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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 663 Session of  
2021

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INTRODUCED BY KEEFER, GLEIM, HILL-EVANS, KAUFFMAN, ZIMMERMAN,  
GAYDOS, SCHLEGEL CULVER, CIRESI AND ROWE, FEBRUARY 26, 2021

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REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 26, 2021

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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 senior citizen tax sale deferral.

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

6 Section 1. Chapter 85 of Title 53 of the Pennsylvania  
7 Consolidated Statutes is amended by adding a subchapter to read:

8 SUBCHAPTER G

9 SENIOR CITIZEN TAX SALE DEFERRAL

10 Sec.

11 8591. Scope of subchapter.

12 8592. Definitions.

13 8593. When tax sales to be deferred.

14 8594. Continuation of assessment.

15 8595. Income eligibility.

16 8596. Application procedure.

17 8597. Contents of application.

18 8598. Attachment and satisfaction of liens.

1 § 8591. Scope of subchapter.

2 This subchapter relates to senior citizen tax sale deferral.

3 § 8592. Definitions.

4 The following words and phrases when used in this subchapter  
5 shall have the meanings given to them in this section unless the  
6 context clearly indicates otherwise:

7 "Claimant." An individual who is a senior citizen and whose  
8 household income does not exceed the limit provided for in  
9 section 8595 (relating to income eligibility).

10 "Farmstead property." As defined in section 8582 (relating  
11 to definitions).

12 "Homestead property." As defined in section 8401 (relating  
13 to definitions).

14 "Household income." All income as defined in section 1303 of  
15 the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known  
16 as the Taxpayer Relief Act, received by a claimant and the  
17 claimant's spouse during a calendar year for which tax sale  
18 deferral is claimed.

19 "Senior citizen." An individual who is at least 65 years of  
20 age and has been a resident of this Commonwealth for a period of  
21 at least five continuous years.

22 § 8593. When tax sales to be deferred.

23 A political subdivision may not commence or continue tax sale  
24 proceedings for unpaid real property taxes on homestead property  
25 or farmstead property of a claimant and may not assess  
26 additional fees, fines or penalties on the unpaid balance of the  
27 real property taxes, unless as provided in this subchapter.

28 § 8594. Continuation of assessment.

29 Notwithstanding the provisions of section 8593 (relating to  
30 when tax sales to be deferred), a political subdivision may

1 continue to assess the homestead property or farmstead property  
2 of a claimant who is entitled to tax sale deferral.

3 § 8595. Income eligibility.

4 A claimant shall be eligible for tax sale deferral if the  
5 claimant and the claimant's spouse have a household income not  
6 exceeding 500% of the poverty threshold for a two-person  
7 household as calculated by the United States Census Bureau.

8 § 8596. Application procedure.

9 (a) Initial application.--A person eligible for tax sale  
10 deferral may apply annually to the political subdivision. In the  
11 initial year of application, the following information shall be  
12 provided in the manner required by the political subdivision:

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

14 (2) A certification that the applicant or the applicant  
15 and the applicant's spouse jointly are senior citizens and  
16 the owners in fee simple of the homestead property or  
17 farmstead property upon which the real property taxes are  
18 imposed.

19 (3) A certification that the applicant's homestead  
20 property or farmstead property is adequately insured under a  
21 homeowner's policy to the extent of all outstanding liens.

22 (4) Proof of income eligibility under section 8595  
23 (relating to income eligibility).

24 (5) Any other information required by the political  
25 subdivision.

26 (b) Subsequent years.--After the initial approval of an  
27 application for tax sale deferral, the claimant shall remain  
28 eligible for tax sale deferral in subsequent years as long as  
29 the claimant continues to meet the eligibility requirements of  
30 this subchapter.

1 § 8597. Contents of application.

2 An application for tax sale deferral distributed to persons  
3 shall contain the following:

4 (1) A statement that the tax sale deferral granted to  
5 senior citizens under this subchapter is provided in exchange  
6 for a lien against the homestead property or farmstead  
7 property of the applicant.

8 (2) An explanation of the manner in which the deferred  
9 tax sale shall occur, and the unpaid balance of the real  
10 property taxes payable and include, at a minimum, the  
11 consequences of noncompliance with the provisions of this  
12 subchapter.

13 § 8598. Attachment and satisfaction of liens.

14 (a) Nature of lien.--All taxes deferred under this  
15 subchapter shall constitute a prior lien on the homestead  
16 property or farmstead property of the claimant in favor of the  
17 political subdivision and shall attach as of the date and in the  
18 same manner as other real estate tax liens. The deferred taxes  
19 shall be collected as other real estate tax liens, but the  
20 deferred taxes shall be due, payable and delinquent only as  
21 provided in this subchapter.

22 (b) Payment.--

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

25 (2) In the event that the deferred taxes are not paid by  
26 the claimant or the claimant's spouse during his or her  
27 lifetime or during their continued ownership of the homestead  
28 property or farmstead property, the deferred taxes shall be  
29 paid either:

30 (i) prior to the conveyance of the homestead

1 property or farmstead property to a third party; or

2 (ii) prior to the passing of the legal or equitable  
3 title, either by will or by statute, to the heirs of the  
4 claimant or the claimant's spouse.

5 (3) The surviving spouse of a claimant shall not be  
6 required to pay the deferred taxes by reason of his or her  
7 acquisition of the homestead property or farmstead property  
8 due to death of the claimant as long as the surviving spouse  
9 maintains his or her domicile in the property. The surviving  
10 spouse may continue to participate in the tax sale deferral  
11 program in subsequent years provided the surviving spouse is  
12 eligible under the provisions of this subchapter.

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