

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 798 Session of 2021

INTRODUCED BY HEFFLEY, RYAN, T. DAVIS, JAMES, MILLARD AND  
HERSHEY, MARCH 8, 2021

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 8, 2021

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania  
2 Consolidated Statutes, in municipal authorities, further  
3 providing for exemption from taxation and payments in lieu of  
4 taxes.

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

7 Section 1. Section 5620 of Title 53 of the Pennsylvania  
8 Consolidated Statutes is amended to read:

9 § 5620. Exemption from taxation and payments in lieu of taxes.

10 (a) General rule.--The effectuation of the authorized  
11 purposes of authorities created under this chapter shall be for  
12 the benefit of the people of this Commonwealth, for the increase  
13 of their commerce and prosperity and for the improvement of  
14 their health and living conditions. Since authorities will be  
15 performing essential governmental functions in effectuating  
16 these purposes, authorities shall not be required to pay taxes  
17 or assessments upon property acquired or used by them for such  
18 purposes[.], except as otherwise provided in subsection (c).

19 (b) Water service.--Whenever in excess of 10% of the land

1 area of any political subdivision in a sixth, seventh or eighth  
2 class county has been taken for a waterworks, water supply works  
3 or water distribution system having a source of water within a  
4 political subdivision which is not provided with water service  
5 by the authority, in lieu of such taxes or special assessments  
6 the authority may agree to make payments in the county to the  
7 taxing authorities of any or all of the political subdivisions  
8 where any land has been taken.

9 (c) Watershed management.--Whenever an authority located in  
10 a third class home rule county that owns property in a sixth  
11 class county for purposes of watershed management begins  
12 development on the property, the authority shall immediately  
13 begin paying all applicable taxes on all parcels of land the  
14 authority owns in the sixth class county at the most recent fair  
15 market value.

16 (d) State taxation.--The bonds issued by any authority,  
17 their transfer and the income from the bonds, including any  
18 profits made on their sale, shall be free from taxation within  
19 the Commonwealth.

20 Section 2. This act shall take effect in 60 days.