

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1804** Session of
2005

INTRODUCED BY KENNEY AND J. TAYLOR, JUNE 28, 2005

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, FEBRUARY 7, 2006

AN ACT

1 Amending the act of June 27, 1939 (P.L.1199, No.404), entitled
2 "An act relating to the assessment of real and personal
3 property and other subjects of taxation in counties of the
4 first class; providing for the appointment of members of the
5 board of revision of taxes by the judges of the courts of
6 common pleas; providing for the appointment, by the board, of
7 personal property assessors, real estate assessors and
8 assistant real estate assessors, clerks and other employes;
9 fixing the salaries of members of the board, assessors and
10 assistant assessors, and providing for the payment of
11 salaries and expenses from the county treasury; prescribing
12 the powers and duties of the board and of the assessors, the
13 time and manner of making assessments, of the revision and
14 notice of assessments and of appeals therefrom; prescribing
15 the records of assessments; and repealing existing laws,"
16 ~~providing for the definition of "assessment ratio"; and~~ ←
17 establishing a revenue-neutral tax rate after a countywide
18 revision of real property assessment.

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

21 Section 1. ~~Section 1.1 of the~~ THE act of June 27, 1939 ←
22 (P.L.1199, No.404), entitled "An act relating to the assessment
23 of real and personal property and other subjects of taxation in
24 counties of the first class; providing for the appointment of
25 members of the board of revision of taxes by the judges of the

1 courts of common pleas; providing for the appointment, by the
2 board, of personal property assessors, real estate assessors and
3 assistant real estate assessors, clerks and other employes;
4 fixing the salaries of members of the board, assessors and
5 assistant assessors, and providing for the payment of salaries
6 and expenses from the county treasury; prescribing the powers
7 and duties of the board and of the assessors, the time and
8 manner of making assessments, of the revision and notice of
9 assessments and of appeals therefrom; prescribing the records of
10 assessments; and repealing existing laws," is amended by adding
11 a definition SECTION to read:

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12 ~~Section 1.1. The following words and phrases when used in~~
13 ~~this act shall have, unless the context clearly indicates~~
14 ~~otherwise, the meanings given to them in this section:~~

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15 ~~"Assessment ratio" shall include either of the following:~~

16 ~~(1) The established predetermined ratio.~~

17 ~~(2) A ratio or factor used by the board to determine the~~

18 ~~market value of a property from its actual market value,~~

19 ~~including a ratio or factor used to equalize assessed values.~~

20 * * *

21 ~~Section 2. The act is amended by adding a section to read:~~

22 ~~Section 13.1. (a) After a county of the first class makes a~~

23 ~~county wide revision of assessment of real property at values~~

24 ~~based upon an established predetermined ratio as required by law~~

25 ~~or after any county of the first class changes its assessment~~

26 ~~ratio, each political subdivision, which hereafter for the first~~

27 ~~time levies its real estate taxes on that revised assessment or~~

28 ~~valuation, shall, for the first year it levies its real estate~~

29 ~~taxes on a revised assessment or valuation, establish a revenue~~

30 ~~neutral tax rate which limits the total amount of taxes levied~~

~~1 for that year against the real properties levied against in the
2 preceding year to not more than the total amount it levied on
3 the properties the preceding year, notwithstanding the increased
4 valuations of the properties under the revised assessment. For
5 the purpose of determining the total amount of taxes to be
6 levied for the first year under this subsection, the amount to
7 be levied on newly constructed buildings or structures or on
8 increased valuations based on new improvements made to existing
9 buildings or structures need not be considered.~~

~~10 (b) After first establishing a revenue neutral tax rate
11 under subsection (a), a political subdivision may, by a separate
12 and specific vote, establish a final tax rate for the first year
13 it levies its real estate taxes on a revised assessment or
14 valuation.~~

15 SECTION 13.1. (A) WHEN A COUNTY OF THE FIRST CLASS MAKES A <—
16 COUNTYWIDE REVISION OF ASSESSMENT OR REVALUATION OF REAL
17 PROPERTY AT VALUES BASED UPON AN ESTABLISHED PREDETERMINED RATIO
18 AS REQUIRED BY LAW OR WHEN A COUNTY OF THE FIRST CLASS CHANGES
19 ITS ESTABLISHED PREDETERMINED RATIO, THE TAX-LEVYING BODY OF THE
20 COUNTY WHICH FOR THE FIRST TIME LEVIES ITS REAL ESTATE TAXES ON
21 THAT REVISED ASSESSMENT, REVALUATION OR CHANGE IN RATIO, SHALL,
22 FOR THAT FIRST YEAR, REDUCE ITS TAX RATE, IF NECESSARY, FOR THE
23 PURPOSE OF HAVING THE TOTAL AMOUNT OF TAXES LEVIED FOR THAT YEAR
24 AGAINST THE REAL PROPERTIES CONTAINED IN THE DUPLICATE FOR THE
25 PRECEDING YEAR, EQUAL THE TOTAL AMOUNT IT LEVIED ON SUCH
26 PROPERTIES THE PRECEDING YEAR, NOTWITHSTANDING THE INCREASED
27 VALUATIONS OF SUCH PROPERTIES UNDER THE REVISED ASSESSMENT,
28 REVALUATION OR CHANGE IN RATIO. THE TAX RATE SHALL BE FIXED AT A
29 FIGURE WHICH WILL ACCOMPLISH THIS PURPOSE.

30 (B) AFTER ESTABLISHING A TAX RATE IN ACCORDANCE WITH

1 SUBSECTION (A), THE TAX-LEVYING BODY OF THE COUNTY MAY, BY A
2 SEPARATE AND SPECIFIC VOTE, ESTABLISH A FINAL TAX RATE FOR THE
3 FIRST YEAR IT LEVIES ITS REAL ESTATE TAXES ON A REVISED
4 ASSESSMENT, REVALUATION OR CHANGE IN RATIO. THE TAX RATE UNDER
5 THIS SUBSECTION SHALL BE FIXED AT A FIGURE THAT LIMITS TOTAL
6 AMOUNT OF PROPERTY TAXES TO BE LEVIED AGAINST THE REAL
7 PROPERTIES CONTAINED IN THE DUPLICATE FOR THE PRECEDING YEAR TO
8 NOT MORE THAN ONE HUNDRED FIVE PERCENT OF THE TOTAL AMOUNT IT
9 LEVIED ON SUCH PROPERTIES THE PRECEDING YEAR, NOTWITHSTANDING
10 THE INCREASED VALUATIONS OF PROPERTIES UNDER THE REVISED
11 ASSESSMENT, REVALUATION OR CHANGE IN RATIO.

12 (C) FOR THE PURPOSE OF DETERMINING THE TOTAL AMOUNT OF TAXES
13 TO BE LEVIED FOR THE FIRST YEAR UNDER SUBSECTIONS (A) AND (B),
14 THE AMOUNT TO BE LEVIED ON NEWLY CONSTRUCTED BUILDINGS OR
15 STRUCTURES OR ON INCREASED VALUATIONS BASED ON NEW IMPROVEMENTS
16 MADE TO EXISTING STRUCTURES SHALL NOT BE CONSIDERED.

17 (D) (1) TO THE EXTENT THAT A TAX-LEVYING BODY OF A COUNTY
18 IMPOSES TAXES AT A RATE IN EXCESS OF THAT AUTHORIZED BY THIS
19 SECTION, THE TAX-LEVYING BODY OF THE COUNTY, UPON THE FILING
20 WITH IT WITHIN THREE YEARS OF PAYMENT OF THE TAX OF A WRITTEN
21 AND VERIFIED CLAIM FOR A REFUND OF THE EXCESS TAXES PAID OR
22 CAUSED TO BE PAID BY ANY PERSON OR CORPORATION OF THIS
23 COMMONWEALTH, SHALL REFUND THE EXCESS TAXES WITH INTEREST.

24 (2) INTEREST REQUIRED UNDER THIS SECTION SHALL BE PAID AT
25 THE SAME RATE AND IN THE SAME MANNER AS THE COMMONWEALTH IS
26 REQUIRED TO PAY PURSUANT TO SECTION 806.1(B.1) OF THE ACT OF
27 APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS "THE FISCAL CODE."

28 (E) THE PROVISIONS OF THIS SECTION SHALL SUPERSEDE ANY
29 PROVISION IN A HOME RULE CHARTER, COUNTY ADMINISTRATIVE CODE,
30 COUNTY ORDINANCE OR RULE OR REGULATION.

1 Section 3 2. This act shall take effect immediately.

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