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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1208 Session of 2015

INTRODUCED BY DEASY, READSHAW, V. BROWN, DAVIS, CALTAGIRONE, KOTIK, YOUNGBLOOD, O'BRIEN, DAVIDSON, KORTZ, McNEILL, BIZZARRO, DeLUCA, D. COSTA AND ROZZI, MAY 13, 2015

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MAY 13, 2015

AN ACT

Amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in assessments of persons and property, providing for real estate tax deferral for elderly homeowners.

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

Section 1. Subchapter C heading of Chapter 85 of Title 53 of the Pennsylvania Consolidated Statutes is amended to read:

Subchapter C

[(Reserved)]

Real Estate Tax Deferral for Elderly Homeowners

Section 2. Chapter 85 of Title 53 is amended by adding sections immediately after Subchapter C heading to read:

§ 8551. Scope of subchapter.

This subchapter relates to deferrals of real estate taxes for certain elderly homeowners.

§ 8552. Authority.

All political subdivisions shall grant tax deferrals in the

manner provided in this subchapter.

§ 8553. Eligibility and length of deferral.

(a) Deferral for five years.--The following claimants shall be eligible for a real estate tax deferral of five years:

(1) A sole homeowner who has reached at least 65 years of age.

(2) Joint homeowners whose ages add up to at least 130 years.

(b) Permanent deferral.--The following claimants shall be eligible for a permanent real estate tax deferral:

(1) A sole homeowner who has reached at least 75 years of age.

(2) Joint homeowners whose ages add up to at least 150 years.

(c) Income eligibility.--A claimant shall be eligible for a tax deferral if the claimant and the claimant's spouse have a household income not exceeding the maximum household income eligibility limitations set forth in Chapter 13 of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.

(d) Ineligible homeowners.--Three or more joint homeowners and corporate homeowners shall not be eligible for a real estate tax deferral under this subchapter.

§ 8554. Application procedure.

(a) Initial application.--Any person eligible for a tax deferral under this subchapter may apply annually to the political subdivision. In the initial year of application, the following information shall be provided in the manner required by the political subdivision:

(1) A statement of request for the tax deferral.

(2) A certification that the applicant or the applicant and his or her spouse jointly are the owners in fee simple of the homestead upon which the real property taxes are imposed.

(3) A certification that the applicant's homestead is adequately insured under a homeowner's policy to the extent of all outstanding liens.

(4) Receipts showing timely payment of the immediately preceding year's nondeferred real property tax liability.

(5) Proof of income eligibility under section 8574 (relating to income eligibility).

(6) Proof of age requirement under section 8552 (relating to authority).

(7) Any other information required by the political subdivision.

(b) Subsequent years.--After the initial entry into the program, a claimant shall remain eligible for tax deferral in subsequent years so long as the claimant continues to meet the eligibility requirements of this subchapter.

§ 8555. Attachment and satisfaction of lien.

(a) Nature of lien.--All taxes deferred under this subchapter shall constitute a prior lien on the homestead of the claimant in favor of the political subdivision and shall attach as of the date and in the same manner as other real estate tax liens. The deferred taxes shall be collected as other real estate tax liens, but the deferred taxes shall be due, payable and delinquent only as provided in subsection (b).

(b) Payment.--

(1) All or part of the deferred taxes may at any time be paid to the political subdivision.

(2) In the event that the deferred taxes are not paid by

the claimant or the claimant's spouse during his or her lifetime or during their continued ownership of the homestead, the deferred taxes shall be paid either:

(i) prior to the conveyance of the homestead to any third party; or

(ii) prior to the passing of the legal or equitable title, either by will or by statute, to the heirs of the claimant or the claimant's spouse.

(3) The surviving spouse of a claimant shall not be required to pay the deferred taxes by reason of his or her acquisition of the homestead due to death of the claimant as long as the surviving spouse maintains his or her domicile in the property. The surviving spouse may continue to participate in the tax deferral program in subsequent years provided he or she is eligible under the provisions of this subchapter.

§ 8556. Preemption.

This subchapter preempts any State or local regulation or law that provides for the deferral of real estate taxes for elderly homeowners or that is in any way inconsistent with this subchapter.

Section 3. The following acts and parts of acts are repealed insofar as they are inconsistent with this act:

(1) The act of May 16, 1923 (P.L.207, No.153), entitled "An act providing when, how, upon what property, and to what extent, liens shall be allowed for taxes and for municipal improvements, for the removal of nuisances, and for water rents or rates, sewer rates, and lighting rates; for the procedure upon claims filed therefor; the methods for preserving such liens and enforcing payment of such claims;

the effect of judicial sales of the properties liened; the distribution of the proceeds of such sales, and the redemption of the property therefrom; for the lien and collection of certain taxes heretofore assessed, and of claims for municipal improvements made and nuisances removed, within six months before the passage of this act; and for the procedure on tax and municipal claims filed under other and prior acts of Assembly."

(2) The act of June 23, 1931 (P.L.932, No.317), known as The Third Class City Code.

(3) The act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law.

(4) The act of June 28, 1967 (P.L.122, No.32), entitled "An act authorizing and empowering city treasurers of cities of the second class A to sell at public sale, lands or real estate upon which the taxes, assessed and levied by the city, are delinquent and unpaid; fixing the interests of all taxing authorities where such lands are purchased by the city; providing for the distribution of moneys received as income from or resale of such lands; and providing for a method of reselling such lands purchased, by the city, or by the city at any sale for the nonpayment of taxes, free and clear of all mortgages, ground rents, interest in or claims against said lands; authorizing an agreement between cities of the second class A purchasing property at treasurer's sales and all other taxing authorities having an interest in such lands with respect to the distribution of rents, income and the proceeds of the resale of such lands."

(5) The act of October 11, 1984 (P.L.876, No.171), known as the Second Class City Treasurer's Sale and Collection Act.

(6) Any and all other acts.

Section 4. This act shall take effect in 60 days.