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Senate Bill 785, Printer's Number 1381

**Amending the Consolidated County Assessment Law –
Clarifying the assessment of buildings**

This bill, as originally introduced, amended the Consolidated County Assessment Law (CCAL)¹ to clarify that buildings, whether or not “permanently attached to land, water, gas, electric or sewer facilities,” are subjects of taxation for real estate tax purposes. The phrase was inadvertently inserted during the codification of three major assessment laws in 2010 (Act 93 of 2010).

As amended by the Senate Local Government Committee, the bill provides a limited exemption for a “de minimis structure” of 200 square feet or less that is not permanently attached to land or connected with water, gas, electric or sewage facilities. On October 28, 2015, the House Local Government Committee amended the definition of “de minimis structure” to permit a structure of 200 square feet or less to be connected to electric or water and remain exempt from real estate taxation.

Additionally, this bill provides a limited exemption for certain agricultural buildings of 1,000 square feet or less that are not permanently attached to land or connected with water, gas, electric or sewage facilities. “Agricultural building” is defined as:

A structure utilized to store farm implements, hay, feed, grain or other agricultural or horticultural products or to house poultry, livestock or other farm animals, a milk house and a structure used to grow mushrooms, agricultural or horticultural products. The term includes a carriage house owned and used by members of a recognized religious sect for the purposes of housing horses and storing buggies. The term shall not include habitable space or spaces in which agricultural products are processed, treated or packaged and shall not be construed to mean a place of occupancy by the general public.²

¹ Title 53 of the Pennsylvania Consolidated Statutes, Chapter 88.

² As provided in Section 103 of the Pennsylvania Construction Code Act.

In a recent court decision, *Pedersen v. Monroe County Board of Assessment Appeals*,³ the court interpreted the plain language of Section 8811(a)(1)(iii) of CCAL as prohibiting the assessment of a prefabricated shed as real estate because it was not a “building permanently attached to the land or connected with water, gas, electric or sewage facilities” as outlined under Section 8811(a). This decision is contrary to the General Assembly’s objective in the section.

There was no intent to change current law with regard to the assessment of sheds and other out buildings by Act 93. Counties have always had the authority to value these buildings for real estate tax purposes. As noted by the Local Government Commission’s commentary for Senate Bill 918,⁴ “Many of the substantive changes were a result of reconciling the differing provisions of the assessment laws and/or codifying case law.” As per the section-by-section commentary for Senate Bill 918, there were no intended substantive amendments to Section 8811(a) other than the inclusion of telecommunication towers as property subject to real estate taxation.⁵

This bill was introduced at the request of the County Commissioners Association of Pennsylvania.

In the 2013-2014 session, this bill was introduced as House Bill 2131. The bill was given first consideration by the House, but no further action was taken prior to sine die adjournment. This legislation was also introduced in the Senate during the 2013-2014 session as Senate Bill 1322. The bill was given first consideration by the Senate, and was subsequently re-referred to the Senate Appropriations Committee where it remained upon sine die adjournment.

³ 84 A.3d 402 (Pa. Cmwlth. 2014).

⁴ Senate Bill 918 of 2009 was enacted as Act 93 of 2010, which added the Consolidated County Assessment Law into Title 53 of the Pennsylvania Consolidated Statutes.

⁵ The addition of telecommunication towers as a subject of taxation incorporates the holding of *Shenandoah Mobile v. Dauphin County Board of Assessment*, 869 A.2d 562 (Pa. Cmwlth. 2005).

This document is for information purposes only. It is not an official restatement of the complete contents of the bill and existing law, and should not be construed as a legal opinion concerning the content or meaning of either.