

AN ACT

1 Amending the act of June 27, 1996 (P.L.403, No.58), entitled "An
2 act to enhance community and economic development in this
3 Commonwealth by restructuring certain administrative
4 functions and entities; changing the name of the Department
5 of Commerce to the Department of Community and Economic
6 Development; transferring functions of the Department of
7 Community Affairs into the Department of Community and
8 Economic Development and other agencies; providing for a
9 Deputy Secretary for Community Affairs and Development in the
10 Department of Community and Economic Development;
11 establishing the Center for Local Government Services and the
12 Local Government Advisory Committee; establishing the Small
13 Business Advocacy Council; conferring powers and duties on
14 the Legislative Reference Bureau; and making repeals,"
15 codifying the State Tax Equalization Board into the act;
16 further providing for creation of board, for membership, for
17 general powers and duties and for common level ratio;
18 providing for publication of information by board funding
19 contingency; and making a related repeal.

20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:

22 Section 1. The act of June 27, 1996 (P.L.403, No.58), known
23 as the Community and Economic Development Enhancement Act, is
24 amended by adding a chapter to read:

25 CHAPTER 15

26 STATE TAX EQUALIZATION BOARD

1 Section 1500. Definitions.

2 The following words and phrases when used in this chapter
3 shall have the meanings given to them in this section unless the
4 context clearly indicates otherwise:

5 "Board." The State Tax Equalization Board.

6 Section 1501. Creation of board.

7 The State Tax Equalization Board is established within the
8 department.

9 Section 1502. Membership.

10 (a) Members.--The board shall consist of three members who
11 must be citizens of the United States, residents of this
12 Commonwealth and qualified electors for a period of at least one
13 year next preceding their appointments. Each appointee must be
14 familiar by training or experience with the problems involved in
15 the work of the board.

16 (b) Appointment and service.--

17 (1) The members of the board shall be appointed by the
18 Governor for terms of four years each, or until their
19 successors are appointed and qualified. A vacancy shall be
20 filled by appointment of the Governor for the unexpired term.

21 (2) A member of the board may, after notice and an
22 opportunity to be heard, be removed for cause by the
23 Governor.

24 (c) Compensation.--The chairman of the board shall receive
25 an annual salary of \$25,000, and each other member shall receive
26 an annual salary of \$24,000.

27 Section 1503. Chairman.

28 The Governor shall designate one of the members as chairman.
29 The chairman shall be in charge of the administration of the
30 board and the transaction of its routine business and shall

1 execute the orders and policies of the board. The chairman may
2 delegate to a member the authority to act for the chairman.

3 Section 1504. Quorum.

4 Two members of the board shall constitute a quorum and any
5 action of the board shall require the approval of two members.

6 Section 1505. Individual powers of members of the board.

7 (a) Authority.--Any investigation, inquiry or hearing, which
8 the board has power to undertake or hold may be undertaken or
9 held by one or more individual members of the board.

10 (b) Effect.--

11 (1) Conduct under subsection (a) shall be deemed to be
12 conduct of the board.

13 (2) In order to be effective, any determination, ruling
14 or order based upon conduct under subsection (a) must be:

15 (i) approved and confirmed by a quorum of the board;
16 and

17 (ii) filed in the office of the board.

18 (3) Upon compliance with paragraph (2), the
19 determination, ruling or order shall be the determination,
20 ruling or order of the board.

21 (c) Agents and examiners.--

22 (1) In any investigation, inquiry or hearing, which may
23 be instituted, the board is authorized to employ special
24 agents or examiners.

25 (2) Agents and examiners under this subsection are
26 authorized to administer oaths, examine witnesses and receive
27 evidence, in a locality designated by the board. Evidence
28 under this paragraph shall have the same force and effect as
29 if taken or received by the board or any one or more of its
30 members under subsections (a) and (b).

1 Section 1506. Administrative assistance.

2 The department shall provide appropriate administrative,
3 legal and technical support as needed by the board in order to
4 accomplish its purpose.

5 Section 1507. General powers and duties.

6 The board has the following powers and duties:

7 (1) To determine the market value of taxable real
8 property in each school district and to conduct
9 investigations, require information and have access to public
10 records necessary to make the determination under this
11 paragraph.

12 (2) To require, in counties of the first class, the
13 board of revision of taxes of such county, or its successor
14 agency, and the county commissioners, or the body or
15 individual exercising equivalent authority, of each county
16 other than a county of the first class, to furnish a monthly
17 list of all conveyances or other transfers of real estate, or
18 any interest in real estate, recorded within the county
19 during the preceding month, stating the value of the Federal
20 tax stamps affixed to the deed for each conveyance, and the
21 assessed valuations for county tax purposes of the real
22 estate.

23 (3) To certify to the Department of Education and to the
24 board of school directors of each school district:

25 (i) by July 1 of each odd-numbered year, a list of
26 all school districts showing the market value of taxable
27 real property and the assessed valuation for county tax
28 purposes; and

29 (ii) by July 1 of each even-numbered year, the
30 changes in market values which result from properties

1 going on or off the assessment rolls for taxation
2 purposes.

3 (3.1) By July 1 of each odd-numbered year, to furnish to
4 the board of school directors of each school district
5 information as pertains to taxable real property in that
6 school district.

7 (4) To hear and decide appeals of parties that are
8 aggrieved by a finding or conclusion of the board.

9 (5) To:

10 (i) investigate the finances and general
11 circumstances of a school district requesting special aid
12 from the Department of Education; and

13 (ii) advise the Department of Education in making
14 grants of special aid.

15 (6) To make surveys and investigations of the finances
16 of school districts in the interest of a more equitable
17 distribution of school support.

18 (7) To subpoena State and local officials and to require
19 from them information as necessary for the proper discharge
20 of its duties.

21 (8) To discharge functions imposed upon departmental
22 administrative boards by the act of April 9, 1929 (P.L.177,
23 No.175), known as The Administrative Code of 1929.

24 (9) To establish, annually, by July 1, a common level
25 ratio of assessed value to market value in each county for
26 the prior calendar year.

27 (10) To meet as necessary and at least every other month
28 to approve or confirm any determination, ruling or order
29 pursuant to section 1505.

30 (11) To create in consultation with the County

1 Commissioners Association of Pennsylvania and the Assessors'
2 Association of Pennsylvania an operations manual to be
3 utilized by counties when completing a countywide
4 reassessment or when valuating property.

5 (12) To create and maintain a centralized and
6 standardized Statewide database for counties to utilize and
7 report to the board all property values and data as required
8 by the board.

9 (13) To develop and maintain Statewide training programs
10 for all persons involved in the valuation of property within
11 all of the counties of this Commonwealth. These programs
12 shall provide basic and detailed training that shall be
13 completed and passed by any person employed to collect,
14 compile, compare or handle data associated with the valuation
15 of any property for purposes of reassessment valuation within
16 this Commonwealth.

17 (14) To develop standards on contracting for assessment
18 services in consultation with the County Commissioners
19 Association of Pennsylvania and the Assessors' Association of
20 Pennsylvania, taking into consideration the standards
21 published by the International Association of Assessing
22 Officers. The standards shall:

23 (i) Require that the methodology used by any person,
24 company or organization to value property in this
25 Commonwealth be made public.

26 (ii) State that all data and calculations are the
27 property of the county and this Commonwealth.

28 Section 1508. Compilation of data.

29 (a) Requirement.--The board shall accumulate and compile
30 data:

1 (1) showing the prices at which real property in each
2 school district has been sold and all other available matter
3 relevant to the market value of real property in all school
4 districts; and

5 (2) concerning new sales and improvements and other data
6 necessary to ensure that the records of the board show the
7 current present market value of real property in each school
8 district as nearly as the same can be determined.

9 (b) Authority.--In compiling data, the board is authorized
10 to examine all of the following:

11 (1) Local tax assessment records maintained by local
12 assessors or county and city assessors and boards,
13 commissions or departments charged with the duty of revising
14 assessments.

15 (2) Public records.

16 Section 1509. Monthly reports by counties and Commonwealth
17 payments.

18 (a) Duty.--The following shall apply:

19 (1) It shall be the duty of the following entities to
20 prepare, certify and electronically deliver to the board on
21 the 15th day of each month a list as prescribed by the board
22 of all conveyances or other transfers of real estate or any
23 interest in real estate, conveyed consistent with any
24 procedures for excluding sales data established in accordance
25 with section 1516.2(2), recorded within the county during the
26 preceding month:

27 (i) In counties of the first class, the board of
28 revision of taxes or its successor agency.

29 (ii) In counties of the second class, the office of
30 property assessment or its successor agency.

1 (iii) In counties of the second class A through
2 eighth class, the board as defined in 53 Pa.C.S. § 8802
3 (relating to definitions).

4 (2) The list under paragraph (1) shall include the value
5 of the Federal tax stamps affixed to the deed for each
6 conveyance or transfer as set forth on the list and the
7 assessed valuation for county tax purposes of the real
8 estate.

9 (3) At the end of each month, a list of all the real
10 estate conveyed or transferred within the county during the
11 month, stating the value of Federal tax stamps affixed to the
12 instrument conveying or transferring the real estate or any
13 interest in the real estate, shall be prepared and delivered
14 as follows:

15 (i) In counties of the first class, the recorder of
16 deeds shall prepare and deliver the list to the board of
17 revision of taxes or its successor agency.

18 (ii) In all counties except for a county of the
19 first class, the recorder of deeds shall prepare and
20 deliver the list to the county commissioners or the body
21 or agency exercising equivalent authority.

22 (b) Payment.--The board shall pay to the board of revision
23 of taxes, or its successor agency, of counties of the first
24 class and to the county commissioners, or the body or individual
25 exercising equivalent authority, of every county except a county
26 of the first class the sum of 20¢ for each conveyance or
27 transfer of real estate on each list prepared, certified and
28 delivered to the board for its use under this section.

29 Section 1510. Annual reports of local assessing officials.

30 By June 1 of each year, the following entities shall file

1 with the board a certificate prescribed by the board and on
2 blanks furnished by the board showing the assessed valuation of
3 all real property in each school district in the county on which
4 the taxes for the then current year are levied:

5 (1) The board of revision of taxes, or its successor
6 agency, of counties of the first class.

7 (2) The office of property assessment, or its successor
8 agency, of counties of the second class.

9 (3) The board as defined in 53 Pa.C.S. § 8802 (relating
10 to definitions).

11 Section 1511. Market value and percentage of value.

12 From the data compiled under section 1510, the board shall as
13 soon as possible after July 1, determine the market value of
14 real property in each school district and the percentage of the
15 market value as determined by the assessed valuation for county
16 tax purposes.

17 Section 1512. Certification.

18 As soon as the market value of the real property in each
19 school district in this Commonwealth has been determined and the
20 percentage of the value of the assessed valuation for county tax
21 purposes has been established, the board shall certify the
22 amounts to the Department of Education and for each school
23 district to the board of school directors.

24 Section 1513. Objections.

25 (a) School district.--Any school district aggrieved by any
26 finding or conclusion of the board affecting the amount of any
27 Commonwealth subsidy payable to it may file written objections
28 with the board.

29 (b) Hearing.--The board shall conduct a hearing at which the
30 board and the school district may submit evidence to show that

1 the findings of the board are incorrect and present arguments to
2 substantiate its contentions.

3 (c) Findings.--Following review of all the evidence
4 submitted and the arguments of the school district, the board
5 may make modifications and adjustments of its findings and
6 computations as appropriate or dismiss the objections. The board
7 shall prepare written findings of fact based upon all the
8 evidence submitted.

9 (d) Final valuations.--Any valuations adjusted under
10 subsection (c) shall form the basis of valuations used to
11 determine the amounts of Commonwealth educational subsidies.
12 Section 1514. Annual adjustments.

13 By July 1 of each odd-numbered year, the board shall adjust
14 the market value of real property in each school district to
15 conform with new data accumulated since the market values for
16 the last preceding two years were determined. The board shall
17 determine the percentage of the market value of the assessed
18 valuation of all real property in the school district on which
19 county taxes for the then current year are levied. The market
20 values, percentages and adjustments shall be certified to the
21 Department of Education and each school district with the same
22 right to hearings as provided under section 1513.

23 Section 1515. Determination and apportionment.

24 (a) Certification.--As soon as possible each odd-numbered
25 year and after the final adjustment of values by the board, the
26 board shall certify to the Department of Education the market
27 value of all real property in each school district.

28 (b) Standard reimbursement fraction.--Each school district's
29 assessed valuation to be used for purposes of computing its
30 standard reimbursement fraction shall be the market value under

1 subsection (a).

2 (c) Payments.--Every two years the market value under
3 subsection (a) shall be used by the Department of Education to
4 determine the amount of funds needed to meet payments required
5 by law to school districts and vocational schools within the two
6 fiscal years beginning every June 1 and ending every May 31. The
7 Department of Education shall allot the payments to the
8 respective school districts.

9 Section 1516. Special aid to school districts.

10 Before granting any special aid to a school district, the
11 Department of Education shall submit the request for special aid
12 to the board. The board shall make its recommendations with
13 consideration given to the school district's ability to raise
14 funds by taxation. Before making any recommendation, the board
15 shall carefully investigate and study the financial
16 circumstances of the school district and whether or not it has
17 exhausted its available taxing power not only on real property,
18 but also on all other available property and subjects of
19 taxation, and that collection of taxes is being effectively
20 conducted and enforced. Recommendations shall be transmitted to
21 the Department of Education.

22 Section 1516.1. Common level ratio.

23 (a) Establishment.--The board shall annually, prior to July
24 1, establish for each county a common level ratio for the prior
25 calendar year.

26 (b) Method.--In arriving at the ratio, the board shall use
27 statistically acceptable techniques, including sales ratio
28 studies. The board's method in arriving at the ratio shall be
29 public information. The ratio shall be certified to the chief
30 assessor of each county and shall be admissible as evidence in

1 any appeal involving real property tax assessments.

2 (c) Appeal.--Any political subdivision or taxpayer aggrieved
3 by any finding, conclusion, method or technique of the board
4 made under this section may, in writing, file objections to and
5 appeal de novo the ratio determination to Commonwealth Court.
6 After receiving the objections, the board may grant a hearing
7 and may modify or adjust its findings and computations as
8 appropriate.

9 (d) Review.--If the common level ratio increases or
10 decreases by ten percent or more, the board shall immediately
11 review its findings prior to certification of the ratio.

12 Section 1516.2. Publication of information by board.

13 The board shall publish the following information that shall
14 be updated annually:

15 (1) The statistical methods used to calculate the common
16 level ratio and the State Tax Equalization Board market
17 ratio.

18 (2) Procedures for excluding sales data and how the
19 procedures compare with practices of the International
20 Association of Assessing Officers.

21 (3) Procedures to ensure that dissimilar properties are
22 not treated as a single group.

23 (4) Standards to be used for sales sample size and
24 procedures to be used when sales samples are not adequate.

25 If a municipality contracts for services relating to an
26 assessment, the data collected by the contractor must be
27 transmitted to the municipality within 60 days of its collection
28 or development.

29 Section 1517. Saving clause.

30 Nothing in this chapter shall be construed to change or

1 affect the validity of the assessed valuation of any real
2 property for the purpose of levying taxes by any political
3 subdivision.

4 Section 1518. (Reserved).

5 Section 1519. Repeal.

6 All acts and parts of acts are repealed insofar as they are
7 inconsistent with this chapter.

8 Section 1520. (Reserved).

9 Section 1521. Funding contingency.

10 The board's authority to carry out the duties set forth in
11 section 1507(11), (12), (13) and (14) is contingent upon receipt
12 of an appropriation in an amount sufficient to complete these
13 duties.

14 Section 2. Repeals are as follows:

15 (1) The General Assembly declares that the repeal under
16 paragraph (2) is necessary to effectuate the addition of
17 Chapter 15 of the act.

18 (2) The act of June 27, 1947 (P.L.1046, No.447),
19 referred to as the State Tax Equalization Board Law, is
20 repealed.

21 (3) All acts and parts of acts are repealed insofar as
22 they are inconsistent with this act.

23 Section 3. The addition of Chapter 15 of the act is a
24 continuation of the act of June 27, 1947 (P.L.1046, No.447),
25 referred to as the State Tax Equalization Board Law. The
26 following apply:

27 (1) Except as otherwise provided in Chapter 15 of the
28 act, all activities initiated under the State Tax
29 Equalization Board Law shall continue and remain in full
30 force and effect and may be completed under Chapter 15 of the

1 act. Resolutions, orders, regulations, rules, decisions and
2 sequence of methods used for arriving at market value for
3 odd-numbered and even-numbered years which were made under
4 the State Tax Equalization Board Law and which are in effect
5 on the effective date of this section shall remain in full
6 force and effect until revoked, vacated or modified under
7 Chapter 15 of the act. Contracts, obligations and agreements
8 entered into under the State Tax Equalization Board Law are
9 not affected nor impaired by the repeal of the State Tax
10 Equalization Board Law.

11 (2) The Legislative Reference Bureau has the power and
12 duty to recodify regulations of the State Tax Equalization
13 Board to effectuate the addition of section 1501 of the act.

14 (3) Except as set forth in paragraph (4), any difference
15 in language between Chapter 15 of the act and the State Tax
16 Equalization Board Law is intended only to conform to the
17 style of the addition of a new chapter to the act and is not
18 intended to change or affect the legislative intent, judicial
19 construction or administrative interpretation and
20 implementation of the State Tax Equalization Board Law.

21 (4) Paragraph (3) does not apply to the addition of the
22 following provisions of the act:

23 (i) Section 1501.

24 (ii) Section 1502(c).

25 (iii) Section 1507(8), (10), (11), (12), (13) and
26 (14).

27 (iv) Section 1516.1(d).

28 (v) Section 1516.2.

29 (vi) Section 1521.

30 Section 4. This act shall take effect immediately.