

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1301 Session of 2011

INTRODUCED BY WILLIAMS, KITCHEN, STACK, HUGHES, WASHINGTON, FARNESE AND TARTAGLIONE, OCTOBER 26, 2011

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, JUNE 26, 2012

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in assessments of persons and
3 property, PROVIDING FOR CITIES AND COUNTIES OF THE FIRST
4 CLASS, further providing for definitions AND FOR
5 ADMINISTRATION AND PROCEDURE+ and providing for
6 applicability.



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

9 Section 1. The definition of "board" in section 8582 of
10 Title 53 of the Pennsylvania Consolidated Statutes is amended to
11 read:



12 SECTION 1. THE HEADING OF CHAPTER 85 OF TITLE 53 OF THE
13 PENNSYLVANIA CONSOLIDATED STATUTES IS AMENDED TO READ:



14 CHAPTER 85
15 ASSESSMENTS OF PERSONS AND PROPERTY
16 SUBCHAPTER

- 17 A. THROUGH [D] C. (RESERVED)
18 D. CITIES AND COUNTIES OF THE FIRST CLASS
19 E. REAL ESTATE TAX DEFERRAL

1 F. HOMESTEAD PROPERTY EXCLUSION

2 SUBCHAPTERS A THROUGH [D] C

3 (RESERVED)

4 SECTION 1.1. CHAPTER 85 OF TITLE 53 IS AMENDED BY ADDING A  
5 SUBCHAPTER TO READ:

6 SUBCHAPTER D

7 CITIES AND COUNTIES OF THE FIRST CLASS

8 SEC.

9 8561. SCOPE OF SUBCHAPTER.

10 8562. DEFINITIONS.

11 8563. (RESERVED).

12 8564. (RESERVED).

13 8565. ASSESSMENTS AND APPEALS FOR CERTAIN TAX YEARS.

14 § 8561. SCOPE OF SUBCHAPTER.

15 THIS SUBCHAPTER RELATES TO ASSESSMENTS IN CITIES AND COUNTIES  
16 OF THE FIRST CLASS.

17 § 8562. DEFINITIONS.

18 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBCHAPTER  
19 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
20 CONTEXT CLEARLY INDICATES OTHERWISE:

21 "ACT 1939-404." THE ACT OF JUNE 27, 1939 (P.L.1199, NO.404),  
22 ENTITLED "AN ACT RELATING TO THE ASSESSMENT OF REAL AND PERSONAL  
23 PROPERTY AND OTHER SUBJECTS OF TAXATION IN COUNTIES OF THE FIRST  
24 CLASS; PROVIDING FOR THE APPOINTMENT OF MEMBERS OF THE BOARD OF  
25 REVISION OF TAXES BY THE JUDGES OF THE COURTS OF COMMON PLEAS;  
26 PROVIDING FOR THE APPOINTMENT, BY THE BOARD, OF PERSONAL  
27 PROPERTY ASSESSORS, REAL ESTATE ASSESSORS AND ASSISTANT REAL  
28 ESTATE ASSESSORS, CLERKS AND OTHER EMPLOYES; FIXING THE SALARIES  
29 OF MEMBERS OF THE BOARD, ASSESSORS AND ASSISTANT ASSESSORS, AND  
30 PROVIDING FOR THE PAYMENT OF SALARIES AND EXPENSES FROM THE

1 COUNTY TREASURY; PRESCRIBING THE POWERS AND DUTIES OF THE BOARD  
2 AND OF THE ASSESSORS, THE TIME AND MANNER OF MAKING ASSESSMENTS,  
3 OF THE REVISION AND NOTICE OF ASSESSMENTS AND OF APPEALS  
4 THEREFROM; PRESCRIBING THE RECORDS OF ASSESSMENTS; AND REPEALING  
5 EXISTING LAWS."

6 "ASSESSMENT OFFICE." THE OFFICE OF PROPERTY ASSESSMENT IN A  
7 CITY.

8 "BOARD." THE BOARD OF REVISION OF TAXES OR A SUCCESSOR BODY  
9 AUTHORIZED BY A CITY TO DETERMINE ASSESSMENT APPEALS IN A CITY.

10 "CITY." A CITY OF THE FIRST CLASS.

11 "COMMON LEVEL RATIO." THE RATIO OF ASSESSED VALUE TO MARKET  
12 VALUE AS DETERMINED BY THE STATE TAX EQUALIZATION BOARD UNDER  
13 THE ACT OF JUNE 27, 1947 (P.L.1046, NO.447), REFERRED TO AS THE  
14 STATE TAX EQUALIZATION BOARD LAW.

15 "COUNTY." A COUNTY OF THE FIRST CLASS.

16 "ESTABLISHED PREDETERMINED RATIO." THE RATIO OF ASSESSED  
17 VALUE TO MARKET VALUE ESTABLISHED UNDER ACT 1939-404 AND  
18 UNIFORMLY APPLIED IN DETERMINING ASSESSED VALUE IN ANY YEAR.

19 "GOVERNING BODY." THE GOVERNING BODY OF A CITY.

20 "SCHOOL DISTRICT." A SCHOOL DISTRICT OF THE FIRST CLASS.

21 § 8563. (RESERVED).

22 § 8564. (RESERVED).

23 § 8565. ASSESSMENTS AND APPEALS FOR CERTAIN TAX YEARS.

24 (A) LEGISLATIVE FINDINGS.--THE GENERAL ASSEMBLY FINDS AND  
25 DECLARES AS FOLLOWS:

26 (1) REAL ESTATE TAX ASSESSMENT IN A CITY HAS BECOME  
27 INCREASINGLY AT VARIANCE WITH PRINCIPLES OF UNIFORMITY AND  
28 SOUND ASSESSMENT.

29 (2) THE DEFICIENCIES UNDER PARAGRAPH (1) HAVE BEEN  
30 DETERMINED TO BE REMEDIED BY A CITYWIDE REASSESSMENT,

1 SOMETIMES REFERRED TO AS THE "ACTUAL VALUE INITIATIVE."

2 (3) THE REASSESSMENT OF ALL PROPERTIES LOCATED IN A CITY  
3 IS LIKELY TO CAUSE SUBSTANTIAL SHIFTS IN TAX LIABILITIES  
4 AMONG VARIOUS NEIGHBORHOODS AND GROUPS OF TAXPAYERS. THESE  
5 SHIFTS ARE LIKELY TO INCREASE SUBSTANTIALLY THE TAX BURDENS  
6 ON RESIDENTIAL PROPERTIES, PARTICULARLY THOSE PROPERTIES WITH  
7 LOW TO MEDIUM VALUES.

8 (4) AS PART OF A REASSESSMENT, THE GOVERNING BODY MUST  
9 MAKE A MAJOR REVISION TO THE APPLICABLE TAX RATES IN ORDER TO  
10 MAINTAIN TAX REVENUES AND FUND ANY REQUIRED TAX INCREASES.  
11 THE GOVERNING BODY MUST TAKE INTO ACCOUNT ENACTMENT OF A  
12 HOMESTEAD EXCLUSION AND PERHAPS OTHER MEASURES IN ORDER TO  
13 ALLEVIATE AN INCREASED TAX BURDEN ON LOWER VALUE RESIDENTIAL  
14 PROPERTIES.

15 (5) THE GOVERNING BODY CANNOT RESPONSIBLY DETERMINE THE  
16 APPLICABLE TAX RATES WITHOUT KNOWING THE VALUE OF THE TAX  
17 BASE TO WHICH THE RATES APPLY. CURRENTLY, A CITY'S BUDGET,  
18 INCLUDING TAX REVENUES, MUST BE ENACTED BY EACH JUNE 30; BUT  
19 TAX ASSESSMENTS ARE NOT FINALIZED UNTIL THE FOLLOWING  
20 SEPTEMBER.

21 (6) IMPLEMENTATION BY A CITY OF AN ACTUAL VALUE  
22 INITIATIVE WILL BE HELPED BY REQUIRING THAT ASSESSED VALUES  
23 BE DETERMINED PRIOR TO ADOPTING THE CITY'S BUDGET AND BY THE  
24 APPLICABLE ASSESSMENT OFFICIALS COMPLETING THE TASK OF  
25 DETERMINING THE TAX BASE IN THE CITY.

26 (7) THE COMMON LEVEL RATIO FOR A CITY APPLICABLE TO TAX  
27 YEAR 2012, CERTIFIED BY THE STATE TAX EQUALIZATION BOARD AND  
28 PUBLISHED AT 42 PA.B. 2152 (APRIL 14, 2012), HAS BEEN  
29 DISPUTED AND MAY BE SUBJECT TO FURTHER DISPUTE. THE COMMON  
30 LEVEL RATIO FOR TAX YEAR 2013 MAY HAVE SIMILAR UNCERTAINTIES.

1 THE RATIOS FOR BOTH YEARS ARE DETERMINED BY A STATE TAX  
2 EQUALIZATION BOARD ASSESSMENT TOOL NEW TO THE REVIEW OF  
3 PROPERTIES IN A CITY.

4 (8) THE COMMON LEVEL RATIO FOR A CITY APPLICABLE TO TAX  
5 YEAR 2011, BASED ON 2009 DATA AND PUBLISHED AT 40 PA.B. 4069  
6 (JULY 17, 2010), HAS NOT BEEN DISPUTED AND IS THE SAME AS THE  
7 APPLICABLE ESTABLISHED PREDETERMINED RATIO.

8 (9) SPECIAL PROVISIONS ARE NECESSARY IN ORDER TO ADDRESS  
9 THE FINDINGS SET FORTH IN THIS SUBSECTION.

10 (B) CERTIFICATION OF VALUES.--NOTWITHSTANDING ANY OTHER  
11 PROVISION OF LAW:

12 (1) FOR TAX YEAR 2013, THE ASSESSMENT OFFICE SHALL  
13 CERTIFY ASSESSED VALUES AT THE ASSESSED VALUES CERTIFIED FOR  
14 TAX YEAR 2011, ADJUSTED FOR SUBSEQUENT IMPROVEMENTS,  
15 DEMOLITION AND DESTRUCTION. THE ASSESSED VALUES CERTIFIED FOR  
16 TAX YEAR 2013 UNDER THIS PARAGRAPH SHALL APPLY TO ALL TAXES  
17 ON, OR MEASURED BY, ASSESSED VALUES LEVIED BY A CITY OR A  
18 SCHOOL DISTRICT FOR TAX YEAR 2013 NOTWITHSTANDING ANY  
19 CONTRARY ENACTMENT OF A CITY OR A SCHOOL DISTRICT OR ANY  
20 CONTRARY CERTIFICATION BY A CITY, CITY AGENCY OR SCHOOL  
21 DISTRICT.

22 (2) FOR TAX YEARS AFTER TAX YEAR 2013, THE ASSESSMENT  
23 OFFICE SHALL CERTIFY MARKET VALUES AT ACTUAL MARKET VALUE. IN  
24 ARRIVING AT ACTUAL MARKET VALUE, THE PRICE AT WHICH ANY  
25 PROPERTY MAY ACTUALLY HAVE BEEN SOLD SHALL BE CONSIDERED BUT  
26 SHALL NOT BE CONTROLLING. IN ARRIVING AT THE ACTUAL MARKET  
27 VALUE:

28 (I) ALL THREE OF THE FOLLOWING VALUATION METHODS  
29 SHALL BE CONSIDERED IN CONJUNCTION WITH ONE ANOTHER:

30 (A) REPRODUCTION OR REPLACEMENT COST, AS

1           APPLICABLE, MINUS:

2                   (I) DEPRECIATION; AND

3                   (II) ALL FORMS OF OBSOLESCENCE.

4                   (B) COMPARABLE SALES.

5                   (C) INCOME.

6                   (II) THE VALUATION PROCESS MAY EMPLOY SYSTEMS,  
7                   METHODOLOGIES AND TECHNOLOGIES THAT MEET NATIONALLY  
8                   RECOGNIZED ASSESSMENT STANDARDS.

9           (C) TIMING OF CERTIFICATION.--NOTWITHSTANDING ANY OTHER  
10 PROVISION OF LAW, FOR TAX YEARS AFTER TAX YEAR 2013, THE  
11 ASSESSMENT OFFICE SHALL CERTIFY ASSESSED VALUES BY MARCH 31 OF  
12 THE PRECEDING YEAR.

13           (D) APPLICATION OF ESTABLISHED PREDETERMINED RATIO.--  
14 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IN ANY ASSESSMENT  
15 APPEAL UNDER ACT 1939-404 FOR TAX YEAR 2013, THE BOARD AND ANY  
16 APPLICABLE COURT OF COMPETENT JURISDICTION SHALL APPLY THE  
17 ESTABLISHED PREDETERMINED RATIO APPLICABLE TO A CITY FOR TAX  
18 YEAR 2011.

19           (E) CONFLICTS.--IF THERE IS A CONFLICT BETWEEN A PROVISION  
20 OF ACT 1939-404 AND A PROVISION OF THIS SECTION, THE PROVISION  
21 OF THIS SECTION SHALL APPLY.

22           SECTION 1.2. THE DEFINITION OF "BOARD" IN SECTION 8582 OF  
23 TITLE 53 IS AMENDED TO READ:

24 § 8582. Definitions.

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

28           \* \* \*

29           "Board." Any of the following:

30           (1) "Board." As defined in [the act of June 26, 1931,

1 (P.L.1379, No.348), referred to as the Third Class County  
2 Assessment Board Law.

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

6 [(3)] (2) "Board of Property Assessment, Appeals and  
7 Review." The Board of Property Assessment, Appeals and  
8 Review in a county of the second class under the act of June  
9 21, 1939 (P.L.626, No.294), referred to as the Second Class  
10 County Assessment Law or a similar body established by a home  
11 rule county.

12 [(4)] (3) "Board of Revision of Tax and Appeals." The  
13 board of revision of taxes and appeals in cities of the third  
14 class.

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

17 \* \* \*

18 SECTION 2. SECTION 8584(B) AND (C) OF TITLE 53 ARE AMENDED  
19 TO READ:

20 § 8584. ADMINISTRATION AND PROCEDURE.

21 \* \* \*

22 (B) FILING DEADLINES; RENEWAL OF APPLICATION.--APPLICATIONS  
23 SHALL BE FILED WITH THE ASSESSOR NOT LATER THAN MARCH 1 OF EACH  
24 YEAR; PROVIDED THAT, IN A CITY OF THE FIRST CLASS, THE  
25 APPLICATION SHALL BE FILED WITH THE ASSESSOR NOT LATER THAN A  
26 DATE SET BY THE GOVERNING BODY, WHICH DATE SHALL BE NO LATER  
27 THAN DECEMBER 1 OF THE YEAR PRIOR TO THE YEAR IN WHICH THE  
28 EXCLUSION SHALL FIRST APPLY. THE GOVERNING BODY OF A COUNTY MAY  
29 ADOPT A SCHEDULE FOR REVIEW OR REAPPLICATION FOR REAL PROPERTY  
30 PREVIOUSLY APPROVED AS HOMESTEAD PROPERTY OR FARMSTEAD PROPERTY.

1 (C) NOTICE OF APPLICATIONS AND DEADLINES.--THE ASSESSOR  
2 SHALL PROVIDE SUFFICIENT NOTICE TO THE PUBLIC REGARDING THE  
3 AVAILABILITY OF APPLICATIONS TO DESIGNATE REAL PROPERTY AS  
4 HOMESTEAD PROPERTY OR FARMSTEAD PROPERTY AND ALL FILING  
5 DEADLINES. THE ASSESSOR SHALL MAKE APPLICATIONS AVAILABLE AT  
6 LEAST 75 DAYS BEFORE THE FILING DEADLINE; PROVIDED THAT, IN A  
7 CITY OF THE FIRST CLASS, THE APPLICATION SHALL BE AVAILABLE AT  
8 LEAST 60 DAYS BEFORE THE FILING DEADLINE.

9 \* \* \*

10 Section ~~2~~ 3. Title 53 is amended by adding a section to ←  
11 read:

12 § 8588. Applicability.

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

20 Section ~~3~~ 4. This act shall take effect ~~in 60 days~~ ←  
21 IMMEDIATELY. ←