

FISCAL NOTE

June 22, 2017

Bill No:	HB 641	Printer's No:	PN 1712	Sponsor:	Grove
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COST / (SAVINGS)

Fund (s)	2016-17	2017-18
General Fund	"See Fiscal Impact"	"See Fiscal Impact"

SUMMARY: This legislation amends Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in assessments of persons and property, providing for senior tax freeze.

ANALYSIS: This legislation provides for senior property tax freeze by granting all political subdivisions the authority to grant annual tax freezes to a claimant who meets the following requirements:

- The claimant is 62 years of age or older
- The claimant and claimant's spouse have a household income not exceeding \$60,000 annually
- The claimant has established residency within the Commonwealth for five or more years

Under current law, political subdivisions are authorized to establish a real estate tax deferral program for low-income homeowners. The deferral applies to all increases in property taxes on the homestead over the amount paid in the year prior to the application. The program is limited to persons with incomes not exceeding the eligibility limit of the Senior Citizens Rebate and Assistance Act (currently \$15,000). Once enrolled, the claimant receives deferrals for subsequent years as long as they meet the eligibility requirements. A lien is entered against the property for the amount of taxes deferred and must be paid when the house is sold or the property is transferred on the death of the owner or spouse.

This act shall take effect in 60 days.

FISCAL IMPACT: This legislation will impact The Department of Community and Economic Development (DCED). DCED will be responsible for creating forms, analyzing data and publishing reports annually for all political subdivisions. DCED will also be responsible for submitting an annual report to the general assembly. Enhancements to the department's Municipal Statistics website will be necessary. The costs for those enhancements are estimated to total \$80,000-\$100,000. Potential decreased revenue would be dependent on the number of school districts that raise taxes and the number of seniors that would qualify.