

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1546 Session of 2012

INTRODUCED BY GORDNER AND YAW, JUNE 1, 2012

REFERRED TO INTERGOVERNMENTAL OPERATIONS, JUNE 1, 2012

AN ACT

1 Amending the act of June 27, 1996 (P.L.403, No.58), entitled "An
2 act to enhance community and economic development in this
3 Commonwealth by restructuring certain administrative
4 functions and entities; changing the name of the Department
5 of Commerce to the Department of Community and Economic
6 Development; transferring functions of the Department of
7 Community Affairs into the Department of Community and
8 Economic Development and other agencies; providing for a
9 Deputy Secretary for Community Affairs and Development in the
10 Department of Community and Economic Development;
11 establishing the Center for Local Government Services and the
12 Local Government Advisory Committee; establishing the Small
13 Business Advocacy Council; conferring powers and duties on
14 the Legislative Reference Bureau; and making repeals,"
15 codifying the State Tax Equalization Board Law into the act;
16 and making a related repeal.

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

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

22 CHAPTER 15

23 STATE TAX EQUALIZATION BOARD

24 Section 1500. Definitions.

25 The following words and phrases when used in this chapter

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 "Board." The State Tax Equalization Board.

4 Section 1501. Creation of board.

5 The State Tax Equalization Board is established within the
6 department.

7 Section 1502. Membership.

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

14 (b) Appointment and service.--

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

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

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

25 Section 1503. Chairman.

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

1 Section 1504. Quorum.

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

4 Section 1505. Individual powers of members of the board.

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

8 (b) Effect.--

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

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

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

14 and

15 (ii) filed in the office of the board.

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

19 (c) Agents and examiners.--

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

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

29 Section 1506. Administrative assistance.

30 The department shall provide appropriate administrative,

1 legal and technical support as needed by the board in order to
2 accomplish its purpose.

3 Section 1507. General powers and duties.

4 The board has the following powers and duties:

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

10 (2) To require, in counties of the first class, the
11 board of revision of taxes of such county, and the county
12 commissioners of each county other than a county of the first
13 class, to furnish a monthly list of all conveyances or other
14 transfers of real estate, or any interest in real estate,
15 recorded within the county during the preceding month,
16 stating the value of the Federal tax stamps affixed to the
17 deed for each conveyance, and the assessed valuations for
18 county tax purposes of the real estate.

19 (3) To certify to the Department of Education:

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

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

28 (3.1) By July 1 of each odd-numbered year, to furnish to
29 the board of school directors of each school district
30 information as pertains to taxable real property in that

1 school district.

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

4 (5) To:

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

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

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

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

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

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

22 Section 1508. Compilation of data.

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

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

29 (2) concerning new sales and improvements and other data
30 necessary to ensure that the records of the board show the

1 current present market value of real property in each school
2 district as nearly as the same can be determined.

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

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

9 (2) Public records.
10 Section 1509. Monthly reports by counties and Commonwealth
11 payments.

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

13 (1) It shall be the duty of the following entities to
14 prepare, certify and electronically deliver to the board on
15 the 15th day of each month a list as prescribed by the board
16 of all conveyances or other transfers of real estate, or any
17 interest in real estate, recorded within the county during
18 the preceding month:

19 (i) In counties of the first class, the board of
20 revision of taxes.

21 (ii) In all counties except for a county of the
22 first class, the county commissioners.

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

28 (3) At the end of each month a list of all the real
29 estate conveyed or transferred within the county during the
30 month, stating the value of Federal tax stamps affixed to the

1 instrument conveying or transferring the real estate or any
2 interest in the real estate, shall be prepared and delivered
3 as follows:

4 (i) In counties of the first class, the recorder of
5 deeds shall prepare and deliver the list to the board of
6 revision.

7 (ii) In all counties except for a county of the
8 first class, the recorder of deeds shall prepare and
9 deliver the list to the county commissioners.

10 (b) Payment.--The board shall pay to the board of revision
11 of taxes of counties of the first class and to the county
12 commissioners of every county except a county of the first class
13 the sum of 20¢ for each conveyance or transfer of real estate on
14 each list prepared, certified and delivered to the board for its
15 use under this section.

16 Section 1510. Annual reports of local assessing officials.

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

22 (1) The board of revision of taxes of counties of the
23 first class.

24 (2) The board of property assessment appeals and review
25 of counties of the second class.

26 (3) The board for the assessment and revision of taxes
27 of counties of the third class.

28 (4) The county commissioners of any county except for a
29 county listed under paragraph (1), (2) or (3).

30 Section 1511. Market value and percentage of value.

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

6 Section 1512. Certification.

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

13 Section 1513. Objections.

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

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

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

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

1 Section 1514. Annual adjustments.

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

12 Section 1515. Determination and apportionment.

13 (a) Certification.--As soon as possible each odd-numbered
14 year and after the final adjustment of values by the board, the
15 board shall certify to the Department of Education the market
16 value of all real property in each school district.

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

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

28 Section 1516. Special aid to school districts.

29 Before granting any special aid to a school district, the
30 Department of Education shall submit the request for special aid

1 to the board. The board shall make its recommendations with
2 consideration given to the school district's ability to raise
3 funds by taxation. Before making any recommendation, the board
4 shall carefully investigate and study the financial
5 circumstances of the school district and whether or not it has
6 exhausted its available taxing power not only on real property,
7 but also on all other available property and subjects of
8 taxation, and that collection of taxes is being effectively
9 conducted and enforced. Recommendations shall be transmitted to
10 the Department of Education.

11 Section 1516.1. Common level ratio.

12 (a) Establishment.--The board shall annually, prior to July
13 1, establish for each county a common level ratio for the prior
14 calendar year.

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

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

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

1 Section 1516.2. Publication of information by board.

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

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

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

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

12 (4) Standards to be used for sales sample size and
13 procedures to be used when sales samples are not adequate.

14 If a municipality contracts for services relating to an
15 assessment, the data collected by the contractor must be
16 transmitted to the municipality within 60 days of its collection
17 or development.

18 Section 1517. Saving clause.

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

23 Section 1518. (Reserved).

24 Section 1519. Repeal.

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

27 Section 1520. (Reserved).

28 Section 2. Repeals are as follows:

29 (1) The General Assembly declares that the repeal under
30 paragraph (2) is necessary to effectuate the addition of

1 Chapter 15 of the act.

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

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

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

11 (1) Except as otherwise provided in Chapter 15 of the
12 act, all activities initiated under the State Tax
13 Equalization Board Law shall continue and remain in full
14 force and effect and may be completed under Chapter 15 of the
15 act. Resolutions, orders, regulations, rules and decisions
16 which were made under the State Tax Equalization Board Law
17 and which are in effect on the effective date of this section
18 shall remain in full force and effect until revoked, vacated
19 or modified under Chapter 15 of the act. Contracts,
20 obligations and agreements entered into under the State Tax
21 Equalization Board Law are not affected nor impaired by the
22 repeal of the State Tax Equalization Board Law.

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

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

1 construction or administrative interpretation and
2 implementation of the State Tax Equalization Board Law.

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

5 (i) Section 1501.

6 (ii) Section 1502(c).

7 (iii) Section 1507(3.1) and (8).

8 (iv) Section 1516.2.

9 Section 4. This act shall take effect immediately.