

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 1546** Session of
2012

INTRODUCED BY GORDNER, YAW, RAFFERTY, PILEGGI, YUDICHAK, MENSCH,
ARGALL AND D. WHITE, JUNE 1, 2012

SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, JUNE 11,
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:

CHAPTER 15STATE TAX EQUALIZATION BOARD

24 Section 1500. Definitions.

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

4 "Board." The State Tax Equalization Board.

5 Section 1501. Creation of board.

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

8 Section 1502. Membership.

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

15 (b) Appointment and service.--

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

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

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

26 Section 1503. Chairman.

27 The Governor shall designate one of the members as chairman.
28 The chairman shall be in charge of the administration of the
29 board and the transaction of its routine business and shall
30 execute the orders and policies of the board. The chairman may

1 delegate to a member the authority to act for the chairman.

2 Section 1504. Quorum.

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

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

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

9 (b) Effect.--

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

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

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

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

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

20 (c) Agents and examiners.--

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

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

30 Section 1506. Administrative assistance.

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

4 Section 1507. General powers and duties.

5 The board has the following powers and duties:

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

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

22 (3) To certify to the Department of Education AND TO THE ←
23 BOARD OF SCHOOL DIRECTORS OF EACH SCHOOL DISTRICT:

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

28 (ii) by July 1 of each ~~even-numbered~~ ODD-NUMBERED ←
29 year, the changes in market values which result from
30 properties going on or off the assessment rolls for

1 taxation purposes.

2 (3.1) By July 1 of each odd-numbered year, to furnish to
3 the board of school directors of each school district
4 information as pertains to taxable real property in that
5 school district.

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

8 (5) To:

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

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

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

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

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

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

26 (10) TO MEET AS NECESSARY AND AT LEAST EVERY OTHER MONTH ←
27 TO APPROVE OR CONFIRM ANY DETERMINATION, RULING OR ORDER
28 PURSUANT TO SECTION 1505.

29 Section 1508. Compilation of data.

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

1 data:

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

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

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

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

16 (2) Public records.

17 Section 1509. Monthly reports by counties and Commonwealth
18 payments.

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

20 (1) It shall be the duty of the following entities to
21 prepare, certify and electronically deliver to the board on
22 the 15th day of each month a list as prescribed by the board
23 of all conveyances or other transfers of real estate, or any ←
24 interest in real estate, CONVEYED CONSISTENT WITH ANY ←
25 PROCEDURES FOR EXCLUDING SALES DATA ESTABLISHED IN ACCORDANCE
26 WITH SECTION 1516.2(2), recorded within the county during the
27 preceding month:

28 (i) In counties of the first class, the board of
29 revision of taxes OR IT SUCCESSOR AGENCY. ←

30 (ii) In all counties except for a county of the ←

first class, the county commissioners.

(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.

(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.

(b) Payment.--The board shall pay to the board of revision
of taxes, OR IT 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.

1 Section 1510. Annual reports of local assessing officials.

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

7 (1) The board of revision of taxes, OR ITS SUCCESSOR ←
8 AGENCY, of counties of the first class.

9 (2) The ~~board~~ OFFICE of property assessment ~~appeals and~~ ←
10 ~~review~~, OR ITS SUCCESSOR AGENCY, of counties of the second ←
11 class.

12 (3) ~~The board for the assessment and revision of taxes~~ ←
13 ~~of counties of the third class.~~

14 (4) ~~The county commissioners of any county except for a~~
15 ~~county listed under paragraph (1), (2) or (3).~~ AS DEFINED IN ←
16 53 PA.C.S. § 8802 (RELATING TO DEFINITIONS).

17 Section 1511. Market value and percentage of value.

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

23 Section 1512. Certification.

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

30 Section 1513. Objections.

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

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

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

15 (d) Final valuations.--Any valuations adjusted under
16 subsection (c) shall form the basis of valuations used to
17 determine the amounts of Commonwealth educational subsidies.
18 Section 1514. Annual adjustments.

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

29 Section 1515. Determination and apportionment.

30 (a) Certification.--As soon as possible each odd-numbered

1 year and after the final adjustment of values by the board, the
2 board shall certify to the Department of Education the market
3 value of all real property in each school district.

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

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

15 Section 1516. Special aid to school districts.

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

28 Section 1516.1. Common level ratio.

29 (a) Establishment.--The board shall annually, prior to July
30 1, establish for each county a common level ratio for the prior

1 calendar year.

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

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

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

18 Section 1516.2. Publication of information by board.

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

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

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

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

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

1 If a municipality contracts for services relating to an
2 assessment, the data collected by the contractor must be
3 transmitted to the municipality within 60 days of its collection
4 or development.

5 Section 1517. Saving clause.

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

10 Section 1518. (Reserved).

11 Section 1519. Repeal.

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

14 Section 1520. (Reserved).

15 Section 2. Repeals are as follows:

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

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

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

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

28 (1) Except as otherwise provided in Chapter 15 of the
29 act, all activities initiated under the State Tax
30 Equalization Board Law shall continue and remain in full

1 force and effect and may be completed under Chapter 15 of the
2 act. Resolutions, orders, regulations, rules ~~and~~, decisions ←
3 AND SEQUENCE OF METHODS USED FOR ARRIVING AT MARKET VALUE FOR ←
4 ODD-NUMBERED AND EVEN-NUMBERED YEARS which were made under
5 the State Tax Equalization Board Law and which are in effect
6 on the effective date of this section shall remain in full
7 force and effect until revoked, vacated or modified under
8 Chapter 15 of the act. Contracts, obligations and agreements
9 entered into under the State Tax Equalization Board Law are
10 not affected nor impaired by the repeal of the State Tax
11 Equalization Board Law.

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

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

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

24 (i) Section 1501.

25 (ii) Section 1502(c).

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

27 (iv) Section 1516.2.

28 Section 4. This act shall take effect immediately.