

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 502 Session of
1997

INTRODUCED BY GODSHALL, CORNELL, LAWLESS, HERSHEY, ARMSTRONG,
RAYMOND, FICHTER, STEIL, ROBERTS, TRELLO, REBER AND BUNT,
FEBRUARY 12, 1997

SENATOR TILGHMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JUNE 9, 1997

AN ACT

1 Amending the act of May 22, 1933 (P.L.853, No.155), entitled "An
2 act relating to taxation; designating the subjects, property
3 and persons subject to and exempt from taxation for all local
4 purposes; providing for and regulating the assessment and
5 valuation of persons, property and subjects of taxation for
6 county purposes, and for the use of those municipal and
7 quasi-municipal corporations which levy their taxes on county
8 assessments and valuations; amending, revising and
9 consolidating the law relating thereto; and repealing
10 existing laws," further providing for the valuation of
11 property in counties of the second class A and third class
12 and for auxiliary boards of assessment appeals; AND PROVIDING <—
13 FOR REFUNDING OF CERTAIN UNCONSTITUTIONALLY COLLECTED
14 PERSONAL PROPERTY TAX.

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

17 Section 1. Section 402(b) of the act of May 22, 1933
18 (P.L.853, No.155), known as The General County Assessment Law,
19 amended December 13, 1982 (P.L.1160, No.268), is amended to
20 read:

21 Section 402. Valuation of Property.--* * *

22 (b) (1) Except as to counties of the first and second class

1 and except as otherwise provided in clause (2), after any county
2 makes a county-wide revision of assessment of real property at
3 values based upon an established predetermined ratio as required
4 by law or after any county changes its established predetermined
5 ratio, each political subdivision, which hereafter for the first
6 time levies its real estate taxes on that revised assessment or
7 valuation, shall, for the first year, reduce its tax rate, if
8 necessary, for the purpose of having the total amount of taxes
9 levied for that year against the real properties contained in
10 the duplicate for the preceding year, equal, in the case of any
11 taxing district, not more than ten per centum greater than the
12 total amount it levied on such properties the preceding year,
13 notwithstanding the increased valuations of such properties
14 under the revised assessment.

15 (2) After a county of the second class A or a county of the
16 third class makes a county-wide revision of assessment of real
17 property at values based upon an established predetermined ratio
18 as required by law or after a county of the second class A or a
19 county of the third class changes its established predetermined
20 ratio, each political subdivision, which hereafter for the first
21 time levies its real estate taxes on that revised assessment or
22 valuation, shall, for the first year, reduce its tax rate, if
23 necessary, for the purpose of having the total amount of taxes <—
24 TAX REVENUES FROM THE TAX levied for that year against the real <—
25 properties contained in the duplicate for the preceding year,
26 equal, in the case of any taxing district IN A COUNTY OTHER THAN <—
27 A HOME RULE COUNTY, not more than five per centum (5%) greater
28 than the total amount it levied on such properties the preceding
29 year, AND IN THE CASE OF A TAXING DISTRICT IN A HOME RULE <—
30 COUNTY, NOT MORE THAN TEN PER CENTUM (10%) GREATER THAN THE

~~TOTAL AMOUNT IT LEVIED ON SUCH PROPERTIES THE PRECEDING YEAR,~~
~~notwithstanding the increased valuations of such properties~~
~~under the revised assessment. THE FIVE PER CENTUM (5%)~~ <—
~~LIMITATION SHALL NOT APPLY TO SCHOOL DISTRICTS WITHIN SECOND~~
~~CLASS A AND THIRD CLASS COUNTIES THAT, AS OF THE EFFECTIVE DATE~~
~~OF THIS CLAUSE, HAVE UNDERTAKEN, BY RESOLUTION OF THE BOARD OF~~
~~SCHOOL DIRECTORS, A SCHOOL CONSTRUCTION AND RENOVATION PROGRAM~~
~~FOR WHICH BOND INDEBTEDNESS HAS BEEN OR WILL BE INCURRED. IN~~
~~THIS CASE A TEN PER CENTUM (10%) LIMITATION SHALL APPLY. TO THE~~ <—
~~SAME AMOUNT OF TAX REVENUES FROM THE TAX LEVIED ON SUCH~~
~~PROPERTIES IN THE PRECEDING YEAR.~~

(3) For the purpose of determining the total amount of taxes
to be levied for [said] the first year under clause (1) or (2),
the amount to be levied on newly constructed buildings or
structures or on increased valuations based on new improvements
made to existing houses need not be considered. The tax rate
shall be fixed for that year at a figure which will accomplish
this purpose.

(4) With the approval of the court of common pleas, upon
good cause shown, any such political subdivision may increase
the tax rate herein prescribed, notwithstanding the provisions
of this subsection. THIS CLAUSE SHALL NOT APPLY TO COUNTIES OF <—
THE SECOND CLASS A OR THIRD CLASS, INCLUDING HOME RULE COUNTIES
OF SUCH CLASSIFICATION. IN THOSE COUNTIES, POLITICAL
SUBDIVISIONS MAY INCREASE THE TAX RATE. HOWEVER, IN THOSE
COUNTIES, NO POLITICAL SUBDIVISION MAY LEVY ANY TAXES BASED ON
AN ASSESSMENT WHICH HAS BEEN REVISED WITHIN THE LAST TWO
CALENDAR YEARS, UNTIL THE TAXPAYER HAS BEEN ADVISED BY A WRITTEN
STATEMENT AS TO HOW THE NEW ASSESSMENT FIGURES ARE CALCULATED.
ANY PROGRAM OR METHOD USED TO OBTAIN NEW ASSESSMENT FIGURES MUST

BE EXPLAINED TO THE TAXPAYERS IN A WRITTEN STATEMENT EASILY
UNDERSTOOD BY THE AVERAGE INDIVIDUAL. THE INFORMATION MUST BE
MADE AVAILABLE TO THE TAXPAYERS BY THE COUNTY COMMISSIONERS.

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

Section 511.1. Appointment of Auxiliary Board of Assessment
Appeals.--(a) In conjunction with a county-wide revision of
assessments involving either a change in the established
predetermined ratio or revaluing the properties and applying the
predetermined ratio, the county commissioners of a county of the
fourth, fifth, sixth, seventh or eighth class may,
notwithstanding any other provision of law to the contrary,
create up to four temporary auxiliary appeal boards, each to be
known as an auxiliary appeal board. The county commissioners
shall establish the term of existence for an auxiliary appeal
board not to exceed eighteen months. An auxiliary appeal board
shall be composed of three members who shall be appointed by the
county commissioners to serve for the time that the auxiliary
appeal board is in existence. Members of an auxiliary appeal
board shall be competent and qualified residents of the county.
Vacancies on an auxiliary appeal board shall be filled by
appointment by the county commissioners for the duration of the
auxiliary appeal board's existence. Any salary of members of an
auxiliary appeal board shall be fixed by the salary board of the
county. The authority of an auxiliary appeal board shall be
limited to hearing and determining appeals from assessments in
accordance with applicable provisions of law. After one or more
auxiliary appeal boards have been established in accordance with
this section, additional auxiliary appeal boards may be
established only in conjunction with a succeeding county-wide
revision of assessments.

1 (b) Subject to the approval of the county commissioners, the
2 authority in the county responsible for assessment appeals may
3 adopt, amend, alter and rescind rules and regulations for the
4 administration of, and the conduct of business and proceedings
5 for, itself and for auxiliary appeal boards. The rules and
6 regulations may require a witness providing testimony at a
7 hearing relative to any aspect of the value of the real estate
8 which is the subject of the assessment or reassessment appeal to
9 disclose, under oath, whether any compensation paid for the
10 testimony is contingent on the result obtained. The rules and
11 regulations shall be in writing and shall be a public record
12 open to examination, inspection and copying in accordance with
13 the act of June 21, 1957 (P.L.390, No.212), referred to as the
14 Right-to-Know Law.

15 (c) For the purpose of this section, an "auxiliary appeal
16 board" shall mean an auxiliary board of assessment appeals in
17 counties of the fourth, fifth, sixth, seventh or eighth class
18 created in accordance with this section.

19 SECTION 3. (A) NOTWITHSTANDING THE PROVISIONS OF THE ACT OF <—
20 MAY 21, 1943 (P.L.349, NO.162), ENTITLED "AN ACT REQUIRING
21 POLITICAL SUBDIVISIONS TO REFUND CERTAIN TAXES, LICENSE FEES,
22 PENALTIES, FINES OR MONEYS PAID THERETO, AND PROVIDING PROCEDURE
23 FOR OBTAINING SUCH REFUNDS," TO THE CONTRARY, IF THE TAX IMPOSED
24 UNDER THE ACT OF JUNE 17, 1913 (P.L.507, NO.335), REFERRED TO AS
25 THE INTANGIBLE PERSONAL PROPERTY TAX LAW, IS HELD BY FINAL
26 JUDGMENT OF A COURT OF COMPETENT JURISDICTION TO BE
27 UNCONSTITUTIONAL IN WHOLE OR IN PART, A COUNTY OF THE SECOND,
28 SECOND CLASS A OR THIRD THROUGH EIGHTH CLASSES AND A CITY OF THE
29 FIRST CLASS COTERMINOUS WITH A COUNTY OF THE FIRST CLASS,
30 IMPOSING OR HAVING IMPOSED THAT TAX SHALL BE RESPONSIBLE FOR

1 REFUND OF ONLY THE MONEY ATTRIBUTABLE TO THE UNCONSTITUTIONAL
2 TAXES LEVIED AND ASSESSED IN 1996 OR THEREAFTER.

3 (B) WITHIN 60 DAYS OF THE FINAL JUDGMENT OF A COURT AS
4 REFERRED TO IN SUBSECTION (A), THE TAXING AUTHORITY TAKING
5 AUTHORITY SHALL SEND NOTICE OF THE AVAILABILITY OF REFUND,
6 TOGETHER WITH THE APPROPRIATE FORMS TO REQUEST A REFUND, TO EACH
7 TAXPAYER, AT THE TAXPAYER'S ADDRESS OF RECORD, WHO PAID THE
8 PERSONAL PROPERTY TAX LEVIED AND ASSESSED IN 1996 OR THEREAFTER.
9 THE NOTICE SHALL INCLUDE NOTICE OF THE DEADLINE FOR FILING A
10 REFUND REQUEST.

11 (C) REFUND REQUESTS MUST BE RETURNED TO THE TAXING AUTHORITY
12 OR POSTMARKED WITHIN 90 DAYS OF THE MAILING OF THE NOTICE.
13 FAILURE OF A TAXPAYER TO FILE ON A TIMELY BASIS SHALL RELIEVE
14 THE TAXING AUTHORITY FROM LIABILITY FOR PAYMENT OF A REFUND.

15 (D) THE TAXING AUTHORITY SHALL MAKE THE APPROPRIATE REFUND
16 WITHIN 90 DAYS OF THE RECEIPT OF THE TAXPAYER REQUEST. IF THE
17 TAXING AUTHORITY, FOR REASONABLE CAUSE, IS NOT ABLE TO MAKE A
18 REFUND WITHIN THE TIME LIMIT SPECIFIED THE TAXING AUTHORITY MAY
19 ESTABLISH A REPAYMENT SCHEDULE OF EQUAL INSTALLMENTS OF UP TO
20 THREE YEARS AND, IN SUCH CIRCUMSTANCE, SHALL MAKE PAYMENT
21 TOGETHER WITH INTEREST ON THE SUMS AT THE SAME RATE AND IN THE
22 SAME MANNER AS THE COMMONWEALTH IS REQUIRED TO PAY UNDER SECTION
23 806.1 OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS
24 THE FISCAL CODE.

25 Section ~~3~~ 4. The amendment of section 402 of the act shall <—
26 be retroactive to January 1, 1997.

27 Section ~~4~~ 5. This act shall take effect as follows: <—

28 (1) The amendment of section 402 of the act shall take
29 effect in 60 days.

30 (2) The remainder of this act shall take effect

1 immediately.