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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 267 Session of  
2023

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INTRODUCED BY DEASY, MADDEN, CIRESI, HOHENSTEIN, McNEILL, HILL-  
EVANS, BURGOS AND NEILSON, MARCH 10, 2023

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REFERRED TO COMMITTEE ON FINANCE, MARCH 10, 2023

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AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania  
2 Consolidated Statutes, in assessments of persons and  
3 property, providing for real estate tax deferral for elderly  
4 homeowners; and making repeals.

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

7 Section 1. Subchapter C heading of Chapter 85 of Title 53 of  
8 the Pennsylvania Consolidated Statutes is amended to read:

9 SUBCHAPTER C

10 [(Reserved)]

11 REAL ESTATE TAX DEFERRAL FOR ELDERLY HOMEOWNERS

12 Section 2. Subchapter C of Chapter 85 of Title 53 is amended  
13 by adding sections to read:

14 § 8551. Scope of subchapter.

15 This subchapter relates to deferrals of real estate taxes for  
16 certain elderly homeowners.

17 § 8552. Authority.

18 Each political subdivision shall grant tax deferrals in the  
19 manner provided in this subchapter.

1 § 8553. Eligibility and length of deferral.

2 (a) Deferral for five years.--The following claimants shall  
3 be eligible for a real estate tax deferral of five years:

4 (1) A sole homeowner who has reached at least 65 years  
5 of age.

6 (2) Joint homeowners whose ages add up to at least 130  
7 years.

8 (b) Permanent deferral.--The following claimants shall be  
9 eligible for a permanent real estate tax deferral:

10 (1) A sole homeowner who has reached at least 75 years  
11 of age.

12 (2) Joint homeowners whose ages add up to at least 150  
13 years.

14 (c) Income eligibility.--A claimant shall be eligible for a  
15 tax deferral if the claimant and the claimant's spouse have a  
16 household income not exceeding the maximum household income  
17 eligibility limitations under Chapter 13 of the act of June 27,  
18 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer  
19 Relief Act.

20 (d) Ineligible homeowners.--Three or more joint homeowners  
21 and corporate homeowners shall not be eligible for a real estate  
22 tax deferral under this subchapter.

23 § 8554. Application procedure.

24 (a) Initial application.--An individual eligible for a tax  
25 deferral under this subchapter may apply annually to the  
26 political subdivision. In the initial year of application, the  
27 following information shall be provided in the manner required  
28 by the political subdivision:

29 (1) A statement of request for the tax deferral.

30 (2) A certification that the applicant or the applicant

1 and the applicant's spouse jointly are the owners in fee  
2 simple of the homestead upon which the real property taxes  
3 are imposed.

4 (3) A certification that the applicant's homestead is  
5 adequately insured under a homeowner's policy to the extent  
6 of all outstanding liens.

7 (4) Receipts showing timely payment of the immediately  
8 preceding year's nondeferred real property tax liability.

9 (5) Proof of income eligibility under section 8574  
10 (relating to income eligibility).

11 (6) Proof of age under section 8553 (relating to  
12 eligibility and length of deferral).

13 (7) Any other information required by the political  
14 subdivision.

15 (b) Subsequent years.--After the initial entry into the  
16 program, a claimant shall remain eligible for tax deferral in  
17 subsequent years if the claimant continues to meet the  
18 eligibility requirements of this subchapter.

19 § 8555. Attachment and satisfaction of lien.

20 (a) Nature of lien.--All taxes deferred under this  
21 subchapter shall constitute a prior lien on the homestead of the  
22 claimant in favor of the political subdivision and shall attach  
23 as of the date and in the same manner as other real estate tax  
24 liens. The deferred taxes shall be collected as other real  
25 estate tax liens, but the deferred taxes shall be due, payable  
26 and delinquent only as provided under subsection (b).

27 (b) Payment.--

28 (1) All or part of the deferred taxes may at any time be  
29 paid to the political subdivision.

30 (2) If the deferred taxes are not paid by the claimant

1 or the claimant's spouse during the claimant's lifetime or  
2 the claimant's spouse's lifetime or during their continued  
3 ownership of the homestead, the deferred taxes shall be paid  
4 either:

5 (i) prior to the conveyance of the homestead to any  
6 third party; or

7 (ii) prior to the passing of the legal or equitable  
8 title, either by will or by statute, to the heirs of the  
9 claimant or the claimant's spouse.

10 (3) The surviving spouse of a claimant shall not be  
11 required to pay the deferred taxes by reason of the surviving  
12 spouse's acquisition of the homestead due to death of the  
13 claimant as long as the surviving spouse maintains the  
14 surviving spouse's domicile in the property. The surviving  
15 spouse may continue to participate in the tax deferral  
16 program in subsequent years provided that the surviving  
17 spouse is eligible under the provisions of this subchapter.

18 § 8556. Preemption.

19 This subchapter preempts any State or local regulation or law  
20 that provides for the deferral of real estate taxes for elderly  
21 homeowners or that is in any manner inconsistent with this  
22 subchapter.

23 Section 3. The following acts and parts of acts are repealed  
24 insofar as they are inconsistent with this act:

25 (1) The act of May 16, 1923 (P.L.207, No.153), referred  
26 to as the Municipal Claim and Tax Lien Law.

27 (2) The act of July 7, 1947 (P.L.1368, No.542), known as  
28 the Real Estate Tax Sale Law.

29 (3) The act of June 28, 1967 (P.L.122, No.32), entitled  
30 "An act authorizing and empowering city treasurers of cities

1 of the second class A to sell at public sale, lands or real  
2 estate upon which the taxes, assessed and levied by the city,  
3 are delinquent and unpaid; fixing the interests of all taxing  
4 authorities where such lands are purchased by the city;  
5 providing for the distribution of moneys received as income  
6 from or resale of such lands; and providing for a method of  
7 reselling such lands purchased, by the city, or by the city  
8 at any sale for the nonpayment of taxes, free and clear of  
9 all mortgages, ground rents, interest in or claims against  
10 said lands; authorizing an agreement between cities of the  
11 second class A purchasing property at treasurer's sales and  
12 all other taxing authorities having an interest in such lands  
13 with respect to the distribution of rents, income and the  
14 proceeds of the resale of such lands."

15 (4) The act of October 11, 1984 (P.L.876, No.171), known  
16 as the Second Class City Treasurer's Sale and Collection Act.

17 (5) 11 Pa.C.S.

18 (6) All other acts or parts of acts.

19 Section 4. This act shall take effect in 60 days.