

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

SENATE AMENDMENTS TO HOUSE AMENDMENTS, OCTOBER 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 FURTHER PROVIDING FOR CREATION OF BOARD, FOR MEMBERSHIP, FOR ←  
17 GENERAL POWERS AND DUTIES AND FOR COMMON LEVEL RATIO;  
18 PROVIDING FOR PUBLICATION OF INFORMATION BY BOARD FUNDING  
19 CONTINGENCY; and making a related repeal.

20 The General Assembly of the Commonwealth of Pennsylvania  
21 hereby enacts as follows:

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

25 CHAPTER 15

26 STATE TAX EQUALIZATION BOARD

1 Section 1500. Definitions.

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

5 "Board." The State Tax Equalization Board.

6 Section 1501. Creation of board.

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

9 Section 1502. Membership.

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

16 (b) Appointment and service.--

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

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

24 ~~(3) Notwithstanding any other provision of law, the~~ ←  
25 ~~Governor may not appoint an individual as a member of the~~  
26 ~~board, if because of the individual's party affiliation under~~  
27 ~~25 Pa.C.S. Pt. IV (relating to voter registration),~~  
28 ~~appointment of the individual would result in more than two~~  
29 ~~members of the board having the same party affiliation as the~~  
30 ~~Governor.~~

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

4 Section 1503. Chairman.

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

10 Section 1504. Quorum.

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

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

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

17 (b) Effect.--

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

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

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

23 and

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

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

28 (c) Agents and examiners.--

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

1 agents or examiners.

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

8 Section 1506. Administrative assistance.

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

12 Section 1507. General powers and duties.

13 The board has the following powers and duties:

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

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

30 (3) To certify to the Department of Education and to the

1 board of school directors of each school district:

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

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

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

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

16 (5) To:

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

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

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

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

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

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

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

7       (11) To create in consultation with the County  
8 Commissioners Association of Pennsylvania and the Assessors'  
9 Association of Pennsylvania an operations manual to be  
10 utilized by counties when completing a countywide  
11 reassessment or when valuating property.

12       (12) To create and maintain a centralized and  
13 standardized Statewide database for counties to utilize and  
14 report to the board all property values and data as required  
15 by the board.

16       (13) To develop and maintain Statewide training programs  
17 for all persons involved in the valuation of property within  
18 all of the counties of this Commonwealth. These programs  
19 shall provide basic and detailed training that shall be  
20 completed and passed by any person employed to collect,  
21 compile, compare or handle data associated with the valuation  
22 of any property for purposes of reassessment valuation within  
23 this Commonwealth.

24       (14) To develop standards on contracting for assessment  
25 services in consultation with the County Commissioners  
26 Association of Pennsylvania and the Assessors' Association of  
27 Pennsylvania, taking into consideration the standards  
28 published by the International Association of Assessing  
29 Officers. The standards shall:

30       (i) Require that the methodology used by any person,

1 company or organization to value property in this  
2 Commonwealth be made public.

3 (ii) State that all data and calculations are the  
4 property of the county and this Commonwealth.

5 Section 1508. Compilation of data.

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

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

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

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

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

22 (2) Public records.

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

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

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

1 procedures for excluding sales data established in accordance  
2 with section 1516.2(2), recorded within the county during the  
3 preceding month:

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

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

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

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

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

22 (i) In counties of the first class, the recorder of  
23 deeds shall prepare and deliver the list to the board of  
24 revision of taxes or its successor agency.

25 (ii) In all counties except for a county of the  
26 first class, the recorder of deeds shall prepare and  
27 deliver the list to the county commissioners or the body  
28 or agency exercising equivalent authority.

29 (b) Payment.--The board shall pay to the board of revision  
30 of taxes, or its successor agency, of counties of the first



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

6 Section 1510. Annual reports of local assessing officials.

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

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

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

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

18 Section 1511. Market value and percentage of value.

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

24 Section 1512. Certification.

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

1 Section 1513. Objections.

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

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

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

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

19 Section 1514. Annual adjustments.

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

30 Section 1515. Determination and apportionment.

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

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

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

16 Section 1516. Special aid to school districts.

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

29 Section 1516.1. Common level ratio.

30 (a) Establishment.--The board shall annually, prior to July

1 1, establish for each county a common level ratio for the prior  
2 calendar year.

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

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

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

19 Section 1516.2. Publication of information by board.

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

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

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

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

30 (4) Standards to be used for sales sample size and

1 procedures to be used when sales samples are not adequate.  
2 If a municipality contracts for services relating to an  
3 assessment, the data collected by the contractor must be  
4 transmitted to the municipality within 60 days of its collection  
5 or development.

6 Section 1517. Saving clause.

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

11 Section 1518. (Reserved).

12 Section 1519. Repeal.

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

15 Section 1520. (Reserved).

16 Section 1521. Funding contingency.

17 The board's authority to carry out the duties set forth in  
18 section 1507(11), (12), (13) and (14) is contingent upon receipt  
19 of an appropriation in an amount sufficient to complete these  
20 duties.

21 ~~Section 1522. Limitation on countywide reassessment.~~ ←

22 ~~(a) Prohibition. The following shall apply:~~

23 ~~(1) No local taxing authority shall undertake, on or~~  
24 ~~after the effective date of this section, the process of a~~  
25 ~~court ordered countywide reassessment of real property for~~  
26 ~~purposes of levying property taxes.~~

27 ~~(2) Notwithstanding paragraph (1), any county currently~~  
28 ~~conducting a court ordered countywide reassessment as of the~~  
29 ~~effective date of this section may, at the discretion of the~~  
30 ~~county, continue the process.~~

~~(b) End of prohibition. The prohibition under subsection (a)(1) shall remain in effect until the board has implemented and completed the requirements under section 1507, or until December 31, 2014, whichever occurs first.~~

~~(c) Definition. As used in this section, the term "local taxing authority" shall mean any political subdivision authorized to impose real property taxes.~~

Section 2. Repeals are as follows:

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

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

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

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

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

1 Chapter 15 of the act. Contracts, obligations and agreements  
2 entered into under the State Tax Equalization Board Law are  
3 not affected nor impaired by the repeal of the State Tax  
4 Equalization Board Law.

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

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

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

17 (i) Section 1501.

18 (ii) Section 1502(c).

19 (iii) Section 1507(8), (10), (11), (12), (13) and  
20 (14).

21 (iv) Section 1516.1(d).

22 (v) Section 1516.2.

23 (vi) Section 1521.

24 ~~(vii) Section 1522.~~

25 Section 4. This act shall take effect immediately.

