

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 621 Session of  
2005

INTRODUCED BY GODSHALL, BUNT, CRAHALLA AND KILLION,  
FEBRUARY 16, 2005

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 16, 2005

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 July 15, 2004 (P.L.746, No.91), is amended to read:

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

21 (b) (1) Except as to counties of the first and second class  
22 and except as otherwise provided in clause (3), after any county  
23 makes a county-wide revision of assessment of real property at

1 values based upon an established predetermined ratio as required  
2 by law or after any county changes its established predetermined  
3 ratio, each political subdivision, which hereafter for the first  
4 time levies its real estate taxes on that revised assessment or  
5 valuation, shall, for the first year, reduce its tax rate, if  
6 necessary, for the purpose of having the total amount of taxes  
7 levied for that year against the real properties contained in  
8 the duplicate for the preceding year, equal, in the case of any  
9 taxing district, the total amount it levied on such properties  
10 the preceding year, notwithstanding the increased valuations of  
11 such properties under the revised assessment. The tax rate shall  
12 be fixed at a figure which will accomplish this purpose.

13 (2) After establishing a tax rate under clause (1), a  
14 political subdivision may, by a separate and specific vote,  
15 establish a final tax rate for the first year it levies its real  
16 estate taxes on a revised assessment or valuation. The tax rate  
17 under this clause shall be fixed at a figure which limits the  
18 total amount of taxes levied for that year against the real  
19 properties contained in the duplicate for the preceding year to  
20 not more than ten per centum greater than the total amount it  
21 levied on such properties the preceding year, notwithstanding  
22 the increased valuations of such properties under the revised  
23 assessment.

24 (2.1) After a county of the second class A or a county of  
25 the third class makes a county-wide revision of assessment of  
26 real property at values based upon an established predetermined  
27 ratio as required by law or after a county of the second class A  
28 or a county of the third class changes its established  
29 predetermined ratio, each political subdivision, which  
30 thereafter for the first time levies its real estate taxes on

1 that revised assessment or valuation, shall for the first year  
2 do the following:

3 (i) by a separate specific vote reduce its tax rate, if  
4 necessary, for the purpose of having the total amount of tax  
5 revenues from the tax levied for that year against the real  
6 properties contained in the duplicate for the preceding year,  
7 equal, in the case of any taxing district to the same amount of  
8 tax revenues from the tax levied on such properties in the  
9 preceding year; and

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

1 statement easily understood by the average individual. The  
2 information shall be made available to the taxpayers by the  
3 county commissioners.

4 (3) For the purpose of determining the total amount of taxes  
5 to be levied for said first year under clauses (1) [and (2)],  
6 (2) and (2.1), the amount to be levied on newly constructed  
7 buildings or structures or on increased valuations based on new  
8 improvements made to existing houses need not be considered.

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

13 \* \* \*

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

15 Section 511.1. Appointment of Auxiliary Board of Assessment  
16 Appeals.--(a) In conjunction with a county-wide revision of  
17 assessments involving either a change in the established  
18 predetermined ratio or revaluing the properties and applying the  
19 predetermined ratio, the county commissioners of a county of the  
20 fourth, fifth, sixth, seventh or eighth class may,  
21 notwithstanding any other provision of law to the contrary,  
22 create up to four temporary auxiliary appeal boards, each to be  
23 known as an auxiliary appeal board. The county commissioners  
24 shall establish the term of existence for an auxiliary appeal  
25 board not to exceed eighteen months. An auxiliary appeal board  
26 shall be composed of three members who shall be appointed by the  
27 county commissioners to serve for the time that the auxiliary  
28 appeal board is in existence. Members of an auxiliary appeal  
29 board shall be competent and qualified residents of the county.  
30 Vacancies on an auxiliary appeal board shall be filled by

1 appointment by the county commissioners for the duration of the  
2 auxiliary appeal board's existence. Any salary of members of an  
3 auxiliary appeal board shall be fixed by the salary board of the  
4 county. The authority of an auxiliary appeal board shall be  
5 limited to hearing and determining appeals from assessments in  
6 accordance with applicable provisions of law. After one or more  
7 auxiliary appeal boards have been established in accordance with  
8 this section, additional auxiliary appeal boards may be  
9 established only in conjunction with a succeeding county-wide  
10 revision of assessments.

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

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

29 Section 3. (a) Notwithstanding the provisions of the act of  
30 May 21, 1943 (P.L.349, No.162), entitled "An act requiring

1 political subdivisions to refund certain taxes, license fees,  
2 penalties, fines or moneys paid thereto, and providing procedure  
3 for obtaining such refunds," to the contrary, if the tax imposed  
4 under the act of June 17, 1913 (P.L.507, No.335), referred to as  
5 the Intangible Personal Property Tax Law, is held by final  
6 judgment of a court of competent jurisdiction to be  
7 unconstitutional in whole or in part, a county of the second,  
8 second class A or third through eighth classes including home  
9 rule counties of such classification and a city of the first  
10 class coterminous with a county of the first class, imposing or  
11 having imposed that tax shall be responsible for refund of only  
12 the money attributable to the unconstitutional taxes levied and  
13 assessed in 2000 or thereafter.

14 (b) Within 60 days of the final judgment of a court as  
15 referred to in subsection (a), the taxing authority taking  
16 authority shall send notice of the availability of refund,  
17 together with the appropriate forms to request a refund, to each  
18 taxpayer, at the taxpayer's address of record, who paid the  
19 personal property tax levied and assessed in 1998 or thereafter.  
20 The notice shall include notice of the deadline for filing a  
21 refund request.

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

26 (d) The taxing authority shall make the appropriate refund  
27 within 90 days of the receipt of the taxpayer request. If the  
28 taxing authority, for reasonable cause, is not able to make a  
29 refund within the time limit specified the taxing authority may  
30 establish a repayment schedule of equal installments of up to

1 three years and, in such circumstance, shall make payment  
2 together with interest on the sums at the same rate and in the  
3 same manner as the Commonwealth is required to pay under section  
4 806.1 of the act of April 9, 1929 (P.L.343, No.176), known as  
5 The Fiscal Code.

6 Section 4. The amendment of section 402 of the act shall be  
7 retroactive to January 1, 2005.

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

9 (1) The amendment of section 402 of the act shall take  
10 effect in 60 days.

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