

## No. 1996-6 (SS2)

## AN ACT

## SB 5

Authorizing abatement of real estate taxes because of destruction or damage of property by blizzard or flood, or the refund of the amount of such taxes by certain political subdivisions; and authorizing assessment of properties retroactive to January 1, 1996, and a limited moratorium on the increase of certain real estate taxes.

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

Section 1. Local abatement of real estate taxes.

The taxing bodies of the various counties, cities, boroughs, towns, townships and school districts may abate real estate taxes imposed by them for the tax year 1996 if the real property upon which the tax was imposed was damaged or destroyed by the blizzard of January 1996 or the resulting flood. The amount of any real estate tax abated shall be in direct proportion to the damage to the property as measured by a reduction in the assessed valuation of the property by the local assessing authority using the same assessment valuation factors, criteria and procedures in use prior to the disaster. Local assessing authorities are hereby authorized to assess blizzard- or flood-damaged properties retroactive to January 1, 1996, to reflect reductions in property value due to blizzard or flood damage. In the event that such tax has been paid, the taxing bodies may refund such taxes. The amount of real estate tax abated or refunded by any taxing body shall not exceed \$30,000 for any single property.

Section 2. Ownership requirement.

No abatement or refund shall be allowed for the year 1996 unless the property owner at the time of the abatement or refund was also the owner of the property at the time of the blizzard of January 1996 or the flood of 1996.

Section 3. Optional moratorium for certain real estate taxes.

(a) Exemption for reconstruction and repairs.—Local taxing authorities may, by ordinance or resolution, exempt from real property taxation the assessed valuation of reconstruction or repairs made to properties damaged or destroyed by the blizzard of January 1996 or the resulting flood. The exemption shall be limited to the additional assessment valuation attributable to the actual costs of reconstruction or repairs on the damaged or destroyed property.

(b) Exemption schedule.—For the first year for which such reconstruction or repairs would otherwise be taxable, 100% of the eligible assessment shall be exempted, for the second year, 50% of the eligible assessment shall be exempted, and, for the third year, 25% of the eligible assessment shall be exempted. After the third year, the exemption shall terminate. No property

shall be eligible for tax exemption under this section unless reconstruction or repairs are begun within five years of the date of the blizzard of January 1996 or the resulting flood.

(c) Termination upon transfer.—The exemption from taxation authorized by this section shall terminate upon the sale or exchange of the property.

(d) Notice.—Local taxing authorities shall publish notice of the moratorium on taxation attributable to increases in assessed valuations due to reconstruction or repairs as required herein. The notice shall appear on at least two occasions in a newspaper of general circulation within the affected areas within 60 days of the adoption of the ordinance or resolution authorized under subsection (a).

Section 4. Effective date.

This act shall take effect immediately.

APPROVED—The 11th day of July, A.D. 1996.

THOMAS J. RIDGE