

---

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.

5 TABLE OF CONTENTS

6 Section 1. Short title

7 Section 2. Construction

8 Section 3. Definitions

9 Section 4. Deteriorated areas

10 Section 5. Exemption schedule

11 Section 6. Procedure for obtaining exemption

12 Section 7. Severability

13 Section 8. Effective date

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.