

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 242 Session of  
2001

INTRODUCED BY GODSHALL AND CORNELL, JANUARY 29, 2001

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JANUARY 29, 2001

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," further providing for the valuation of  
11 property in counties of the second class A and third class  
12 and for auxiliary boards of assessment appeals; and providing  
13 for refunding of certain unconstitutionally collected  
14 personal property tax.

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

17 Section 1. Section 402(b) of the act of May 22, 1933  
18 (P.L.853, No.155), known as The General County Assessment Law,  
19 amended December 13, 1982 (P.L.1160, No.268), is amended to  
20 read:

21 Section 402. Valuation of Property.--\* \* \*

22 (b) (1) Except as to counties of the first and second class  
23 and except as otherwise provided in clause (2), after any county

1 makes a county-wide revision of assessment of real property at  
2 values based upon an established predetermined ratio as required  
3 by law or after any county changes its established predetermined  
4 ratio, each political subdivision, which hereafter for the first  
5 time levies its real estate taxes on that revised assessment or  
6 valuation, shall, for the first year, reduce its tax rate, if  
7 necessary, for the purpose of having the total amount of taxes  
8 levied for that year against the real properties contained in  
9 the duplicate for the preceding year, equal, in the case of any  
10 taxing district, not more than ten per centum greater than the  
11 total amount it levied on such properties the preceding year,  
12 notwithstanding the increased valuations of such properties  
13 under the revised assessment.

14 (2) After a county of the second class A or a county of the  
15 third class makes a county-wide revision of assessment of real  
16 property at values based upon an established predetermined ratio  
17 as required by law or after a county of the second class A or a  
18 county of the third class changes its established predetermined  
19 ratio, each political subdivision, which thereafter for the  
20 first time levies its real estate taxes on that revised  
21 assessment or valuation, shall, for the first year do the  
22 following:

23 (i) by a separate specific vote reduce its tax rate, if  
24 necessary, for the purpose of having the total amount of tax  
25 revenues from the tax levied for that year against the real  
26 properties contained in the duplicate for the preceding year,  
27 equal, in the case of any taxing district to the same amount of  
28 tax revenues from the tax levied on such properties in the  
29 preceding year; and

30 (ii) if necessary to increase tax revenues after the

1 reduction under subclause (i), by a second specific vote  
2 increase its tax rate to provide additional tax revenues subject  
3 to the limitation that the total amount of tax revenues from the  
4 tax levied for that year against the real properties contained  
5 in the duplicate for the preceding year equal not more than five  
6 per centum (5%) greater than the total amount of tax revenues  
7 derived from taxes levied on such properties in the preceding  
8 year provided however that the five per centum (5%) limitation  
9 shall not apply to school districts within second class A and  
10 third class counties that, as of the effective date of this  
11 subclause, have undertaken, by resolution of the board of school  
12 directors, a school construction and renovation program for  
13 which bond indebtedness has been or will be incurred, in which  
14 case a ten per centum (10%) limitation shall apply. No political  
15 subdivision may levy any taxes under this clause based on an  
16 assessment which has been revised within the last two calendar  
17 years, until the taxpayer has been advised by a written  
18 statement as to how the new assessment figures are calculated.  
19 Any program or method used to obtain new assessment figures  
20 shall be explained to the taxpayers in a written statement  
21 easily understood by the average individual. The information  
22 shall be made available to the taxpayers by the county  
23 commissioners.

24     (3) For the purpose of determining the total amount of taxes  
25 to be levied for [said] the first year under clause (1) or (2),  
26 the amount to be levied on newly constructed buildings or  
27 structures or on increased valuations based on new improvements  
28 made to existing houses need not be considered. The tax rate  
29 shall be fixed for that year at a figure which will accomplish  
30 this purpose.

1     (4) With the approval of the court of common pleas, upon  
2 good cause shown, any such political subdivision may increase  
3 the tax rate herein prescribed, notwithstanding the provisions  
4 of this subsection.

5     Section 2. The act is amended by adding a section to read:

6     Section 511.1. Appointment of Auxiliary Board of Assessment  
7 Appeals.--(a) In conjunction with a county-wide revision of  
8 assessments involving either a change in the established  
9 predetermined ratio or revaluing the properties and applying the  
10 predetermined ratio, the county commissioners of a county of the  
11 fourth, fifth, sixth, seventh or eighth class may,  
12 notwithstanding any other provision of law to the contrary,  
13 create up to four temporary auxiliary appeal boards, each to be  
14 known as an auxiliary appeal board. The county commissioners  
15 shall establish the term of existence for an auxiliary appeal  
16 board not to exceed eighteen months. An auxiliary appeal board  
17 shall be composed of three members who shall be appointed by the  
18 county commissioners to serve for the time that the auxiliary  
19 appeal board is in existence. Members of an auxiliary appeal  
20 board shall be competent and qualified residents of the county.  
21 Vacancies on an auxiliary appeal board shall be filled by  
22 appointment by the county commissioners for the duration of the  
23 auxiliary appeal board's existence. Any salary of members of an  
24 auxiliary appeal board shall be fixed by the salary board of the  
25 county. The authority of an auxiliary appeal board shall be  
26 limited to hearing and determining appeals from assessments in  
27 accordance with applicable provisions of law. After one or more  
28 auxiliary appeal boards have been established in accordance with  
29 this section, additional auxiliary appeal boards may be  
30 established only in conjunction with a succeeding county-wide

1 revision of assessments.

2     (b) Subject to the approval of the county commissioners, the  
3 authority in the county responsible for assessment appeals may  
4 adopt, amend, alter and rescind rules and regulations for the  
5 administration of, and the conduct of business and proceedings  
6 for, itself and for auxiliary appeal boards. The rules and  
7 regulations may require a witness providing testimony at a  
8 hearing relative to any aspect of the value of the real estate  
9 which is the subject of the assessment or reassessment appeal to  
10 disclose, under oath, whether any compensation paid for the  
11 testimony is contingent on the result obtained. The rules and  
12 regulations shall be in writing and shall be a public record  
13 open to examination, inspection and copying in accordance with  
14 the act of June 21, 1957 (P.L.390, No.212), referred to as the  
15 Right-to-Know Law.

16     (c) For the purpose of this section, an "auxiliary appeal  
17 board" shall mean an auxiliary board of assessment appeals in  
18 counties of the fourth, fifth, sixth, seventh or eighth class  
19 created in accordance with this section.

20     Section 3. (a) Notwithstanding the provisions of the act of  
21 May 21, 1943 (P.L.349, No.162), entitled "An act requiring  
22 political subdivisions to refund certain taxes, license fees,  
23 penalties, fines or moneys paid thereto, and providing procedure  
24 for obtaining such refunds," to the contrary, if the tax imposed  
25 under the act of June 17, 1913 (P.L.507, No.335), referred to as  
26 the Intangible Personal Property Tax Law, is held by final  
27 judgment of a court of competent jurisdiction to be  
28 unconstitutional in whole or in part, a county of the second,  
29 second class A or third through eighth classes including home  
30 rule counties of such classification and a city of the first

1 class coterminous with a county of the first class, imposing or  
2 having imposed that tax shall be responsible for refund of only  
3 the money attributable to the unconstitutional taxes levied and  
4 assessed in 2000 or thereafter.

5 (b) Within 60 days of the final judgment of a court as  
6 referred to in subsection (a), the taxing authority taking  
7 authority shall send notice of the availability of refund,  
8 together with the appropriate forms to request a refund, to each  
9 taxpayer, at the taxpayer's address of record, who paid the  
10 personal property tax levied and assessed in 1998 or thereafter.  
11 The notice shall include notice of the deadline for filing a  
12 refund request.

13 (c) Refund requests must be returned to the taxing authority  
14 or postmarked within 90 days of the mailing of the notice.  
15 Failure of a taxpayer to file on a timely basis shall relieve  
16 the taxing authority from liability for payment of a refund.

17 (d) The taxing authority shall make the appropriate refund  
18 within 90 days of the receipt of the taxpayer request. If the  
19 taxing authority, for reasonable cause, is not able to make a  
20 refund within the time limit specified the taxing authority may  
21 establish a repayment schedule of equal installments of up to  
22 three years and, in such circumstance, shall make payment  
23 together with interest on the sums at the same rate and in the  
24 same manner as the Commonwealth is required to pay under section  
25 806.1 of the act of April 9, 1929 (P.L.343, No.176), known as  
26 The Fiscal Code.

27 Section 4. The amendment of section 402 of the act shall be  
28 retroactive to January 1, 2001.

29 Section 5. This act shall take effect as follows:

30 (1) The amendment of section 402 of the act shall take

1 effect in 60 days.

2 (2) The remainder of this act shall take effect  
3 immediately.