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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1087 Session of  
2017

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INTRODUCED BY THOMAS, APRIL 7, 2017

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REFERRED TO COMMITTEE ON COMMERCE, APRIL 7, 2017

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AN ACT

1 Amending the act of December 1, 1977 (P.L.237, No.76), entitled,  
2 as amended, "An act authorizing local taxing authorities to  
3 provide for tax exemption for certain deteriorated  
4 industrial, commercial and other business property and for  
5 new construction in deteriorated areas of economically  
6 depressed communities; providing for an exemption schedule  
7 and establishing standards and qualifications," further  
8 providing for definitions; establishing the School  
9 Revitalization Fund; and further providing for exemption  
10 schedule.

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

13 Section 1. Section 3 of the act of December 1, 1977  
14 (P.L.237, No.76), known as the Local Economic Revitalization Tax  
15 Assistance Act, is amended by adding a definition to read:

16 Section 3. Definitions.

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

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21 "Public school." A school in a district, intermediate unit  
22 or an area vocational-technical school, which is located in a

1 city of the first class as provided under the act of March 10,  
2 1949 (P.L.30, No.14), known as the "Public School Code of 1949."

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

4 Section 3.1. School Revitalization Fund.

5 (a) The School Revitalization Fund is established as a  
6 special fund in the State Treasury. The fund may not lapse.

7 (b) As calculated by the Department of Revenue, the amount  
8 collected from the decrease to the exemption provided for under  
9 this act for a new construction or from improvements shall be  
10 deposited in the School Revitalization Fund.

11 (c) The money in the fund shall be distributed  
12 proportionately to each public school in a city of the first  
13 class each year beginning after the first year after the  
14 effective date of this section.

15 Section 3. Section 5 of the act is amended to read:

16 Section 5. Exemption schedule.

17 (a) A local taxing authority granting a tax exemption  
18 pursuant to the provisions of this act may provide for tax  
19 exemption on the assessment of up to 45% of the value  
20 attributable to the actual cost of new construction or  
21 improvements or up to any maximum cost uniformly established by  
22 the municipal governing body. Such maximum cost shall uniformly  
23 apply to all eligible deteriorated property within the local  
24 taxing authority jurisdiction and not exceed 45% of the value of  
25 the actual cost of the new construction or improvements.

26 (b) Whether or not the assessment eligible for exemption is  
27 based upon actual cost or a maximum cost, the actual amount of  
28 taxes exempted shall be in accordance with the schedule of taxes  
29 exempted established by a local taxing authority subject to the  
30 following limitations:

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

3           (2) The schedule of taxes exempted shall stipulate the  
4 portion of new construction or improvements to be exempted  
5 each year.

6           (3) The exemption from taxes shall be limited to 45% of  
7 the additional assessment valuation attributable to the  
8 actual costs of new construction or improvements to  
9 deteriorated property or not in excess of the maximum cost  
10 per unit established by a municipal governing body.

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

14          (d) As calculated by the Department of Revenue, the amount  
15 collected from the decrease to the exemption provided for under  
16 this section from a new construction or from improvements shall  
17 be deposited into the School Revitalization Fund in accordance  
18 with section 3.1.

19          Section 4. This act shall apply to applications for tax  
20 exemptions submitted after the effective date of this act.

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