

COMMUNITY AND ECONOMIC DEVELOPMENT ENHANCEMENT ACT - OMNIBUS
AMENDMENTS

Act of Apr. 18, 2013, P.L. 4, No. 2

Cl. 14

Session of 2013

No. 2013-2

SB 66

AN ACT

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

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

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

CHAPTER 15

STATE TAX EQUALIZATION BOARD

Section 1500. Definitions.

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

"Board." The State Tax Equalization Board.

Section 1501. Creation of board.

The State Tax Equalization Board is established within the department.

Section 1502. Membership.

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

(b) Appointment and service.--

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

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

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

Section 1503. Chairman.

The Governor shall designate one of the members as chairman. The chairman shall be in charge of the administration of the board and the transaction of its routine business and shall execute the orders and policies of the board. The chairman may delegate to a member the authority to act for the chairman.

Section 1504. Quorum.

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

Section 1505. Individual powers of members of the board.

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

(b) Effect.--

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

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

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

and

(ii) filed in the office of the board.

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

(c) Agents and examiners.--

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

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

Section 1506. Administrative assistance.

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

Section 1507. General powers and duties.

The board has the following powers and duties:

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

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

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

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

(ii) by July 1 of each even-numbered year, the changes in market values which result from properties going on or off the assessment rolls for taxation purposes.

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

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

(5) To:

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

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

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

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

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

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

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

(11) To create in consultation with the County Commissioners Association of Pennsylvania and the Assessors' Association of Pennsylvania an operations manual to be utilized by counties when completing a countywide reassessment or when valuating property.

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

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

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

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

(ii) State that all data and calculations are the property of the county and this Commonwealth.
Section 1508. Compilation of data.

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

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

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

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

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

(2) Public records.

Section 1509. Monthly reports by counties and Commonwealth payments.

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

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

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

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

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

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

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

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

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

(b) Payment.--The board shall pay to the board of revision of taxes , or its successor agency, of counties of the first class and to the county commissioners , or the body or individual exercising equivalent authority, of every county except a county of the first class the sum of 20¢ for each

conveyance or transfer of real estate on each list prepared, certified and delivered to the board for its use under this section .

Section 1510. Annual reports of local assessing officials.

By June 1 of each year, the following entities shall file with the board a certificate prescribed by the board, and on blanks furnished by the board, showing the assessed valuation of all real property in each school district in the county on which the taxes for the then current year are levied:

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

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

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

Section 1511. Market value and percentage of value.

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

Section 1512. Certification.

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

Section 1513. Objections.

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

(b) Hearing.--The board shall conduct a hearing at which the board and the school district may submit evidence to show that the findings of the board are incorrect and present arguments to substantiate its contentions.

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

(d) Final valuations.--Any valuations adjusted under subsection (c) shall form the basis of valuations used to determine the amounts of Commonwealth educational subsidies.

Section 1514. Annual adjustments.

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

Section 1515. Determination and apportionment.

(a) Certification.--As soon as possible each odd-numbered year and after the final adjustment of values by the board, the

board shall certify to the Department of Education the market value of all real property in each school district.

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

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

Section 1516. Special aid to school districts.

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

Section 1516.1. Common level ratio.

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

(b) Method.--In arriving at the ratio, the board shall use statistically acceptable techniques, including sales ratio studies. The board's method in arriving at the ratio shall be public information. The ratio shall be certified to the chief assessor of each county and shall be admissible as evidence in any appeal involving real property tax assessments.

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

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

Section 1516.2. Publication of information by board.

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

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

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

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

(4) Standards to be used for sales sample size and procedures to be used when sales samples are not adequate. If a municipality contracts for services relating to an assessment, the data collected by the contractor must be

transmitted to the municipality within 60 days of its collection or development.

Section 1517. Saving clause.

Nothing in this chapter shall be construed to change or affect the validity of the assessed valuation of any real property for the purpose of levying taxes by any political subdivision.

Section 1518. (Reserved).

Section 1519. Repeal.

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

Section 1520. (Reserved).

Section 1521. Funding contingency.

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

Section 2. Repeals are as follows:

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

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

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

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

(1) Except as otherwise provided in Chapter 15 of the act, all activities initiated under the State Tax Equalization Board Law shall continue and remain in full force and effect and may be completed under Chapter 15 of the act. Resolutions, orders, regulations, rules, decisions and sequence of methods used for arriving at market value for odd-numbered and even-numbered years which were made under the State Tax Equalization Board Law and which are in effect on the effective date of this section shall remain in full force and effect until revoked, vacated or modified under Chapter 15 of the act. Contracts, obligations and agreements entered into under the State Tax Equalization Board Law are not affected nor impaired by the repeal of the State Tax Equalization Board Law.

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

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

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

- (i) Section 1501.
- (ii) Section 1502(c).
- (iii) Section 1506.
- (iv) Section 1507(8), (10), (11), (12), (13) and (14).
- (v) Section 1516.1(d).

(vi) Section 1516.2.

(vii) Section 1521.

Section 4. This act shall take effect immediately.

APPROVED--The 18th day of April, A.D. 2013.

TOM CORBETT