

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2560

 Session of
1982

INTRODUCED BY NAHILL, CORDISCO, A. C. FOSTER, JR., HARPER,
PETRARCA, SWAIM, MORRIS, TELEK, ARTY, MICHLOVIC, WOGAN,
WESTON, OLASZ, SNYDER AND HEISER, JUNE 8, 1982

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, SEPTEMBER 13, 1982

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," providing for the use of actual values in
11 determining the taxability of persons and property.

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

14 Section 1. Section 102, act of May 22, 1933 (P.L.853,
15 No.155), known as "The General County Assessment Law," is
16 amended by adding definitions to read:

17 Section 102. Definitions.--The following words and phrases
18 shall, for the purpose of this act, have the meanings
19 respectively ascribed to them in this section, except where the
20 context clearly indicates a different meaning:

21 * * *

1 "Base year" shall mean the year upon which real property
2 market values are based for the most recent county-wide revision
3 of assessment of real property, or other prior year upon which
4 the market value of all real property of the county is based.
5 Real property market values shall be equalized within the county
6 and any changes by the board of revision of taxes or board for
7 the assessment and revision of taxes shall be expressed in terms
8 of such base year values.

9 * * *

10 "Common level ratio" shall mean the ratio of assessed value
11 to current market value used generally in the county as last
12 determined by the State Tax Equalization Board pursuant to the
13 act of _____, 1982 (P.L. _____, No. _____).

14 "County commissioners" means the board of county
15 commissioners or other similar body in home rule charter
16 counties.

17 "Established predetermined ratio" shall mean the ratio of
18 assessed value to market value established by the board of
19 county commissioners and uniformly applied in determining
20 assessed value in any year.

21 Section 2. Section 402 of the act, amended June 24, 1976
22 (P.L.422, No.100), is amended to read:

23 Section 402. Valuation of Property.--(a) It shall be the
24 duty of the several elected and appointed assessors, and, in
25 townships of the first class, of the assessors, assistant
26 township assessors and assistant triennial assessors, to
27 [assess,] rate and value all objects of taxation, whether for
28 county, city, township, town, school, institution district, poor
29 or borough purposes, according to the actual value thereof, and
30 at such rates and prices for which the same would separately

1 bona fide sell. In arriving at actual value the county may
2 utilize either the current market value or it may adopt a base
3 year market value. In arriving at such value the price at which
4 any property may actually have been sold either in the base year
5 or in the current taxable year, shall be considered but shall
6 not be controlling. Instead such selling price, estimated or
7 actual, shall be subject to revision by increase or decrease to
8 accomplish equalization with other similar property within the
9 taxing district. In arriving at the actual value, all three
10 methods; namely, cost (reproduction or replacement, as
11 applicable, less depreciation and all forms of obsolescence),
12 comparable sales, and income approaches, must be considered in
13 conjunction with one another. Except in counties of the first
14 class, no political subdivision shall levy real estate taxes on
15 a county-wide revised assessment of real property until it has
16 been completed for the entire county.

17 (a.1) The board of county commissioners shall establish and
18 determine after proper notice has been given an established
19 predetermined ratio of assessed value to actual value which may
20 not exceed one hundred per centum (100%) of actual value. The
21 commissioners, acting as a board of revision of taxes, or board
22 for the assessments and revision of taxes shall apply the
23 established predetermined ratio to the actual value of all real
24 property to formulate the assessment roll.

25 (b) Except as to counties of the first and second class,
26 after any county makes a county-wide revision of assessment of
27 real property at values based upon an established predetermined
28 ratio as required by law or after any county changes its
29 established predetermined ratio, each political subdivision,
30 which hereafter for the first time levies its real estate taxes

1 on that revised assessment or valuation, shall, for the first
2 year, reduce its tax rate, if necessary, for the purpose of
3 having the total amount of taxes levied for that year against
4 the real properties contained in the duplicate for the preceding
5 year, equal, in the case of any taxing district, not more than
6 ten per centum greater than the total amount it levied on such
7 properties the preceding year, notwithstanding the increased
8 valuations of such properties under the revised assessment. For
9 the purpose of determining the total amount of taxes to be
10 levied for said first year, the amount to be levied on newly
11 constructed buildings or structures or on increased valuations
12 based on new improvements made to existing houses need not be
13 considered. The tax rate shall be fixed for that year at a
14 figure which will accomplish this purpose. With the approval of
15 the court of common pleas, upon good cause shown, any such
16 political subdivision may increase the tax rate herein
17 prescribed, notwithstanding the provisions of this subsection.

18 Section 3. Section 505 of the act, amended October 5, 1978
19 (P.L.1142, No.269), is amended to read:

20 Section 505. Making Revisions.--(a) The county
21 commissioners, acting as the board of revision, or board of
22 revision of taxes, or board for the assessment and revision of
23 taxes, as the case may be, in each county, shall, on receiving
24 the returns of the elected or appointed assessors, proceed to
25 examine and inquire whether the same have been made in
26 conformity with the laws of this Commonwealth, and whether all
27 property to be valued for taxation for county purposes has been
28 valued [at a sum or price not less than the same would bring
29 after full public notice at a public sale, supposing each
30 separate lot or piece or tract of land, with the improvements,

1 or the personal property of each individual, company or
2 corporation only were to be sold] at actual value. They shall
3 receive and consider the written communication of any taxable
4 inhabitant of the county relative to any property which such
5 taxable inhabitant shall believe to have been [reduced] valued
6 too low, and, on the day appointed for determining whether any
7 property has been [reduced] valued too low or [assessed] too
8 high, they shall proceed to raise or lower the price or
9 valuation of any property which they shall believe to have been
10 [reduced] valued too low or [assessed] too high, and if they
11 cannot on the day appointed revise, raise and equalize the
12 valuation of all property, they may adjourn from day to day
13 until the whole of such valuation shall have been revised,
14 raised or equalized.

15 (b) The board is authorized to make additions and revisions
16 to the assessment roll of persons and property subject to local
17 taxation at any time in the year, so long as the notice
18 provisions are complied with. All additions and revisions shall
19 be a supplement to the assessment roll for levy and collection
20 of taxes for the tax year for which the assessment roll was
21 originally prepared, in addition to being added to the
22 assessment roll for the following calendar or fiscal tax years.

23 Section 4. Section 508 of the act, amended July 9, 1976
24 (P.L.854, No.151), is amended to read:

25 Section 508. Notice of Assessment, Rate, and Appeal.--It
26 shall be the duty of the several elected or appointed assessors
27 on receiving such transcript of the triennial assessment from
28 the county commissioners, acting as a board of revision, or the
29 board for the assessment and revision of taxes, as the case may
30 be, to give written or printed notice, at least five days before

1 the day of appeal, to every taxable inhabitant within the
2 respective ward, borough, town, township or district, the amount
3 of the present assessment, valuation and ratio, the amount or
4 sum of which he stands rated, and the rate per cent of the tax,
5 and of the time and place of such appeal. In every case where
6 the county commissioners, acting as a board of revision, or the
7 board for the assessment and revision of taxes, as the case may
8 be, shall [raise] change the [price or] valuation of any
9 property [which they believe has been valued or reduced by the
10 assessor too low,] or the established predetermined ratio a
11 statement of the present assessment, valuation and ratio and ←
12 ratio and a notice of such [increased] changed assessment,
13 valuation and ratio shall also be given to the owner or owners.

14 Section 5. Section 511 of the act is amended to read:

15 Section 511. Board of Revision to Hear and Pass on
16 Appeals.--(a) At the time and place fixed for the appeal,
17 whether at a triennial or inter-triennial assessment, the
18 commissioners, acting as a board of revision, or the board for
19 the assessment and revision of taxes, shall attend and hear all
20 persons who may apply for redress, and grant such relief as to
21 them shall appear just and reasonable: Provided, That the
22 commissioners, acting as a board of revision, or the board for
23 the assessment and revision of taxes, shall not make any
24 allowance or abatement in the valuation of any real estate, in
25 any other year than that in which the triennial assessment is
26 made, excepting where buildings or other improvements have been
27 destroyed, or where coal, ore, or other minerals assessed under
28 the triennial assessment have been mined out, subsequently to
29 such triennial assessment, in which cases such allowance or
30 abatement shall be made.

1 (b) In any appeal of an assessment the commissioners, acting
2 as a board of revision of taxes, or the board for the assessment
3 and revision of taxes, shall make the following determinations:

4 (1) The current market value of the property for the tax
5 year in question.

6 (2) The common level ratio.

7 (c) The county commissioners, acting as a board of revision
8 of taxes, or the board for the assessment and revision of taxes,
9 after determining the current market value of the property for
10 the tax year in question shall then apply the established
11 predetermined ratio to such value unless the common level ratio
12 varies by more than fifteen per centum (15%) from the
13 established predetermined ratio, in which case the commissioners
14 acting as a board of revision of taxes, or a board for the
15 assessment and revision of taxes, shall apply the common level
16 ratio to the current market value of the property for the tax
17 year in question.

18 (d) Nothing herein shall prevent any appellant from
19 appealing any base year valuation without reference to ratio.

20 Section 6. The act is amended by adding a section to read:

21 Section 518.2. Appeals to Court.--(a) In any appeal of an
22 assessment the court shall make the following determinations:

23 (1) The current market value of the property for the tax
24 year in question.

25 (2) The common level ratio.

26 (b) The court after determining the current market value of
27 the property for the tax year in question shall then apply the
28 established predetermined ratio to such value unless the common
29 level ratio varies by more than fifteen per centum (15%) from
30 the established predetermined ratio, in which case the court

1 shall apply the common level ratio to the current market value
2 of the property for the tax year in question.

3 (c) Nothing herein shall prevent any appellant from
4 appealing any base year valuation without reference to ratio.

5 Section 7. This act shall apply to appeals initiated after
6 January 1, 1983.

7 Section 8. This act shall take effect immediately.