

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 AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, JUNE 28, 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.

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 (3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE  
24 GOVERNOR MAY NOT APPOINT AN INDIVIDUAL AS A MEMBER OF THE  
25 BOARD, IF BECAUSE OF THE INDIVIDUAL'S PARTY AFFILIATION UNDER  
26 25 PA.C.S. PT. IV (RELATING TO VOTER REGISTRATION),  
27 APPOINTMENT OF THE INDIVIDUAL WOULD RESULT IN MORE THAN TWO  
28 MEMBERS OF THE BOARD HAVING THE SAME PARTY AFFILIATION AS THE  
29 GOVERNOR.

30 (c) Compensation.--The chairman of the board shall receive



1 an annual salary of \$25,000, and each other member shall receive  
2 an annual salary of \$24,000.

3 Section 1503. Chairman.

4 The Governor shall designate one of the members as chairman.  
5 The chairman shall be in charge of the administration of the  
6 board and the transaction of its routine business and shall  
7 execute the orders and policies of the board. The chairman may  
8 delegate to a member the authority to act for the chairman.

9 Section 1504. Quorum.

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

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

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

16 (b) Effect.--

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

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

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

22 and

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

24 (3) Upon compliance with paragraph (2), the  
25 determination, ruling or order shall be the determination,  
26 ruling or order of the board.

27 (c) Agents and examiners.--

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

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

7 Section 1506. Administrative assistance.

8           The department shall provide appropriate administrative,  
9 legal and technical support as needed by the board in order to  
10 accomplish its purpose.

11 Section 1507. General powers and duties.

12           The board has the following powers and duties:

13           (1) To determine the market value of taxable real  
14 property in each school district and to conduct  
15 investigations, require information and have access to public  
16 records necessary to make the determination under this  
17 paragraph.

18           (2) To require, in counties of the first class, the  
19 board of revision of taxes of such county, or its successor  
20 agency, and the county commissioners, or the body or  
21 individual exercising equivalent authority, of each county  
22 other than a county of the first class, to furnish a monthly  
23 list of all conveyances or other transfers of real estate, or  
24 any interest in real estate, recorded within the county  
25 during the preceding month, stating the value of the Federal  
26 tax stamps affixed to the deed for each conveyance, and the  
27 assessed valuations for county tax purposes of the real  
28 estate.

29           (3) To certify to the Department of Education and to the  
30 board of school directors of each school district:

1           (i) by July 1 of each ~~even-numbered~~ ODD-NUMBERED ←  
2           year, a list of all school districts showing the market  
3           value of taxable real property and the assessed valuation  
4           for county tax purposes; and

5           (ii) by July 1 of each ~~odd-numbered~~ EVEN-NUMBERED ←  
6           year, the changes in market values which result from  
7           properties going on or off the assessment rolls for  
8           taxation purposes.

9           (3.1) By July 1 of each odd-numbered year, to furnish to  
10          the board of school directors of each school district  
11          information as pertains to taxable real property in that  
12          school district.

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

15          (5) To:

16               (i) investigate the finances and general  
17               circumstances of a school district requesting special aid  
18               from the Department of Education; and

19               (ii) advise the Department of Education in making  
20               grants of special aid.

21          (6) To make surveys and investigations of the finances  
22          of school districts in the interest of a more equitable  
23          distribution of school support.

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

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

30          (9) To establish, annually, by July 1, a common level

1 ratio of assessed value to market value in each county for  
2 the prior calendar year.

3 (10) To meet as necessary and at least every other month  
4 to approve or confirm any determination, ruling or order  
5 pursuant to section 1505.

6 (11) TO CREATE IN CONSULTATION WITH THE COUNTY ←  
7 COMMISSIONERS ASSOCIATION OF PENNSYLVANIA AND THE ASSESSORS'  
8 ASSOCIATION OF PENNSYLVANIA AN OPERATIONS MANUAL TO BE  
9 UTILIZED BY COUNTIES WHEN COMPLETING A COUNTYWIDE  
10 REASSESSMENT OR WHEN VALUATING PROPERTY.

11 (12) TO CREATE AND MAINTAIN A CENTRALIZED AND  
12 STANDARDIZED STATEWIDE DATABASE FOR COUNTIES TO UTILIZE AND  
13 REPORT TO THE BOARD ALL PROPERTY VALUES AND DATA AS REQUIRED  
14 BY THE BOARD.

15 (13) TO DEVELOP AND MAINTAIN STATEWIDE TRAINING PROGRAMS  
16 FOR ALL PERSONS INVOLVED IN THE VALUATION OF PROPERTY WITHIN  
17 ALL OF THE COUNTIES OF THIS COMMONWEALTH. THESE PROGRAMS  
18 SHALL PROVIDE BASIC AND DETAILED TRAINING THAT SHALL BE  
19 COMPLETED AND PASSED BY ANY PERSON EMPLOYED TO COLLECT,  
20 COMPILE, COMPARE OR HANDLE DATA ASSOCIATED WITH THE VALUATION  
21 OF ANY PROPERTY FOR PURPOSES OF REASSESSMENT VALUATION WITHIN  
22 THIS COMMONWEALTH.

23 (14) TO DEVELOP STANDARDS ON CONTRACTING FOR ASSESSMENT  
24 SERVICES IN CONSULTATION WITH THE COUNTY COMMISSIONERS  
25 ASSOCIATION OF PENNSYLVANIA AND THE ASSESSORS' ASSOCIATION OF  
26 PENNSYLVANIA, TAKING INTO CONSIDERATION THE STANDARDS  
27 PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF ASSESSING  
28 OFFICERS. THE STANDARDS SHALL:

29 (I) REQUIRE THAT THE METHODOLOGY USED BY ANY PERSON,  
30 COMPANY OR ORGANIZATION TO VALUE PROPERTY IN THIS

1 COMMONWEALTH BE MADE PUBLIC.

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

4 Section 1508. Compilation of data.

5 (a) Requirement.--The board shall accumulate and compile  
6 data:

7 (1) showing the prices at which real property in each  
8 school district has been sold and all other available matter  
9 relevant to the market value of real property in all school  
10 districts; and

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

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

17 (1) Local tax assessment records maintained by local  
18 assessors or county and city assessors and boards,  
19 commissions or departments charged with the duty of revising  
20 assessments.

21 (2) Public records.

22 Section 1509. Monthly reports by counties and Commonwealth  
23 payments.

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

25 (1) It shall be the duty of the following entities to  
26 prepare, certify and electronically deliver to the board on  
27 the 15th day of each month a list as prescribed by the board  
28 of all conveyances or other transfers of real estate or any  
29 interest in real estate, conveyed consistent with any  
30 procedures for excluding sales data established in accordance

1 with section 1516.2(2), recorded within the county during the  
2 preceding month:

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

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

7 (iii) In counties of the second class A through  
8 eighth class, the board as defined in 53 Pa.C.S. § 8802  
9 (relating to definitions).

10 (2) The list under paragraph (1) shall include the value  
11 of the Federal tax stamps affixed to the deed for each  
12 conveyance or transfer as set forth on the list and the  
13 assessed valuation for county tax purposes of the real  
14 estate.

15 (3) At the end of each month, a list of all the real  
16 estate conveyed or transferred within the county during the  
17 month, stating the value of Federal tax stamps affixed to the  
18 instrument conveying or transferring the real estate or any  
19 interest in the real estate, shall be prepared and delivered  
20 as follows:

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

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

28 (b) Payment.--The board shall pay to the board of revision  
29 of taxes, or ~~it~~ ITS successor agency, of counties of the first ←  
30 class and to the county commissioners, or the body or individual



1 exercising equivalent authority, of every county except a county  
2 of the first class the sum of 20¢ for each conveyance or  
3 transfer of real estate on each list prepared, certified and  
4 delivered to the board for its use under this section.

5 Section 1510. Annual reports of local assessing officials.

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

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

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

15 (3) The board as defined in 53 Pa.C.S. § 8802 (relating  
16 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 ~~even-numbered~~ ODD-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 1521. FUNDING CONTINGENCY.

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

20 SECTION 1522. LIMITATION ON COUNTYWIDE REASSESSMENT.

21 (A) PROHIBITION.--THE FOLLOWING SHALL APPLY:

22 (1) NO LOCAL TAXING AUTHORITY SHALL UNDERTAKE, ON OR  
23 AFTER THE EFFECTIVE DATE OF THIS SECTION, THE PROCESS OF A  
24 COURT-ORDERED COUNTYWIDE REASSESSMENT OF REAL PROPERTY FOR  
25 PURPOSES OF LEVYING PROPERTY TAXES.

26 (2) NOTWITHSTANDING PARAGRAPH (1), ANY COUNTY CURRENTLY  
27 CONDUCTING A COURT-ORDERED COUNTYWIDE REASSESSMENT AS OF THE  
28 EFFECTIVE DATE OF THIS SECTION MAY, AT THE DISCRETION OF THE  
29 COUNTY, CONTINUE THE PROCESS.

30 (B) END OF PROHIBITION.--THE PROHIBITION UNDER SUBSECTION

1 (A) (1) SHALL REMAIN IN EFFECT UNTIL THE BOARD HAS IMPLEMENTED  
2 AND COMPLETED THE REQUIREMENTS UNDER SECTION 1507, OR UNTIL  
3 DECEMBER 31, 2014, WHICHEVER OCCURS FIRST.

4 (C) DEFINITION.--AS USED IN THIS SECTION, THE TERM "LOCAL  
5 TAXING AUTHORITY" SHALL MEAN ANY POLITICAL SUBDIVISION  
6 AUTHORIZED TO IMPOSE REAL PROPERTY TAXES.

7 Section 2. Repeals are as follows:

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

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

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

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

20 (1) Except as otherwise provided in Chapter 15 of the  
21 act, all activities initiated under the State Tax  
22 Equalization Board Law shall continue and remain in full  
23 force and effect and may be completed under Chapter 15 of the  
24 act. Resolutions, orders, regulations, rules , decisions and  
25 sequence of methods used for arriving at market value for  
26 odd-numbered and even-numbered years which were made under  
27 the State Tax Equalization Board Law and which are in effect  
28 on the effective date of this section shall remain in full  
29 force and effect until revoked, vacated or modified under  
30 Chapter 15 of the act. Contracts, obligations and agreements

1 entered into under the State Tax Equalization Board Law are  
2 not affected nor impaired by the repeal of the State Tax  
3 Equalization Board Law.

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

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

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

16 (i) Section 1501.

17 (ii) Section 1502(c).

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

19 ~~(iv) Section 1516.2.~~

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

21 (14).

22 (IV) SECTION 1516.1(D).

23 (V) SECTION 1516.2.

24 (VI) SECTION 1521.

25 (VII) SECTION 1522. ←

26 Section 4. This act shall take effect immediately.