
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 305

Session of
1977

INTRODUCED BY SCANLON, ROSS AND DOUGHERTY, FEBRUARY 8, 1977

REFERRED TO LOCAL GOVERNMENT, FEBRUARY 8, 1977

AN ACT

1 Authorizing local taxing authorities to provide for tax
2 exemption for certain deteriorated industrial, commercial and
3 other business property; providing for an exemption schedule
4 and establishing standards and qualifications.

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14 The General Assembly of the Commonwealth of Pennsylvania

15 hereby enacts as follows:

16 Section 1. Short title.

17 This act shall be known and may be cited as the "Local
18 Economic Revitalization Tax Assistance Act."

19 Section 2. Construction.

1 This act shall be construed to authorize local taxing
2 authorities to exempt improvements to certain deteriorated
3 industrial, commercial and other business property thereby
4 implementing Article VIII, section 2(b)(iii) of the Constitution
5 of Pennsylvania.

6 Section 3. Definitions.

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

10 "Deteriorated property." Any industrial, commercial or other
11 business property owned by an individual, association or
12 corporation, and located in a deteriorating area, as hereinafter
13 provided, or any such property which has been the subject of an
14 order by a government agency requiring the unit to be vacated,
15 condemned or demolished by reason of noncompliance with laws,
16 ordinance or regulations.

17 "Improvement." Repair, construction or reconstruction,
18 including alterations and additions, having the effect of
19 rehabilitating a deteriorated property so that it becomes
20 habitable or attains higher standards of safety, health,
21 economic use or amenity, or is brought into compliance with
22 laws, ordinances or regulations governing such standards.
23 Ordinary upkeep and maintenance shall not be deemed an
24 improvement.

25 "Local taxing authority." A county, city, borough,
26 incorporated town, township, institution district or school
27 district having authority to levy real property taxes.

28 "Municipal governing body." A city, borough, incorporated
29 town or township.

30 Section 4. Deteriorated areas.

1 (a) Each local taxing authority may by ordinance or
2 resolution exempt from real property taxation the assessed
3 valuation of improvements to deteriorated properties in the
4 amounts and in accordance with the provisions and limitations
5 hereinafter set forth. Prior to the adoption of the ordinance or
6 resolution authorizing the granting of tax exemptions, the
7 municipal governing body shall affix the boundaries of a
8 deteriorated area or areas, wholly or partially located within
9 its jurisdiction, if any. At least one public hearing shall be
10 held by the municipal governing body for the purpose of
11 determining said boundaries. At the public hearing the local
12 taxing authorities, planning commission or redevelopment
13 authority and other public and private agencies and individuals,
14 knowledgeable and interested in the improvement of deteriorated
15 areas, shall present their recommendations concerning the
16 location of boundaries of a deteriorated area or areas for the
17 guidance of the municipal governing bodies, such recommendations
18 taking into account the criteria set forth in the act of May 24,
19 1945 (P.L.991, No.385), known as the "Urban Redevelopment Law,"
20 for the determination of "blighted areas," and the criteria set
21 forth in the act of November 29, 1967 (P.L.636, No.292), known
22 as the "Neighborhood Assistance Act," for the determination of
23 "impoverished areas," and the following criteria: unsafe,
24 unsanitary and overcrowded buildings; vacant, overgrown and
25 unsightly lots of ground; a disproportionate number of tax
26 delinquent properties, excessive land coverage, defective design
27 or arrangement of buildings, street or lot layouts; economically
28 and socially undesirable land uses. The ordinance or resolution
29 shall specify a description of each such area as determined by
30 the municipal governing body, as well as the cost of

1 improvements per unit to be exempted, and the schedule of taxes
2 exempted as hereinafter provided.

3 (b) Two or more municipal governing bodies may join together
4 for the purpose of determining the boundaries of a deteriorated
5 area and to establish the uniform maximum cost per unit, and
6 such municipal governing bodies shall cooperate fully with each
7 other for the purposes of implementing this act. The local
8 taxing authorities may by implementing ordinance or resolution
9 agree to adopt tax exemptions contingent upon the similar
10 adoption by an adjacent local taxing authority or by a local
11 taxing authority with mutual jurisdiction, within the
12 limitations provided herein.

13 Section 5. Exemption schedule.

14 (a) A local taxing authority granting a tax exemption
15 pursuant to the provisions of this act may provide for tax
16 exemption on the assessment attributable to the actual cost of
17 improvements or up to any maximum cost uniformly established by
18 the municipal governing body. Such maximum cost shall uniformly
19 apply to all eligible deteriorated property within the local
20 taxing authority jurisdiction.

21 (b) Whether or not the assessment eligible for exemption is
22 based upon actual cost or a maximum cost, the actual amount of
23 taxes exempted shall be in accordance with the schedule of taxes
24 exempted established by a local taxing authority subject to the
25 following limitations:

26 (1) The length of the schedule of taxes exempted shall
27 not exceed ten years.

28 (2) The schedule of taxes exempted shall stipulate the
29 portion of improvements to be exempted each year.

30 (3) The exemption from taxes shall be limited to the

1 additional assessment valuation attributable to the actual
2 costs of improvements to deteriorated property or not in
3 excess of the maximum cost per unit established by a
4 municipal governing body.

5 (c) The exemption from taxes authorized by this act shall be
6 upon the property exempted and shall not terminate upon the sale
7 or exchange of the property.

8 Section 6. Procedure for obtaining exemption.

9 (a) Any person desiring tax exemption pursuant to ordinances
10 or resolutions adopted pursuant to this act, shall notify each
11 local taxing authority granting such exemption in writing on a
12 form provided by it submitted at the time he secures the
13 building permit, or if no building permit or other notification
14 of improvement is required, at the time he commences
15 construction. A copy of the exemption request shall be forwarded
16 to the board of assessment and revision of taxes or other
17 appropriate assessment agency. The assessment agency shall,
18 after completion of the improvement, assess separately the
19 improvement and calculate the amounts of the assessment eligible
20 for tax exemption in accordance with the limits established by
21 the local taxing authorities and notify the taxpayer and the
22 local taxing authorities of the reassessment and amounts of the
23 assessment eligible for exemption. Appeals from the reassessment
24 and the amounts eligible for the exemption may be taken by the
25 taxpayer or the local taxing authorities as provided by law.

26 (b) The cost of improvements to be exempted and the schedule
27 of taxes exempted existing at the time of the initial request
28 for tax exemption shall be applicable to that exemption request,
29 and subsequent amendment to the ordinance, if any, shall not
30 apply to requests initiated prior to their adoption.

1 Section 7. Severability.

2 The provisions of this act shall be severable and, if any of
3 the provisions hereof shall be held unconstitutional, such
4 decision shall not affect the validity of any of the remaining
5 provisions.

6 Section 8. Effective date.

7 This act shall take effect immediately.