
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 33 Session of
2013

INTRODUCED BY KULA, STURLA, LONGIETTI, YOUNGBLOOD, FABRIZIO,
COHEN, DAVIDSON, GROVE AND CALTAGIRONE, JANUARY 8, 2013

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JANUARY 8, 2013

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, further providing for subjects of
3 local taxation and for valuation of property.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Section 8811 of Title 53 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 8811. Subjects of local taxation.

9 (a) Subjects of taxation enumerated.--Except as provided in
10 subsection (b), all subjects and property made taxable by the
11 laws of this Commonwealth for county, city, borough, town,
12 township and school district purposes shall, as provided in this
13 chapter, be valued and assessed at the annual rates, including
14 all:

15 (1) Real estate, namely:

16 (i) houses;

17 (ii) house trailers and mobile homes permanently
18 attached to land or connected with water, gas, electric

- 1 or sewage facilities;
- 2 (iii) buildings permanently attached to land or
3 connected with water, gas, electric or sewage facilities;
- 4 (iv) lands, lots of ground and ground rents, trailer
5 parks and parking lots;
- 6 (v) mills and manufactories of all kinds, furnaces,
7 forges, bloomeries, distilleries, sugar houses, malt
8 houses, breweries, tan yards, fisheries, ferries and
9 wharves;
- 10 (vi) all office buildings;
- 11 (vii) that portion of a steel, lead, aluminum or
12 like melting and continuous casting structure which
13 encloses or provides shelter or protection from the
14 elements for the various machinery, tools, appliances,
15 equipment, materials or products involved in the mill,
16 mine, manufactory or industrial process; and
- 17 (viii) telecommunication towers that have become
18 affixed to land.

19 (1.1) Rights held pursuant to a lease or other agreement
20 subject to the act of July 20, 1979 (P.L.183, No.60),
21 entitled "An act regulating the terms and conditions of
22 certain leases regarding natural gas and oil," to extract,
23 remove or recover gas, including natural gas, or oil shall be
24 subject to taxation as real estate for all county, city,
25 borough, town, township and school district purposes. The
26 rights shall be assessed and taxed separately from the
27 surface property assessment, in the name of the holder of
28 such rights, and valued in accordance with section 8842(d)
29 (relating to valuation of property). The following apply:
30 (i) For the first tax year after the effective date

1 of this paragraph that the chief assessor has implemented
2 the provisions of this paragraph and has rated and valued
3 leases under this paragraph and placed the value on the
4 county's permanent set of records, each political
5 subdivision for which the total amount of taxes levied
6 for that year against real properties contained in the
7 duplicate for the preceding year exceeds 110% of the
8 total amount it levied on those properties in the
9 preceding year, shall for that first year, reduce its tax
10 rate, if necessary, for the purpose of having the total
11 amount of taxes levied for that year against the real
12 properties contained in the duplicate for the preceding
13 year, equal the total amount it levied on those
14 properties the preceding year, notwithstanding the
15 increased valuations of the properties under the revised
16 assessment. The tax rate shall be fixed at a figure which
17 will accomplish this purpose.

18 (ii) After establishing a tax rate under
19 subparagraph (i), a political subdivision may increase
20 its tax rate by a separate and specific vote.

21 (iii) For the purpose of determining the total
22 amount of taxes to be levied in the first year under
23 subparagraphs (i) and (ii), the amount to be levied on
24 newly constructed buildings or structures, or on
25 increased valuations based on new improvements made to
26 existing houses, need not be considered.

27 (iv) The provisions of this paragraph are not
28 intended, nor shall they be construed, to affect any
29 other determination, including, but not limited to, the
30 determination of royalty due under mineral leases.

1 Notwithstanding any other provision of law, any tax
2 imposed by this chapter shall not reduce any royalty
3 payments due under mineral leases, and the producer under
4 a mineral lease may not recover any portion of the tax
5 paid from the royalty owner through other means of
6 deduction or reallocation, notwithstanding any provision
7 in the lease, contract or agreement.

8 (2) All other things now taxable by the laws of this
9 Commonwealth for taxing districts.

10 (b) Exceptions.--The following are not subject to tax:

11 (1) Machinery, tools, appliances and other equipment
12 contained in any mill, mine, manufactory or industrial
13 establishment shall not be considered or included as a part
14 of the real estate in determining the value for taxation of
15 the mill, mine, manufactory or industrial establishment.

16 (2) Silos used predominantly for processing or storage
17 of animal feed incidental to operation of the farm on which
18 it is located, freestanding detachable grain bins or corn
19 cribs used exclusively for processing or storage of animal
20 feed incidental to the operation of the farm on which it is
21 located and inground and aboveground structures and
22 containments used predominantly for processing and storage of
23 animal waste and composting facilities incidental to
24 operation of the farm on which the structures and
25 containments are located shall not be considered or included
26 as part of the real estate.

27 (3) No amusement park rides shall be assessed or taxed
28 as real estate regardless of whether they have become affixed
29 to the real estate.

30 (4) No sign or sign structure primarily used to support

1 or display a sign shall be assessed as real property by a
2 county for purposes of the taxation of real property by the
3 county or a political subdivision located within the county
4 or by a municipality located within the county authorized to
5 assess real property for purposes of taxation, regardless of
6 whether the sign or sign structure has become affixed to the
7 real estate.

8 (5) No wind turbine generators or related wind energy
9 appliances and equipment, including towers and tower
10 foundations, shall be considered or included as part of the
11 real property in determining the fair market value and
12 assessment of real property used for the purpose of wind
13 energy generation. Real property used for the purpose of wind
14 energy generation shall be valued under section 8842(b)(2)
15 [(relating to valuation of property)].

16 Section 2. Section 8842 of Title 53 is amended by adding a
17 subsection to read:

18 § 8842. Valuation of property.

19 * * *

20 (d) Gas and oil leases.--The valuation of rights held
21 pursuant to a lease or other agreement subject to the act of
22 July 20, 1979 (P.L.183, No.60), entitled "An act regulating the
23 terms and conditions of certain leases regarding natural gas and
24 oil," to extract, remove or recover gas, including natural gas,
25 or oil shall be developed by the county assessor utilizing the
26 income approach to value based upon the discounted value of the
27 rights, supplemented by the sales comparison data approach as
28 deemed necessary by the county assessor. The lessee or operator,
29 or lessor on behalf of the lessee or operator, shall annually,
30 no later than July 1, provide the county assessor with such

1 nonproprietary lease and lease income information as the
2 assessor determines is reasonably needed to determine value. The
3 board may change the assessed valuation of the rights in the
4 event information becomes available that would significantly
5 affect the valuation, including, but not limited to,
6 commencement of production on or near the property and the
7 depletion of the hydrocarbon gas subject to the lease and
8 related production.

9 Section 3. This act shall take effect in 60 days.