



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 477

PRINTERS NO. 1783

PRIME SPONSOR: J. Ward

### COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
Local Funds	\$0	\$0

**SUMMARY:** Provides for submission of building permit information to a county assessment office and for municipal boundary changes. This legislation would take effect in 60 days.

**ANALYSIS:** The legislation amends Title 53 (Municipalities Generally) providing for submission of building permit information to a county assessment office and for municipal boundary changes. Specifically, this legislation amends the Consolidated County Assessment Law in Title 53 to further facilitate the existing statutory requirement that building permit information be submitted to the county assessment office and consolidates the existing legal process for contesting a municipal boundary in court and provides new statutory procedures for changes in boundaries between municipalities by agreement or referendum.

**Consolidated County Assessment Law Changes:** This legislation specifies that the currently required submission of building permit information by municipalities, third-party agency code officials (TPAs) and the Department of Labor and Industry (L&I) to the county assessment office will not be subject to the procedures of the Right to-Know Law, and that submission of the information will not result in any criminal or civil liability.

The legislation further provides remedies to the county assessment office, should the county not receive the required submissions. If there is noncompliance, the assessment office will notify, in writing, the party responsible for submitting the information.

- In the case of continuing noncompliance by a municipality or a third-party agency, the assessment office may institute an action in mandamus before the court of common pleas to compel compliance, and upon a finding that the noncompliance was intentional, the court is required to order payment of the assessment office's costs and fees.

Additionally, the legislation contains a provision to authorize counties to enact ordinances requiring persons undertaking substantial improvements to property to submit information related to the improvement to the assessment office, regardless of whether the municipality requires a building permit. The county may:

- provide for the electronic submission of the forms;
- cooperate with the municipality, a TPA or L&I in the distribution of the forms; and
- charge \$5.00 or the actual cost of producing and processing the form, whichever is less.

This legislation will convert the current summary offense penalty (up to \$50) to a civil penalty of up to \$100, applicable to owners for:

- failing to submit information on substantial improvements when a permit is not required;
- submitting fraudulent information; or
- noncompliance with an ordinance requiring improvement information.

The Consolidated County Assessment Law currently authorizes the assessment office to change an assessment of property for “normal regular repairs” exceeding a value of \$2,500. This legislation repeals this monetary threshold and consequently removes all “normal regular repairs,” as newly defined, from grounds for an assessment adjustment. The legislation also increases the threshold of “substantial improvements” required to be reported to the assessment office in Section 8861(b) from \$2,500 with \$4,000 in value and subjects that value to any increase in the Consumer Price Index for each ensuing year.

The legislation will “grandfather” any existing county requirements for the submission of improvement information.

**Municipal Boundary Changes:** This legislation establishes two new chapters, A and B, in Chapter 7 of Title 53 to consolidate and modernize all law relating to a change in municipal boundaries other than changes that occur incident to a municipal merger or consolidation under existing subchapter c. To bring this to effect, the legislation has four primary objectives:

1. Reenact the provisions of the Second-Class Township Code, First Class Township Code, Borough Code and Third-Class City Code that allow a court of common pleas to establish a legal territorial boundary where the existing boundary is in dispute by appointing a board of three commissioners to hold a hearing and view to determine the boundaries.
2. Establish a new process by which municipal officials from adjoining municipal corporations can make an agreement by ordinance to adjust a municipal boundary or settle a dispute where an existing boundary is unclear.
  - a. Prior to the adoption of an ordinance to adjust a municipal boundary each municipality shall have a meeting to allow for public comment at least 10 days after the introduction of the ordinance and 10 days prior to the adoption of the ordinance. The public comments can be received a joint meeting of both municipalities.
  - b. The agreement of the municipalities will lead to a boundary change in taking effect on the following January 1 in most cases after the officials notify the commissioners of the county or counties impacted by the change and any owner of land that will be impacted by the change if no petition is filed protesting the ordinance.
  - c. A petition protesting the ordinance can be filed by any directly impacted landowner or by 20% of the registered electors in any impacted municipal corporation. In response to a petition, the question of whether the boundary should change will be submitted to the voters of the municipal corporation at the next primary, municipal, or general election for approval. A boundary change can only take effect if it has been approved by each impacted municipality.
  - d. Counties can use the mechanisms found in this section to transfer territory between counties only to the extent necessary to make a county boundary

consistent with a municipal boundary where a municipality has been divided by a county boundary.

3. Require consistent notification of county and state officials and agencies of the boundary change. After an effective boundary change, municipal officials will submit a report describing the boundary change, including a land survey of the boundary, coordinates of monuments and information regarding the assessed valuation of the impacted territory to:
  - a. The appropriate county board of elections
  - b. The Department of Community and Economic Development
  - c. The Department of Transportation
  - d. The Governor's Office of Policy Development
  - e. The Department of Education
  - f. The State Tax Equalization Board
  - g. The Legislative Data Process Committee
4. Clarify and establish the rights and responsibilities of municipal corporations after a change of boundary occurs, including adjustment of municipal wards, collection of taxes, adjustment of election districts and adjustment of debts associated with impacted territory. The governing bodies of the municipal corporations may resolve questions of apportionment of property rights, finances, apportionment of indebtedness and tax collections by agreement, or petition the court of common pleas for adjustment proceedings under subchapter b.

**FISCAL IMPACT:** This legislation would have no adverse fiscal impact on Commonwealth or local funds.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** June 21, 2022

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*