
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1674 Session of
2011

INTRODUCED BY KULA, MIRABITO, MAHONEY, STURLA, BARBIN,
CALTAGIRONE, CARROLL, DAVIS, DONATUCCI, FABRIZIO, GIBBONS,
HARKINS, HORNAMAN, KAVULICH, MULLERY, MUNDY, MURPHY, PARKER,
PASHINSKI, SAMUELSON AND SWANGER, JUNE 15, 2011

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 15, 2011

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, further providing for subjects of
3 local taxation and for valuation of property.

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

6 Section 1. Section 8811 of Title 53 of the Pennsylvania
7 Consolidated Statutes, amended October 27, 2010 (P.L.895,
8 No.93), is amended to read:

9 § 8811. Subjects of local taxation.

10 (a) Subjects of taxation enumerated.--Except as provided in
11 subsection (b), all subjects and property made taxable by the
12 laws of this Commonwealth for county, city, borough, town,
13 township and school district purposes shall, as provided in this
14 chapter, be valued and assessed at the annual rates, including
15 all:

16 (1) Real estate, namely:

17 (i) houses;

1 (ii) house trailers and mobile homes permanently
2 attached to land or connected with water, gas, electric
3 or sewage facilities;

4 (iii) buildings permanently attached to land or
5 connected with water, gas, electric or sewage facilities;

6 (iv) lands, lots of ground and ground rents, trailer
7 parks and parking lots;

8 (v) mills and manufactories of all kinds, furnaces,
9 forges, bloomeries, distilleries, sugar houses, malt
10 houses, breweries, tan yards, fisheries, ferries and
11 wharves;

12 (vi) all office buildings;

13 (vii) that portion of a steel, lead, aluminum or
14 like melting and continuous casting structure which
15 encloses or provides shelter or protection from the
16 elements for the various machinery, tools, appliances,
17 equipment, materials or products involved in the mill,
18 mine, manufactory or industrial process; and

19 (viii) telecommunication towers that have become
20 affixed to land.

21 (1.1) Rights held pursuant to a lease or other agreement
22 subject to the act of July 20, 1979 (P.L.183, No.60),
23 entitled "An act regulating the terms and conditions of
24 certain leases regarding natural gas and oil," to extract,
25 remove or recover gas, including natural gas, or oil shall be
26 subject to taxation as real estate for all county, city,
27 borough, town, township and school district purposes. The
28 rights shall be assessed and taxed separately from the
29 surface property assessment, in the name of the holder of
30 such rights, and valued in accordance with section 8842(d)

1 (relating to valuation of property). The following apply:

2 (i) For the first tax year after the effective date
3 of this paragraph that the chief assessor has implemented
4 the provisions of this paragraph and has rated and valued
5 leases under this paragraph and placed the value on the
6 county's permanent set of records, each political
7 subdivision for which the total amount of taxes levied
8 for that year against real properties contained in the
9 duplicate for the preceding year exceeds 110% of the
10 total amount it levied on those properties in the
11 preceding year, shall for that first year, reduce its tax
12 rate, if necessary, for the purpose of having the total
13 amount of taxes levied for that year against the real
14 properties contained in the duplicate for the preceding
15 year, equal the total amount it levied on those
16 properties the preceding year, notwithstanding the
17 increased valuations of the properties under the revised
18 assessment. The tax rate shall be fixed at a figure which
19 will accomplish this purpose.

20 (ii) After establishing a tax rate under
21 subparagraph (i), a political subdivision may increase
22 its tax rate by a separate and specific vote.

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

29 (iv) The provisions of this paragraph are not
30 intended, nor shall they be construed, to affect any

1 other determination, including, but not limited to, the
2 determination of royalty due under mineral leases.
3 Notwithstanding any other provision of law, any tax
4 imposed by this chapter shall not reduce any royalty
5 payments due under mineral leases, and the producer under
6 a mineral lease may not recover any portion of the tax
7 paid from the royalty owner through other means of
8 deduction or reallocation, notwithstanding any provision
9 in the lease, contract or agreement.

10 (2) All other things now taxable by the laws of this
11 Commonwealth for taxing districts.

12 (b) Exceptions.--The following are not subject to tax:

13 (1) Machinery, tools, appliances and other equipment
14 contained in any mill, mine, manufactory or industrial
15 establishment shall not be considered or included as a part
16 of the real estate in determining the value for taxation of
17 the mill, mine, manufactory or industrial establishment.

18 (2) Silos used predominantly for processing or storage
19 of animal feed incidental to operation of the farm on which
20 it is located, freestanding detachable grain bins or corn
21 cribs used exclusively for processing or storage of animal
22 feed incidental to the operation of the farm on which it is
23 located and inground and aboveground structures and
24 containments used predominantly for processing and storage of
25 animal waste and composting facilities incidental to
26 operation of the farm on which the structures and
27 containments are located shall not be considered or included
28 as part of the real estate.

29 (3) No amusement park rides shall be assessed or taxed
30 as real estate regardless of whether they have become affixed

1 to the real estate.

2 (4) No sign or sign structure primarily used to support
3 or display a sign shall be assessed as real property by a
4 county for purposes of the taxation of real property by the
5 county or a political subdivision located within the county
6 or by a municipality located within the county authorized to
7 assess real property for purposes of taxation, regardless of
8 whether the sign or sign structure has become affixed to the
9 real estate.

10 (5) No wind turbine generators or related wind energy
11 appliances and equipment, including towers and tower
12 foundations, shall be considered or included as part of the
13 real property in determining the fair market value and
14 assessment of real property used for the purpose of wind
15 energy generation. Real property used for the purpose of wind
16 energy generation shall be valued under section 8842(b)(2)
17 [(relating to valuation of property)].

18 Section 2. Section 8842 of Title 53, amended October 27,
19 2010 (P.L.895, No.93), is amended by adding a subsection to
20 read:

21 § 8842. Valuation of property.

22 * * *

23 (d) Gas and oil leases.--The valuation of rights held
24 pursuant to a lease or other agreement subject to the act of
25 July 20, 1979 (P.L.183, No.60), entitled "An act regulating the
26 terms and conditions of certain leases regarding natural gas and
27 oil," to extract, remove or recover gas, including natural gas,
28 or oil shall be developed by the county assessor utilizing the
29 income approach to value based upon the discounted value of the
30 rights, supplemented by the sales comparison data approach as

1 deemed necessary by the county assessor. The lessee or operator,
2 or lessor on behalf of the lessee or operator, shall annually,
3 no later than July 1, provide the county assessor with such
4 nonproprietary lease and lease income information as the
5 assessor determines is reasonably needed to determine value. The
6 board may change the assessed valuation of the rights in the
7 event information becomes available that would significantly
8 affect the valuation, including, but not limited to,
9 commencement of production on or near the property and the
10 depletion of the hydrocarbon gas subject to the lease and
11 related production.

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