

No. 1988-146

AN ACT

SB 1182

Establishing standards and qualifications by which local tax authorities in counties of the first and second class may make special real property tax relief provisions.

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

Section 1. Short title.

This act shall be known and may be cited as the First and Second Class County Property Tax Relief Act.

Section 2. Declaration of policy and legislative intent.

In recognition of the severe economic circumstances of certain longtime owner-occupants of residences who are faced with rising living costs and constantly increasing tax burdens in areas where real property values have risen markedly as a consequence of the renovation of other deteriorating residences or the construction of new residences, the General Assembly, pursuant to section 2(b)(v) of Article VIII of the Constitution of Pennsylvania, considers it to be a matter of sound public policy for counties of the first and second class to adopt uniform special real property tax relief provisions in order to allow longtime owner-occupants of residences to remain in peaceful possession of their homes.

Section 3. Definitions.

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

“Longtime owner-occupant.” Any person who for at least ten continuous years has owned and has occupied the same dwelling place as a principal residence and domicile, or any person who for at least five years has owned and occupied the same dwelling as a principal residence and domicile if that person received assistance in the acquisition of the property as part of a government or nonprofit housing program.

“Principal residence.” The dwelling place of a person, including the principal house and lot, and such lots as are used in connection therewith which contribute to its enjoyment, comfort and convenience. For purposes of this act, the term may also include a building with a maximum of one commercial establishment and a maximum of three residential units of which one residential unit must be the principal residence of the longtime owner-occupant.

Section 4. Deferral or exemption authority.

(a) Adoption of uniform provisions.—The governing body of a county of the first and second class shall have the power to provide, by ordinance or resolution, for uniform special real property tax provisions granting long-

time owner-occupants a deferral or exemption or combination thereof, in the payment of that portion of an increase of real property taxes which is due to an increase in the market value of the real property as a consequence of the refurbishing or renovating of other residences or the construction of new residences in long-established residential areas or areas of deteriorated, vacant or abandoned homes and properties.

(b) Designation of areas.—The governing body of a county of the first and second class is authorized to enact ordinances or resolutions which provide for the designation of areas eligible for the special real property tax provisions pursuant to this act. Before enacting an ordinance or resolution which proposes designating such an area, the governing body shall conduct a public hearing on the proposed ordinance or resolution.

(c) Second class county school districts and municipalities.—School districts and municipalities within second class counties shall have authority to determine their participation in this program within their taxing jurisdiction.

Section 5. Conditions of deferral or exemption.

(a) General rule.—Any deferral or exemption of payment of an increase in real property taxes granted pursuant to this act shall be limited to real property which meets all of the following conditions:

(1) The property is owned and occupied by a longtime owner-occupant.

(2) The property is the principal residence and domicile of the longtime owner-occupant.

(b) Penalties and interest.—No penalties and interest shall accrue on the portion of the deferral pursuant to this act.

(c) Financial need or age.—

(1) Neither financial need nor age of the longtime owner-occupant shall be a determinant of eligibility in a county of the first class.

(2) School districts and municipalities within a county of the second class may determine whether financial need, age, or both, of the longtime owner-occupant shall be used to determine eligibility.

Section 6. Retroactive application.

Data used by the governing body of a county of the first and second class to determine if the principal residence of a longtime owner-occupant is eligible for either a tax deferral or exemption under the provisions of this act may be applied retroactively to November 6, 1984.

Section 7. Effective date.

This act shall take effect immediately.

APPROVED—The 13th day of December, A. D. 1988.

ROBERT P. CASEY