

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 10 Session of 2009

INTRODUCED BY DeWEESE, HANNA, MAHONEY, MIRABITO, BARBIN,
BRENNAN, D. COSTA, DeLUCA, FABRIZIO, GEIST, GIBBONS, GOODMAN,
HALUSKA, KIRKLAND, KORTZ, KOTIK, KULA, MANN, MUNDY, MURT,
PASHINSKI, READSHAW, REESE, SIPTROTH, K. SMITH, THOMAS, WALKO
AND YOUNGBLOOD, MARCH 9, 2009

REFERRED TO COMMITTEE ON FINANCE, MARCH 9, 2009

AN ACT

1 Amending the act of May 21, 1943 (P.L.571, No.254), entitled, as
2 amended, "An act relating to assessment for taxation in
3 counties of the fourth, fifth, sixth, seventh and eighth
4 classes; designating the subjects, property and persons
5 subject to and exempt from taxation for county, borough,
6 town, township, school, except in cities and county
7 institution district purposes; and providing for and
8 regulating the assessment and valuation thereof for such
9 purposes; creating in each such county a board for the
10 assessment and revision of taxes; defining the powers and
11 duties of such boards; providing for the acceptance of this
12 act by cities; regulating the office of ward, borough, town
13 and township assessors; abolishing the office of assistant
14 triennial assessor in townships of the first class; providing
15 for the appointment of a chief assessor, assistant assessors
16 and other employees; providing for their compensation payable
17 by such counties; prescribing certain duties of and certain
18 fees to be collected by the recorder of deeds and municipal
19 officers who issue building permits; imposing duties on
20 taxables making improvements on land and grantees of land;
21 prescribing penalties; eliminating the triennial assessment;
22 and regulating certain assessments in all counties," further
23 providing for application of act, for property subject to
24 taxation and for valuation of persons and property.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 Section 1. Section 103 of the act of May 21, 1943 (P.L.571,

1 No.254), known as The Fourth to Eighth Class and Selective
2 County Assessment Law, amended November 29, 2006 (P.L.1477,
3 No.167), is amended to read:

4 Section 103. Application of Act.--(a) Except as set forth
5 in subsection (b), this act shall apply in all counties of the
6 fourth, fifth, sixth, seventh and eighth classes of the
7 Commonwealth.

8 (b) Sections 201(a.1), 201(a.2), 602(e) and 602.4 shall
9 apply to counties of all classes of the Commonwealth.

10 (c) When the valuations and assessments as provided by this
11 act have been made, all taxation for county, borough, town,
12 township, school purposes, (except in cities), county
13 institution district and poor purposes, within the limits of
14 such counties affected by this act shall be based upon such
15 valuations.

16 Section 2. Sections 201 and 602 of the act are amended by
17 adding subsections to read:

18 Section 201. Subjects of Taxation Enumerated.--The following
19 subjects and property shall as hereinafter provided be valued
20 and assessed and subject to taxation for all county, borough,
21 town, township, school, (except in cities), poor and county
22 institution district purposes, at the annual rate,

23 * * *

24 (a.2) Rights held pursuant to a lease or other agreement
25 subject to the act of July 20, 1979 (P.L.183, No.60), entitled
26 "An act regulating the terms and conditions of certain leases
27 regarding natural gas and oil," to extract, remove or recover
28 gas, oil or coal bed methane shall be subject to taxation as
29 real estate for all county, borough, town, township, school,
30 poor and county institution district purposes. Such rights shall

1 be assessed and taxed separately from the surface property
2 assessment, in the name of the holder of such rights, and valued
3 in accordance with section 602(e). The following apply:

4 (1) For the first tax year after the effective date of this
5 subsection that the chief assessor has implemented the
6 provisions of this subsection and has rated and valued leases
7 under this subsection and placed the value on the county's
8 permanent set of records, each political subdivision for which
9 the total amount of taxes levied for that year against real
10 properties contained in the duplicate for the preceding year
11 exceeds one hundred ten percent of the total amount it levied on
12 such properties in the preceding year, shall for that first
13 year, reduce its tax rate, if necessary, for the purpose of
14 having the total amount of taxes levied for that year against
15 the real properties contained in the duplicate for the preceding
16 year, equal the total amount it levied on such properties the
17 preceding year, notwithstanding the increased valuations of such
18 properties under the revised assessment. The tax rate shall be
19 fixed at a figure which will accomplish this purpose.

20 (2) After establishing a tax rate under clause (1), a
21 political subdivision may increase its tax rate by a separate
22 and specific vote.

23 (3) For the purpose of determining the total amount of taxes
24 to be levied in the first year under clauses (1) and (2), the
25 amount to be levied on newly constructed buildings or
26 structures, or on increased valuations based on new improvements
27 made to existing houses, need not be considered.

28 * * *

29 Section 602. Valuation of Persons and Property.--* * *

30 (e) The valuation of rights held pursuant to a lease or

1 other agreement subject to the act of July 20, 1979 (P.L.183,
2 No.60), entitled "An act regulating the terms and conditions of
3 certain leases regarding natural gas and oil," to extract,
4 remove or recover gas, oil or coal bed methane shall be
5 developed by the county assessor utilizing the income approach
6 to value based upon the discounted value of such rights,
7 supplemented by the sales comparison data approach as deemed
8 necessary by the county assessor. The lessee or operator, or
9 lessor on behalf of the lessee or operator, shall annually, no
10 later than July 1, provide the county assessor with such
11 nonproprietary lease and lease income information as the
12 assessor determines is reasonably needed to determine value. The
13 board may change the assessed valuation of such rights in the
14 event information becomes available that would significantly
15 affect the valuation, including, but not limited to,
16 commencement of production on or near the property and the
17 depletion of the hydrocarbon gas subject to the lease and
18 related production.

19 Section 3. This act shall take effect immediately.