

## AMENDMENTS TO SENATE BILL NO. 1301

Sponsor: REPRESENTATIVE TAYLOR

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1 Amend Bill, page 1, line 3, by inserting after "property,"  
2 providing for cities and counties of the first class,  
3 Amend Bill, page 1, line 4, by striking out the semicolon  
4 after "PROCEDURE"

5 Amend Bill, page 1, lines 8 through 10, by striking out all  
6 of said lines and inserting

7 Section 1. The heading of Chapter 85 of Title 53 of the  
8 Pennsylvania Consolidated Statutes is amended to read:

9 CHAPTER 85

10 ASSESSMENTS OF PERSONS AND PROPERTY

11 Subchapter

12 A. through [D] C. (Reserved)

13 D. Cities and Counties of the First Class

14 E. Real Estate Tax Deferral

15 F. Homestead Property Exclusion

16 SUBCHAPTERS A through [D] C

17 (Reserved)

18 Section 1.1. Chapter 85 of Title 53 is amended by adding a  
19 subchapter to read:

20 SUBCHAPTER D

21 CITIES AND COUNTIES OF THE FIRST CLASS

22 Sec.

23 8561. Scope of subchapter.

24 8562. Definitions.

25 8563. (Reserved).

26 8564. (Reserved).

27 8565. Assessments and appeals for certain tax years.

28 § 8561. Scope of subchapter.

29 This subchapter relates to assessments in cities and counties  
30 of the first class.

31 § 8562. Definitions.

32 The following words and phrases when used in this subchapter  
33 shall have the meanings given to them in this section unless the  
34 context clearly indicates otherwise:

35 "Act 1939-404." The act of June 27, 1939 (P.L.1199, No.404),

1 entitled "An act relating to the assessment of real and personal  
2 property and other subjects of taxation in counties of the first  
3 class; providing for the appointment of members of the board of  
4 revision of taxes by the judges of the courts of common pleas;  
5 providing for the appointment, by the board, of personal  
6 property assessors, real estate assessors and assistant real  
7 estate assessors, clerks and other employes; fixing the salaries  
8 of members of the board, assessors and assistant assessors, and  
9 providing for the payment of salaries and expenses from the  
10 county treasury; prescribing the powers and duties of the board  
11 and of the assessors, the time and manner of making assessments,  
12 of the revision and notice of assessments and of appeals  
13 therefrom; prescribing the records of assessments; and repealing  
14 existing laws."

15 "Assessment office." The office of property assessment in a  
16 city.

17 "Board." The board of revision of taxes or a successor body  
18 authorized by a city to determine assessment appeals in a city.

19 "City." A city of the first class.

20 "Common level ratio." The ratio of assessed value to market  
21 value as determined by the State Tax Equalization Board under  
22 the act of June 27, 1947 (P.L.1046, No.447), referred to as the  
23 State Tax Equalization Board Law.

24 "County." A county of the first class.

25 "Established predetermined ratio." The ratio of assessed  
26 value to market value established under Act 1939-404 and  
27 uniformly applied in determining assessed value in any year.

28 "Governing body." The governing body of a city.

29 "School district." A school district of the first class.  
30 § 8563. (Reserved).

31 § 8564. (Reserved).

32 § 8565. Assessments and appeals for certain tax years.

33 (a) Legislative findings.--The General Assembly finds and  
34 declares as follows:

35 (1) Real estate tax assessment in a city has become  
36 increasingly at variance with principles of uniformity and  
37 sound assessment.

38 (2) The deficiencies under paragraph (1) have been  
39 determined to be remedied by a citywide reassessment,  
40 sometimes referred to as the "actual value initiative."

41 (3) The reassessment of all properties located in a city  
42 is likely to cause substantial shifts in tax liabilities  
43 among various neighborhoods and groups of taxpayers. These  
44 shifts are likely to increase substantially the tax burdens  
45 on residential properties, particularly those properties with  
46 low to medium values.

47 (4) As part of a reassessment, the governing body must  
48 make a major revision to the applicable tax rates in order to  
49 maintain tax revenues and fund any required tax increases.  
50 The governing body must take into account enactment of a  
51 homestead exclusion and perhaps other measures in order to

1 alleviate an increased tax burden on lower value residential  
2 properties.

3 (5) The governing body cannot responsibly determine the  
4 applicable tax rates without knowing the value of the tax  
5 base to which the rates apply. Currently, a city's budget,  
6 including tax revenues, must be enacted by each June 30; but  
7 tax assessments are not finalized until the following  
8 September.

9 (6) Implementation by a city of an actual value  
10 initiative will be helped by requiring that assessed values  
11 be determined prior to adopting the city's budget and by the  
12 applicable assessment officials completing the task of  
13 determining the tax base in the city.

14 (7) The common level ratio for a city applicable to tax  
15 year 2012, certified by the State Tax Equalization Board and  
16 published at 42 Pa.B. 2152 (April 14, 2012), has been  
17 disputed and may be subject to further dispute. The common  
18 level ratio for tax year 2013 may have similar uncertainties.  
19 The ratios for both years are determined by a State Tax  
20 Equalization Board assessment tool new to the review of  
21 properties in a city.

22 (8) The common level ratio for a city applicable to tax  
23 year 2011, based on 2009 data and published at 40 Pa.B. 4069  
24 (July 17, 2010), has not been disputed and is the same as the  
25 applicable established predetermined ratio.

26 (9) Special provisions are necessary in order to address  
27 the findings set forth in this subsection.

28 (b) Certification of values.--Notwithstanding any other  
29 provision of law:

30 (1) For tax year 2013, the assessment office shall  
31 certify assessed values at the assessed values certified for  
32 tax year 2011, adjusted for subsequent improvements,  
33 demolition and destruction. The assessed values certified for  
34 tax year 2013 under this paragraph shall apply to all taxes  
35 on, or measured by, assessed values levied by a city or a  
36 school district for tax year 2013 notwithstanding any  
37 contrary enactment of a city or a school district or any  
38 contrary certification by a city, city agency or school  
39 district.

40 (2) For tax years after tax year 2013, the assessment  
41 office shall certify market values at actual market value. In  
42 arriving at actual market value, the price at which any  
43 property may actually have been sold shall be considered but  
44 shall not be controlling. In arriving at the actual market  
45 value:

46 (i) All three of the following valuation methods  
47 shall be considered in conjunction with one another:

48 (A) Reproduction or replacement cost, as  
49 applicable, minus:

50 (I) depreciation; and

51 (II) all forms of obsolescence.

1                   (B) Comparable sales.  
2                   (C) Income.  
3                   (ii) The valuation process may employ systems,  
4                   methodologies and technologies that meet nationally  
5                   recognized assessment standards.  
6                   (c) Timing of certification.--Notwithstanding any other  
7                   provision of law, for tax years after tax year 2013, the  
8                   assessment office shall certify assessed values by March 31 of  
9                   the preceding year.  
10                  (d) Application of established predetermined ratio.--  
11                  Notwithstanding any other provision of law, in any assessment  
12                  appeal under Act 1939-404 for tax year 2013, the board and any  
13                  applicable court of competent jurisdiction shall apply the  
14                  established predetermined ratio applicable to a city for tax  
15                  year 2011.  
16                  (e) Conflicts.--If there is a conflict between a provision  
17                  of Act 1939-404 and a provision of this section, the provision  
18                  of this section shall apply.  
19                  Section 1.2. The definition of "board" in section 8582 of  
20                  Title 53 is amended to read: