

SECOND CLASS COUNTY CODE - LIMITS ON COUNTIES OF SECOND CLASS
Act of Nov. 4, 2016, P.L. 1182, No. 155 Cl. 16
Session of 2016
No. 2016-155

SB 898

AN ACT

Amending the act of July 28, 1953 (P.L.723, No.230), entitled, as amended, "An act relating to counties of the second class and second class A; amending, revising, consolidating and changing the laws relating thereto," in fiscal affairs, further providing for limits on counties of the second class.

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

Section 1. Section 1980.2 of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, amended November 16, 2005 (P.L.382, No.71), is amended to read:

Section 1980.2. Limits on Counties of the Second Class.--(a) Notwithstanding any provisions of the act of June 21, 1939 (P.L.626, No.294), referred to as the Second Class County Assessment Law, to the contrary or any contrary provision of any home rule charter or administrative code of a county of the second class, when a county of the second class makes its reassessment or revaluation at values based upon an established predetermined ratio as required by law or when a county of the second class changes its established predetermined ratio, each political subdivision, **other than a school district subject to section 327 of act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act**, which hereafter levies its real estate taxes on that revised reassessment, revaluation or change in ratio shall for that year reduce [its] **each** tax rate **levied by the political subdivision**, if necessary, for the purpose of having the total amount of property tax revenue **for that rate** received exclusively as a result of the reassessment, revaluation or change in ratio equal, in the case of any political subdivision, the total amount of property tax revenue received in the preceding year **for each tax**, notwithstanding the increased valuations of properties under the annual reassessment system.

(a.1) Except as set forth in subsection (h), this section shall apply to all rates of taxes levied on an assessment roll after a countywide revision as provided in subsection (a), including millage rates established by referendum.

(b) After establishing a tax rate under subsection (a), a political subdivision may, by a separate and specific vote, establish a final tax rate for the first year it levies its real estate taxes on a reassessment, revaluation or change in ratio. [The] **Each** tax rate **levied by the political subdivision** under this subsection shall be fixed at a figure that limits total amount of property tax revenue received exclusively as a result of the reassessment, revaluation or change in ratio not to exceed one hundred five per cent of the total amount of property tax revenue received in the preceding year, notwithstanding the increased valuations of properties under the reassessment system.

(c) For the purpose of determining the total amount of revenue received exclusively as a result of the reassessment,

revaluation or change in ratio for the year under subsections (a) and (b), the amount to be levied on newly constructed buildings or structures or on increased valuations based on new improvements made to existing structures shall not be considered.

(d) With the approval of the court of common pleas, upon good cause shown, any political subdivision may increase the tax rate authorized under this section.

(e) A political subdivision may adjust its calculation of the total amount of revenue to be received exclusively as a result of the reassessment, revaluation or change in ratio for the year under subsections (a) and (b) by the previous five-year average, excluding the year immediately preceding the effective date of the reassessment, revaluation or change in ratio, annual net increase or decrease in revenue resulting from final dispositions of assessment appeal.

(f) (1) To the extent that a political subdivision imposes taxes at a rate in excess of that which is required to produce revenue in accordance with subsections (a) and (b), the political subdivision, upon the filing with it, within three years of payment of the tax, of a written and verified claim for a refund of the excess taxes paid or caused to be paid by any person or corporation of this Commonwealth, shall refund the excess taxes with interest.

(2) Interest required under this section shall be paid at the same rate and in the same manner as the Commonwealth is required to pay pursuant to section 806.1(b.1) of the act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code."

(3) For purposes of this subsection, the term "political subdivision" means a county, city, borough, incorporated town, township, home rule municipality, school district, vocational school district and county institution district.

(g) The provisions of this section shall supersede any provision in a home rule charter, county administrative code, county ordinance or rule or regulation.

(h) Notwithstanding subsection (b) or (d), the rate of any tax which was established by referendum and adjusted as provided in subsection (a) shall be subject to any subsequent increase, decrease or elimination only as provided by law.

Section 2. The amendment of section 1980.2 of the act shall apply to tax rates based on reassessments implemented after the effective date of this section.

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

APPROVED--The 4th day of November, A.D. 2016.

TOM WOLF