

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 609 Session of
1991

INTRODUCED BY FOSTER, STUBAN, GAMBLE AND LESCOVITZ,
MARCH 12, 1991

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 12, 1991

AN ACT

1 Amending the act of June 27, 1947 (P.L.1046, No.447), entitled,
2 as amended, "An act providing for equalization of assessed
3 valuations of real property throughout the Commonwealth for
4 use in determining the amount and allocation of Commonwealth
5 subsidies to school districts; providing for the establishing
6 of a common level ratio for each county; creating a State Tax
7 Equalization Board; and prescribing its powers and duties;
8 imposing duties on certain local officers, agents, boards,
9 commissions and departments; and making an appropriation,"
10 further providing for powers and duties of the State Tax
11 Equalization Board; expanding use of the common level ratio
12 to third class city assessments; imposing further duties on
13 recorders of deeds; providing for the application of revised
14 assessment rates; and making editorial changes.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Section 1 of the act of June 27, 1947 (P.L.1046,
18 No.447), referred to as the State Tax Equalization Board Law, is
19 amended to read:

20 Section 1. [Creation of Board.--There is hereby created an
21 independent administrative board which shall be known as the
22 State Tax Equalization Board, hereinafter referred to as the
23 board.] Short Title.--This act shall be known and may be cited

1 as the "State Tax Equalization Board Law."

2 Section 2. The act is amended by adding sections to read:

3 Section 1.1. Definitions.--The following terms whenever used
4 or referred to in this act shall have the following meanings,
5 except in those instances where the context clearly indicates
6 otherwise:

7 (1) The term "board" shall mean the State Tax Equalization
8 Board. The board may also be referred to as "STEB."

9 (2) The term "city" shall mean, except when it is used in
10 section 17.1(d)(2) of this act, a city that assesses real
11 property independently of the county assessment process and
12 which is either a third class city or a city which would be a
13 city of the third class but for the adoption of a home rule
14 charter under the act of April 13, 1972 (P.L.184, No.62), known
15 as the "Home Rule Charter and Optional Plans Law." As used in
16 section 17.1(d)(2), the term shall mean a city of the third
17 class which does not assess real property independently of the
18 county assessment process.

19 (3) The term "council" shall mean the governing body of a
20 third class city, or the legislative policy-making body in a
21 city which would be a city of the third class but for the
22 adoption of a home rule charter under the act of April 13, 1972
23 (P.L.184, No.62), known as the "Home Rule Charter and Optional
24 Plans Law."

25 (4) The term "real estate registry office" shall mean the
26 office established in a city of the third class under the act of
27 June 23, 1931 (P.L.932, No.317), known as "The Third Class City
28 Code," or a like office in a city which would be a city of the
29 third class but for the adoption of a home rule charter under
30 the act of April 13, 1972 (P.L.184, No.62), known as the "Home

1 Rule Charter and Optional Plans Law."

2 (5) The term "secretary" shall mean the Secretary of
3 Education of the Commonwealth.

4 (6) The term "STEB" shall mean the State Tax Equalization
5 Board. STEB may also be referred to as "board."

6 Section 1.2. Creation of Board.--There is hereby created an
7 independent administrative board which shall be known as the
8 State Tax Equalization Board, hereinafter referred to as the
9 board.

10 Section 3. Section 7 of the act, amended or added April 6,
11 1949 (P.L.404, No.52), December 30, 1959 (P.L.2072, No.760) and
12 December 13, 1982 (P.L.1158, No.267), is amended to read:

13 Section 7. General Powers and Duties of the Board.--The
14 board shall have the power and its duties shall be--

15 (1) To determine the market value of taxable real property
16 in each of the school districts and to conduct investigations,
17 require information and have access to whatever public records
18 are necessary in making each such determination.

19 (2) To require, in counties of the first class, the board of
20 revision of taxes of such county, [and] the county commissioners
21 of each county other than a county of the first class, and the
22 city council, to furnish to it, monthly, a list of all
23 conveyances or other transfers of real estate, or any interest
24 therein, recorded within such city or county during the
25 preceding month, stating the value of the Federal tax stamps
26 affixed to the deed for each such conveyance, and the assessed
27 valuations for city or county tax purposes of such real estate.

28 (3) To certify to the [Superintendent of Public Instruction]
29 secretary, not later than the first day of July of each odd
30 numbered year, a list of all school districts, showing the

1 market value of taxable real property, and the assessed
2 valuation for county tax purposes, and to furnish to the board
3 of school directors of each school district as much of such
4 information as pertains to such school district. In even
5 numbered years, the board shall certify only those changes in
6 market values which result from properties going on or off the
7 assessment rolls for school purposes. The first lists shall be
8 furnished not later than the first day of July, one thousand
9 nine hundred forty-nine.

10 (4) To hear and decide appeals of parties who may feel
11 aggrieved by any finding or conclusion of the board.

12 (5) To investigate the finances and any other general
13 circumstances of any school district requesting special aid from
14 the [Superintendent of Public Instruction] secretary, and to
15 advise the [Superintendent of Public Instruction] secretary in
16 making grants of special aid.

17 (6) To make surveys and investigations of the finances of
18 school districts in the interest of a more equitable
19 distribution of school support.

20 (7) To subpoena State and local officials and to require
21 from them such information as may be necessary for the proper
22 discharge of its duties.

23 (8) To have and exercise all of the powers and perform all
24 the duties imposed upon independent administrative boards by the
25 Administrative Code of 1929, and its amendments.

26 (9) To establish, annually, prior to July 1, a common level
27 ratio of assessed value to market value in each city and county
28 for the prior calendar year.

29 (10) To promulgate rules and regulations necessary to
30 establish standards and procedures to govern the assessment

1 process uniformly throughout this Commonwealth.

2 Section 4. Section 9 of the act, amended April 6, 1949
3 (P.L.404, No.52) and July 25, 1967 (P.L.182, No.54), is amended
4 to read:

5 Section 9. Monthly Reports by Cities and Counties;
6 Commonwealth Payments.--(a) It shall be the duty of the board
7 of revision of taxes in all counties of the first class [and
8 of], the county commissioners of each county other than a county
9 of the first class, and the city council of each city on the
10 fifteenth day of each month to prepare, certify and deliver to
11 the board for its use and in such form and manner as the board
12 may prescribe a list of all conveyances or other transfers of
13 real estate, or any interest therein, recorded within [the
14 county] its jurisdiction during the preceding month, stating the
15 value of the [Federal] tax stamps affixed to the deed for each
16 such conveyance or transfer as set forth within such instrument,
17 and the assessed valuation for [county] tax purposes of such
18 real estate. Pursuant to the requirements of this section, [the
19 recorder of deeds of each county of the first class shall
20 prepare and deliver to the board of revision of taxes of such
21 county and in all other counties the recorder of deeds of each
22 such other county shall prepare and deliver to the county
23 commissioners] at the end of each month[,] a list of all the
24 real estate so conveyed or transferred within [such county] that
25 jurisdiction during such month, stating the value of [Federal]
26 tax stamps affixed to the instrument so conveying or
27 transferring such real estate, or any interest therein[.], shall
28 be prepared and delivered to the following:

29 (1) The board of revision of taxes of a county of the first
30 class, by the recorder of deeds of that county.

1 (2) The county commissioners of a county other than a county
2 of the first class, by the recorder of deeds of that county.

3 (3) The city council of a city, by the real estate registry
4 office of that city.

5 (b) The board shall pay to the board of revision of taxes of
6 counties of the first class [and], to the county commissioners
7 of each county other than a county of the first class, and to
8 the city council of each city the sum of twenty cents (20¢) for
9 each such conveyance or transfer of real estate on each list so
10 prepared, certified and delivered to the board for its use.

11 Section 5. Sections 10 and 12 of the act are amended to
12 read:

13 Section 10. Annual Reports of Local Assessing Officials.--On
14 or before the first day of June, one thousand nine hundred
15 forty-eight and on or before the first day of June of every year
16 thereafter, the board of revision of taxes of counties of the
17 first class, the board of property assessment appeals and review
18 of counties of the second class, the board for the assessment
19 and revision of taxes of counties of the third class and the
20 county commissioners of all other counties shall file a
21 certificate with the board, in such form as it may prescribe and
22 on blanks to be furnished by it, showing the assessed valuation
23 of all real property in each school district in the county on
24 which the taxes for the then current year are levied. [In the
25 year one thousand nine hundred forty-eight such certificates
26 shall be filed both with the Superintendent of Public
27 Instruction, as now required by law, and with the board as
28 required hereby. But thereafter no] No certificate shall be
29 required to be filed with the [Superintendent of Public
30 Instruction] secretary.

1 Section 12. Certification to [Superintendent of Public
2 Instruction] Secretary and School Districts.--As soon as the
3 market value of the real property in each school district
4 throughout the Commonwealth has been determined and the
5 percentage of such value of the assessed valuation for county
6 tax purposes has been established, the board shall certify the
7 same to the [Superintendent of Public Instruction] secretary and
8 as to each school district to the board of school directors
9 thereof.

10 Section 6. Sections 14 and 15 of the act, amended December
11 30, 1959 (P.L.2072, No.760), are amended to read:

12 Section 14. Annual Adjustments of Valuations.--On or before
13 the first day of July, one thousand nine hundred forty-nine and
14 on or before the first day of July of each odd numbered year
15 thereafter, the board shall adjust the market value of real
16 property in each school district to conform with such new data
17 as may have been accumulated since the market values for the
18 last preceding two years were determined, and shall determine
19 the percentage of such market value of the assessed valuation of
20 all real property in the district on which county taxes for the
21 then current year are levied. Such market values, percentages
22 and adjustments shall be certified to the [Superintendent of
23 Public Instruction] secretary and the several school districts,
24 as hereinbefore provided, with the same rights to school
25 districts to hearings and determinations by the board.

26 Section 15. Determination and Apportionment of Commonwealth
27 Subsidies.--As soon as possible each odd numbered year, after
28 the final adjustment of values by the board, the board shall
29 certify to the [Superintendent of Public Instruction] secretary
30 the market value of all real property in each school district in

1 the Commonwealth. Beginning with payment to be made for the
2 school year one thousand nine hundred forty-nine--one thousand
3 nine hundred fifty, each school district's assessed valuation to
4 be used for purposes of computing its standard reimbursement
5 fraction shall be the market value of the taxable real property
6 in the school district as finally adjusted and determined upon
7 by the board, and not the assessed valuation for county tax
8 purposes as now provided by law. Beginning with the year one
9 thousand nine hundred forty-nine and every two (2) years
10 thereafter, in place of the valuations now required by law to be
11 used for such purposes, the market value of the real property in
12 each school district, as finally adjusted and determined upon by
13 the board, shall be used by the [Superintendent of Public
14 Instruction] secretary in ascertaining and determining the
15 amount of funds required to meet payments to school districts
16 and vocational school districts which become due and payable by
17 law within the two fiscal years beginning June first, one
18 thousand nine hundred forty-nine and ending May thirty-first,
19 one thousand nine hundred fifty-one, and each biennium
20 thereafter, and to apportion and allot the same to and among the
21 respective school districts.

22 Section 7. Section 16 of the act is amended to read:

23 Section 16. Special Aid to School Districts.--Before
24 granting any special aid to any school district, the
25 [Superintendent of Public Instruction] secretary shall submit
26 the request therefor to the board. The board shall make its
27 recommendations with respect thereto, in so far as the same is
28 affected by the district's ability to raise funds by taxation.
29 Before making any such recommendation, the board shall carefully
30 investigate and study the financial circumstances of the

1 district and whether or not it has exhausted its available
2 taxing power not only on real property, but also on all other
3 available property and subjects of taxation, and that collection
4 of such taxes is being effectively made and enforced. Such
5 recommendations shall be for the advice of the [Superintendent
6 of Public Instruction] secretary in passing on such requests.

7 Section 8. Section 16.1 of the act, added December 13, 1982
8 (P.L.1158, No.267), is amended to read:

9 Section 16.1. Establishment of a Common Level Ratio.--(a)
10 The State Tax Equalization Board shall, annually, prior to July
11 1, establish for each city and county a common level ratio for
12 the prior calendar year.

13 (b) In arriving at such ratio, the board shall use
14 statistically acceptable techniques, including sales ratio
15 studies. The board's method in arriving at the ratio shall be
16 made available to the public. The ratio shall be certified to
17 the chief assessor of each county and it shall be admissible as
18 evidence in any appeal involving real property tax assessments.

19 (c) Any political subdivision or taxpayer aggrieved by any
20 finding, conclusion or any method or technique of the board made
21 pursuant to this section may, in writing, state objections
22 thereto and may appeal de novo such ratio determination to the
23 Commonwealth Court. After receiving any objections, the board
24 may grant a hearing and may modify or adjust its findings and
25 computations as it shall appear proper.

26 (d) When a county has effected a countywide revision of the
27 assessment which was used to develop the common level ratio last
28 determined by the board, the following applies:

29 (1) If a county changes its assessment base by applying a
30 change in predetermined ratio, the county shall apply the

1 percentage change between the existing predetermined ration and
2 newly established predetermined ratio to the county's common
3 level ratio to establish the certified revised common level
4 ratio for the year in which the assessment was revised.

5 (2) If a third class city changes its assessment base by
6 applying a change in the city's predetermined established ratio,
7 the city shall apply the percentage to the county's common level
8 ratio to establish the certified revised common level ratio for
9 the year in which the assessment was revised.

10 (3) If the county performs a countywide revision of
11 assessments by revaluing the properties and applying an
12 established predetermined ratio, the county shall utilize the
13 established predetermined ratio instead of the common level
14 ratio for the year in which the assessment was revised and until
15 such time as the common level ratio determined by the State Tax
16 Equalization Board reflects the revaluing of properties
17 resulting from the revision of assessment.

18 (4) If a third class city which assesses property
19 independently from the county in which it is located performs a
20 citywide revision of assessments by revaluing the properties and
21 applying the city's established predetermined ratio, the city
22 shall utilize its established predetermined ratio instead of the
23 city's common level ratio for the year in which the assessment
24 was revised and until such time as the common level ratio as
25 determined by the board reflects the revaluing of properties
26 from the revision of assessments.

27 Section 9. This act shall take effect in 60 days.