

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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

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

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 26, 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 ~~even-numbered~~ ODD-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 ~~odd-numbered~~ EVEN-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 (11) TO CREATE IN CONSULTATION WITH THE COUNTY  
30 COMMISSIONERS ASSOCIATION OF PENNSYLVANIA AND THE ASSESSORS'



1 ASSOCIATION OF PENNSYLVANIA AN OPERATIONS MANUAL TO BE  
2 UTILIZED BY COUNTIES WHEN COMPLETING A COUNTYWIDE  
3 REASSESSMENT OR WHEN VALUATING PROPERTY.

4 (12) TO CREATE AND MAINTAIN A CENTRALIZED AND  
5 STANDARDIZED STATEWIDE DATABASE FOR COUNTIES TO UTILIZE AND  
6 REPORT TO THE BOARD ALL PROPERTY VALUES AND DATA AS REQUIRED  
7 BY THE BOARD.

8 (13) TO DEVELOP AND MAINTAIN STATEWIDE TRAINING PROGRAMS  
9 FOR ALL PERSONS INVOLVED IN THE VALUATION OF PROPERTY WITHIN  
10 ALL OF THE COUNTIES OF THIS COMMONWEALTH. THESE PROGRAMS  
11 SHALL PROVIDE BASIC AND DETAILED TRAINING THAT SHALL BE  
12 COMPLETED AND PASSED BY ANY PERSON EMPLOYED TO COLLECT,  
13 COMPILE, COMPARE OR HANDLE DATA ASSOCIATED WITH THE VALUATION  
14 OF ANY PROPERTY FOR PURPOSES OF REASSESSMENT VALUATION WITHIN  
15 THIS COMMONWEALTH.

16 (14) TO DEVELOP STANDARDS ON CONTRACTING FOR ASSESSMENT  
17 SERVICES IN CONSULTATION WITH THE COUNTY COMMISSIONERS  
18 ASSOCIATION OF PENNSYLVANIA AND THE ASSESSORS' ASSOCIATION OF  
19 PENNSYLVANIA, TAKING INTO CONSIDERATION THE STANDARDS  
20 PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF ASSESSING  
21 OFFICERS. THE STANDARDS SHALL:

22 (I) REQUIRE THAT THE METHODOLOGY USED BY ANY PERSON,  
23 COMPANY OR ORGANIZATION TO VALUE PROPERTY IN THIS  
24 COMMONWEALTH BE MADE PUBLIC.

25 (II) STATE THAT ALL DATA AND CALCULATIONS ARE THE  
26 PROPERTY OF THE COUNTY AND THIS COMMONWEALTH.

27 Section 1508. Compilation of data.

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

30 (1) showing the prices at which real property in each

1 school district has been sold and all other available matter  
2 relevant to the market value of real property in all school  
3 districts; and

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

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

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

14 (2) Public records.

15 Section 1509. Monthly reports by counties and Commonwealth  
16 payments.

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

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

26 (i) In counties of the first class, the board of  
27 revision of taxes or ~~it~~ ITS successor agency. ←

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

30 (iii) In counties of the second class A through

1 eighth class, the board as defined in 53 Pa.C.S. § 8802  
2 (relating to definitions).

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

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

14 (i) In counties of the first class, the recorder of  
15 deeds shall prepare and deliver the list to the board of  
16 revision OF TAXES OR ITS SUCCESSOR AGENCY. ←

17 (ii) In all counties except for a county of the  
18 first class, the recorder of deeds shall prepare and  
19 deliver the list to the county commissioners OR THE BODY ←  
20 OR AGENCY EXERCISING EQUIVALENT AUTHORITY.

21 (b) Payment.--The board shall pay to the board of revision  
22 of taxes, or ~~it~~ ITS successor agency, of counties of the first ←  
23 class and to the county commissioners, or the body or individual  
24 exercising equivalent authority, of every county except a county  
25 of the first class the sum of 20¢ for each conveyance or  
26 transfer of real estate on each list prepared, certified and  
27 delivered to the board for its use under this section.

28 Section 1510. Annual reports of local assessing officials.

29 By June 1 of each year, the following entities shall file  
30 with the board a certificate prescribed by the board and on



1 blanks furnished by the board showing the assessed valuation of  
2 all real property in each school district in the county on which  
3 the taxes for the then current year are levied:

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

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

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

10 Section 1511. Market value and percentage of value.

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

16 Section 1512. Certification.

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

23 Section 1513. Objections.

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

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

1 substantiate its contentions.

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

8 (d) Final valuations.--Any valuations adjusted under  
9 subsection (c) shall form the basis of valuations used to  
10 determine the amounts of Commonwealth educational subsidies.  
11 Section 1514. Annual adjustments.

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

22 Section 1515. Determination and apportionment.

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

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

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

8 Section 1516. Special aid to school districts.

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

21 Section 1516.1. Common level ratio.

22 (a) Establishment.--The board shall annually, prior to July  
23 1, establish for each county a common level ratio for the prior  
24 calendar year.

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

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

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

11 Section 1516.2. Publication of information by board.

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

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

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

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

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

24 If a municipality contracts for services relating to an  
25 assessment, the data collected by the contractor must be  
26 transmitted to the municipality within 60 days of its collection  
27 or development.

28 Section 1517. Saving clause.

29 Nothing in this chapter shall be construed to change or  
30 affect the validity of the assessed valuation of any real

1 property for the purpose of levying taxes by any political  
2 subdivision.

3 Section 1518. (Reserved).

4 Section 1519. Repeal.

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

7 Section 1520. (Reserved).

8 SECTION 1521. FUNDING CONTINGENCY.



9 THE BOARD'S AUTHORITY TO CARRY OUT THE DUTIES SET FORTH IN  
10 SECTION 1507(11), (12), (13) AND (14) IS CONTINGENT UPON RECEIPT  
11 OF AN APPROPRIATION IN AN AMOUNT SUFFICIENT TO COMPLETE THESE  
12 DUTIES.

13 Section 2. Repeals are as follows:

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

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

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

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

26 (1) Except as otherwise provided in Chapter 15 of the  
27 act, all activities initiated under the State Tax  
28 Equalization Board Law shall continue and remain in full  
29 force and effect and may be completed under Chapter 15 of the  
30 act. Resolutions, orders, regulations, rules, decisions and

1 sequence of methods used for arriving at market value for  
2 odd-numbered and even-numbered years which were made under  
3 the State Tax Equalization Board Law and which are in effect  
4 on the effective date of this section shall remain in full  
5 force and effect until revoked, vacated or modified under  
6 Chapter 15 of the act. Contracts, obligations and agreements  
7 entered into under the State Tax Equalization Board Law are  
8 not affected nor impaired by the repeal of the State Tax  
9 Equalization Board Law.

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

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

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

22 (i) Section 1501.

23 (ii) Section 1502(c).

24 ~~(iii) Section 1507(3.1) and (8).~~ ←

25 ~~(iv) Section 1516.2.~~

26 (III) SECTION 1507(8), (10), (11), (12), (13) AND ←

27 (14).

28 (IV) SECTION 1516.1(D).

29 (V) SECTION 1516.2.

30 (VI) SECTION 1521.

1 Section 4. This act shall take effect immediately.