOTIK, LEACH, McILHATTAN, MELIO, PISTELLA,  
PRESTON, STETLER, R. STEVENSON, STURLA, THOMAS, YOUNGBLOOD  
AND YUDICHAK, FEBRUARY 1, 2005

---

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 1, 2005

---

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

27 Section 6. Effective date.

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