

GENERAL LOCAL GOVERNMENT CODE (53 PA.C.S.) - CITIES AND COUNTIES
OF THE FIRST CLASS, ADMINISTRATION AND PROCEDURE AND
APPLICABILITY

Act of Jul. 5, 2012, P.L. 1097, No. 131

Cl. 53

Session of 2012
No. 2012-131

SB 1301

AN ACT

Amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in assessments of persons and property, providing for cities and counties of the first class, further providing for definitions and for administration and procedure and providing for applicability.

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

Section 1. The heading of Chapter 85 of Title 53 of the Pennsylvania Consolidated Statutes is amended to read:

CHAPTER 85

ASSESSMENTS OF PERSONS AND PROPERTY

Subchapter

A. through [D] C. (Reserved)

D. Cities and Counties of the First Class

E. Real Estate Tax Deferral

F. Homestead Property Exclusion

SUBCHAPTERS A through [D] C

(Reserved)

Section 1.1. Chapter 85 of Title 53 is amended by adding a subchapter to read:

SUBCHAPTER D

CITIES AND COUNTIES OF THE FIRST CLASS

Sec.

8561. Scope of subchapter.

8562. Definitions.

8563. (Reserved).

8564. (Reserved).

8565. Assessments and appeals for certain tax years.

§ 8561. Scope of subchapter.

This subchapter relates to assessments in cities and counties of the first class.

§ 8562. Definitions.

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

"Act 1939-404." The act of June 27, 1939 (P.L.1199, No.404), entitled "An act relating to the assessment of real and personal property and other subjects of taxation in counties of the first class; providing for the appointment of members of the board of revision of taxes by the judges of the courts of common pleas; providing for the appointment, by the board, of personal property assessors, real estate assessors and assistant real estate assessors, clerks and other employees; fixing the salaries of members of the board, assessors and assistant assessors, and providing for the payment of salaries and expenses from the county treasury; prescribing the powers and duties of the board and of the assessors, the time and manner of making assessments, of the revision and notice of assessments and of appeals

therefrom; prescribing the records of assessments; and repealing existing laws."

"Assessment office." The office of property assessment in a city.

"Board." The board of revision of taxes or a successor body authorized by a city to determine assessment appeals in a city.

"City." A city of the first class.

"Common level ratio." The ratio of assessed value to market value as determined by the State Tax Equalization Board under the act of June 27, 1947 (P.L.1046, No.447), referred to as the State Tax Equalization Board Law.

"County." A county of the first class.

"Established predetermined ratio." The ratio of assessed value to market value established under Act 1939-404 and uniformly applied in determining assessed value in any year.

"Governing body." The governing body of a city.

"School district." A school district of the first class.

§ 8563. (Reserved).

§ 8564. (Reserved).

§ 8565. Assessments and appeals for certain tax years.

(a) Legislative findings.--The General Assembly finds and declares as follows:

(1) Real estate tax assessment in a city has become increasingly at variance with principles of uniformity and sound assessment.

(2) The deficiencies under paragraph (1) have been determined to be remedied by a citywide reassessment, sometimes referred to as the "actual value initiative."

(3) The reassessment of all properties located in a city is likely to cause substantial shifts in tax liabilities among various neighborhoods and groups of taxpayers. These shifts are likely to increase substantially the tax burdens on residential properties, particularly those properties with low to medium values.

(4) As part of a reassessment, the governing body must make a major revision to the applicable tax rates in order to maintain tax revenues and fund any required tax increases. The governing body must take into account enactment of a homestead exclusion and perhaps other measures in order to alleviate an increased tax burden on lower value residential properties.

(5) The governing body cannot responsibly determine the applicable tax rates without knowing the value of the tax base to which the rates apply. Currently, a city's budget, including tax revenues, must be enacted by each June 30, but tax assessments are not finalized until the following September.

(6) Implementation by a city of an actual value initiative will be helped by requiring that assessed values be determined prior to adopting the city's budget and by the applicable assessment officials completing the task of determining the tax base in the city.

(7) The common level ratio for a city applicable to tax year 2012, certified by the State Tax Equalization Board and published at 42 Pa.B. 2152 (April 14, 2012), has been disputed and may be subject to further dispute. The common level ratio for tax year 2013 may have similar uncertainties. The ratios for both years are determined by a State Tax Equalization Board assessment tool new to the review of properties in a city.

(8) The common level ratio for a city applicable to tax year 2011, based on 2009 data and published at 40 Pa.B. 4069

(July 17, 2010), has not been disputed and is the same as the applicable established predetermined ratio.

(9) Special provisions are necessary in order to address the findings set forth in this subsection.

(b) Certification of values.--Notwithstanding any other provision of law:

(1) For tax year 2013, the assessment office shall certify assessed values at the assessed values certified for tax year 2011, adjusted for subsequent improvements, demolition and destruction. The assessed values certified for tax year 2013 under this paragraph shall apply to all taxes on or measured by assessed values levied by a city or a school district for tax year 2013 notwithstanding any contrary enactment of a city or a school district or any contrary certification by a city, city agency or school district.

(2) For tax years after tax year 2013, the assessment office shall certify market values at actual market value. In arriving at actual market value, the price at which any property may actually have been sold shall be considered but shall not be controlling. In arriving at the actual market value:

(i) All three of the following valuation methods shall be considered in conjunction with one another:

(A) Reproduction or replacement cost, as applicable, minus:

(I) depreciation; and

(II) all forms of obsolescence.

(B) Comparable sales.

(C) Income.

(ii) The valuation process may employ systems, methodologies and technologies that meet nationally recognized assessment standards.

(c) Timing of certification.--Notwithstanding any other provision of law, for tax years after tax year 2013, the assessment office shall certify assessed values by March 31 of the preceding year.

(d) Application of established predetermined ratio.--Notwithstanding any other provision of law, in any assessment appeal under Act 1939-404 for tax year 2013, the board and any applicable court of competent jurisdiction shall apply the established predetermined ratio applicable to a city for tax year 2011.

(e) Conflicts.--If there is a conflict between a provision of Act 1939-404 and a provision of this section, the provision of this section shall apply.

Section 1.2. The definition of "board" in section 8582 of Title 53 is amended to read:

§ 8582. Definitions.

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

* * *

"Board." Any of the following:

(1) "Board." As defined in [the act of June 26, 1931, (P.L.1379, No.348), referred to as the Third Class County Assessment Board Law.

(2) "Board." As defined in the act of May 21, 1943 (P.L.571, No.254), known as The Fourth to Eighth Class County Assessment Law.] **section 8802 (relating to definitions).**

[(3)] (2) "Board of Property Assessment, Appeals and Review." The Board of Property Assessment, Appeals and

Review in a county of the second class under the act of June 21, 1939 (P.L.626, No.294), referred to as the Second Class County Assessment Law, **or a similar body established by a home rule county.**

[(4)] (3) "Board of Revision of Tax and Appeals." The board of revision of taxes and appeals in cities of the third class.

(4) **The body with responsibility for the making of assessments of real property in a city of the first class.**

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Section 2. Section 8584(b) and (c) of Title 53 are amended to read:

§ 8584. Administration and procedure.

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(b) Filing deadlines; renewal of application.--Applications shall be filed with the assessor not later than March 1 of each year, **provided that, in a city of the first class, the application shall be filed with the assessor not later than a date set by the governing body, which date shall be no later than December 1 of the year prior to the year in which the exclusion shall first apply.** The governing body of a county may adopt a schedule for review or reapplication for real property previously approved as homestead property or farmstead property.

(c) Notice of applications and deadlines.--The assessor shall provide sufficient notice to the public regarding the availability of applications to designate real property as homestead property or farmstead property and all filing deadlines. The assessor shall make applications available at least 75 days before the filing deadline, **provided that, in a city of the first class, the application shall be available at least 60 days before the filing deadline.**

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Section 3. Title 53 is amended by adding a section to read: § 8588. Applicability.

Notwithstanding the provisions of section 8405 (relating to applicability), the provisions of this subchapter shall apply to cities and counties of the first class and to school districts of the first class. Any action taken pursuant to this subchapter by the governing body of a city of the first class shall apply to a city of the first class and to a school district of the first class.

Section 4. This act shall take effect immediately.

APPROVED--The 5th day of July, A.D. 2012.

TOM CORBETT