
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2475 Session of
2022

INTRODUCED BY CRUZ AND KEEFER, APRIL 4, 2022

REFERRED TO COMMITTEE ON FINANCE, APRIL 4, 2022

AN ACT

1 Amending the act of November 26, 1997 (P.L.508, No.55), entitled
2 "An act providing for the tax exemption of institutions of
3 purely public charity; exempting real property owned by
4 State-related universities or Federal Government
5 instrumentalities from taxation; providing for unfair
6 competition; imposing penalties; and making repeals," further
7 providing for definitions, for State-related universities and
8 for criteria for institutions of purely public charity.

9 The General Assembly of the Commonwealth of Pennsylvania

10 hereby enacts as follows:

11 Section 1. The definition of "institution of purely public
12 charity" in section 3 of the act of November 26, 1997 (P.L.508,
13 No.55), known as the Institutions of Purely Public Charity Act,
14 is amended and the section is amended by adding definitions to
15 read:

16 Section 3. Definitions.

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

20 * * *

21 "Institution of purely public charity." An institution which

1 meets the criteria under section 5. The term does not include a
2 State-related university or other institution of higher
3 education.

4 * * *

5 "Other institution of higher education." Any of the
6 following:

7 (1) An institution within the State System of Higher
8 Education.

9 (2) A community college established under Article XIX-A
10 of the act of March 10, 1949 (P.L.30, No.14), known as the
11 Public School Code of 1949, or the act of August 24, 1963
12 (P.L.1132, No.484), known as the Community College Act of
13 1963.

14 (3) An independent institution of higher education that:

15 (i) is located in this Commonwealth and incorporated
16 or chartered by the Commonwealth;

17 (ii) is entitled to confer degrees under 24 Pa.C.S.
18 § 6505 (relating to power to confer degrees);

19 (iii) uses the designation "college," "university"
20 or "seminary" as provided for by standards and
21 qualifications prescribed by the State Board of Education
22 under 24 Pa.C.S. Ch. 65 (relating to private colleges,
23 universities and seminaries); and

24 (iv) receives, directly or indirectly, funding
25 through a State appropriation.

26 * * *

27 "State-related university." Any of the following:

28 (1) The Pennsylvania State University and its affiliate.

29 (2) The Pennsylvania College of Technology.

30 (3) The University of Pittsburgh.

1 (4) Temple University and its subsidiaries Temple
2 University Hospital, Inc., and Temple University Children's
3 Hospital, Inc.

4 (5) Lincoln University.

5 (6) An institution designated by act of the General
6 Assembly as "State-related."

7 Section 2. Sections 4 and 5(b) of the act are amended to
8 read:

9 Section 4. State-related universities and other institutions of
10 higher education.

11 [(a) General rule.--It is the intent of the General Assembly
12 to recognize that the State-related universities provide a
13 direct public benefit and serve the public purposes of this
14 Commonwealth by declaring the real property of State-related
15 universities to be public property for purposes of exemption
16 from State and local taxation when the property is actually and
17 regularly used for public purposes, provided that nothing in
18 this section is intended or shall be construed to affect the
19 title to real property of State-related universities or the
20 power and authority of the governing bodies of State-related
21 universities with respect to such real property. Further,
22 nothing in this section is intended or shall be construed to
23 affect, impair or terminate any contract or agreement in effect
24 on or before the effective date of this section by and between a
25 State-related university and any political subdivision wherein
26 the State-related university pays real estate taxes, amounts in
27 lieu of real estate taxes or other charges, fees or
28 contributions for government services.]

29 (b) Real property.--Notwithstanding any other provision of
30 this act or other law to the contrary:

1 (1) All real property owned by State-related
2 universities or owned by the Commonwealth and used by a
3 State-related university [is and shall be deemed public
4 property for purposes of the Constitution of Pennsylvania
5 and] shall be subject to the laws of this Commonwealth
6 relating to the assessment, taxation and exemption of real
7 estate and shall not be exempt from [all] State and local
8 taxation [when actually and regularly used for public
9 purposes].

10 (2) All real property owned by other institutions of
11 higher education shall be subject to the laws of this
12 Commonwealth relating to the assessment, taxation and
13 exemption of real estate and shall not be exempt from State
14 and local taxation.

15 [(c) Exception.--This section shall not include the property
16 of a State-related university the possession and control of
17 which has been transferred to a for-profit entity not otherwise
18 entitled to tax-exempt status, irrespective of whether that
19 entity is affiliated with the university. The execution of a
20 management services contract with a third party entity to
21 provide operational services to the university which would
22 otherwise be provided or conducted directly by the university
23 shall not, however, be considered a transfer of possession and
24 control of real property within the meaning of this section.

25 (d) Definitions.--As used in this section, the following
26 words and phrases shall have the meanings given to them in this
27 subsection:

28 "Public purposes." All activities relating to the
29 educational mission of State-related universities, including
30 teaching, research, service and activities incident or ancillary

1 thereto which provide services to or for students, employees or
2 the public.

3 "State-related universities." The Pennsylvania State
4 University and its affiliate, the Pennsylvania College of
5 Technology, the University of Pittsburgh, Temple University and
6 its subsidiaries Temple University Hospital, Inc., and Temple
7 University Children's Hospital, Inc., and Lincoln University.]

8 Section 5. Criteria for institutions of purely public charity.

9 * * *

10 (b) Charitable purpose.--The institution must advance a
11 charitable purpose. This criterion is satisfied if the
12 institution is organized and operated primarily to fulfill any
13 one or combination of the following purposes:

14 (1) Relief of poverty.

15 (2) Advancement and provision of education. This
16 paragraph [includes] excludes postsecondary education[.]
17 provided by a State-related university or other institution
18 of higher education.

19 (3) Advancement of religion.

20 (4) Prevention and treatment of disease or injury,
21 including mental retardation and mental disorders.

22 (5) Government or municipal purposes.

23 (6) Accomplishment of a purpose which is recognized as
24 important and beneficial to the public and which advances
25 social, moral or physical objectives.

26 * * *

27 Section 3. This act shall take effect in 60 days.