

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 718 Session of 2017

INTRODUCED BY FONTANA, MAY 12, 2017

REFERRED TO FINANCE, MAY 12, 2017

AN ACT

1 Amending the act of November 26, 1997 (P.L.508, No.55), entitled
 2 "An act providing for the tax exemption of institutions of
 3 purely public charity; exempting real property owned by
 4 State-related universities or Federal Government
 5 instrumentalities from taxation; providing for unfair
 6 competition; imposing penalties; and making repeals," further
 7 providing for legislative intent, for definitions and for
 8 criteria for institutions of purely public charity; and
 9 providing for tax on real estate.

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

12 Section 1. Section 2(a) of the act of November 26, 1997
 13 (P.L.508, No.55), known as the Institutions of Purely Public
 14 Charity Act, is amended by adding a paragraph to read:

15 Section 2. Legislative intent.

16 (a) Findings.--The General Assembly finds and declares as
 17 follows:

18 * * *

19 (8) It is necessary and proper for local governments to
 20 have the option to ensure the continued viability of certain
 21 essential services it provides or causes to be provided by
 22 requiring a contribution from owners of tax-exempt properties

1 toward the cost of the services.

2 * * *

3 Section 2. Section 3 of the act is amended by adding a
4 definition to read:

5 Section 3. Definitions.

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

9 * * *

10 "Governing body." A city council, borough council,
11 incorporated town council, board of county commissioners or
12 their home rule successor in function, board of township
13 commissioners, board of township supervisors, governing council
14 of a home rule municipality or optional plan municipality or
15 governing council of a similar general purpose unit of
16 government that may be created by statute after the effective
17 date of this definition.

18 * * *

19 Section 3. Section 5(b)(6) of the act is amended to read:
20 Section 5. Criteria for institutions of purely public charity.

21 * * *

22 (b) Charitable purpose.--The institution must advance a
23 charitable purpose. This criterion is satisfied if the
24 institution is organized and operated primarily to fulfill any
25 one or combination of the following purposes:

26 * * *

27 (6) Accomplishment of a purpose which is recognized as
28 important and beneficial to the public and which advances
29 social, scientific, environmental, moral or physical
30 objectives.

1 * * *

2 Section 4. The act is amended by adding a section to read:

3 Section 7.1. Tax on real estate.

4 (a) Authorization.--Notwithstanding any other provision of
5 law, the governing body of a municipality may, through
6 ordinance, impose the real estate tax authorized under
7 subsection (b) on real property owned by an institution of
8 purely public charity within the municipality.

9 (b) Real estate tax.--The governing body may impose a real
10 estate tax on real property located within the municipality and
11 owned by an institution of purely public charity. The following
12 shall apply:

13 (1) The tax shall be imposed on 100% of the assessed
14 value of the land owned by the institution of purely public
15 charity and may not be imposed on the assessed value of any
16 structure that sits upon the land.

17 (2) The tax may not be levied on a per-parcel basis but
18 shall be levied against the aggregate assessed value of the
19 real property owned by the institution of purely public
20 charity within the municipality.

21 (3) The ordinance authorizing the real estate tax shall
22 exempt the first \$500,000 of aggregate assessed value of the
23 real property owned by the institution of purely public
24 charity from taxation.

25 (c) Enactment of ordinance or resolution.--

26 (1) Prior to adopting an ordinance imposing a real
27 estate tax under this section, the governing body shall adopt
28 a proposed ordinance that shall include all of the following
29 information:

30 (i) The content of the ordinance that will be

1 enacted, including the effective date.

2 (ii) A statement that the proposed ordinance is
3 being adopted pursuant to and subject to the requirements
4 of this section.

5 (2) The governing body shall make the proposed ordinance
6 available for public inspection at least 20 days prior to its
7 adoption and shall hold at least one public hearing on the
8 proposed ordinance prior to its adoption.

9 (3) The governing body must give public notice of its
10 intent to adopt the proposed ordinance. Publication of the
11 notice shall be made by advertisement once a week for three
12 weeks in a newspaper of general circulation within the
13 municipality if there is a newspaper of general circulation
14 and, if there is not, the publication shall be made in a
15 newspaper of general circulation within the county in which
16 the advertising municipality is located.

17 (d) Prohibition.--Nothing in this section may be construed
18 to permit a governing body to impose a real estate tax on any of
19 the following:

20 (1) Property owned by the Commonwealth.

21 (2) Property owned by a political subdivision of the
22 Commonwealth.

23 (3) Property owned by the Commonwealth and local
24 authorities.

25 (4) Property owned by police, fire, including volunteer
26 fire and relief, public works or emergency services.

27 (5) Property owned by the Federal Government.

28 (e) Uniformity.--A real estate tax imposed under this
29 section shall apply to all institutions of purely public charity
30 owning tax-exempt property within the municipality.

1 Section 5. This act shall take effect in 60 days.