
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2036 Session of
2018

INTRODUCED BY STURLA, DEAN, THOMAS, DERMODY, SCHLOSSBERG,
D. MILLER, BRADFORD, FRANKEL AND D. COSTA, JANUARY 25, 2018

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
JANUARY 25, 2018

AN ACT

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

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

7 Section 1. Section 8811(a) and (b)(5) of Title 53 of the
8 Pennsylvania Consolidated Statutes are amended to read:

9 § 8811. Subjects of local taxation.

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

16 (1) Real estate, namely:

17 (i) houses;

18 (ii) house trailers and mobile homes permanently

1 attached to land or connected with water, gas, electric
2 or sewage facilities;

3 (iii) buildings permanently attached to land or
4 connected with water, gas, electric or sewage facilities;

5 (iv) lands, lots of ground and ground rents, trailer
6 parks and parking lots;

7 (v) mills and manufactories of all kinds, furnaces,
8 forges, bloomeries, distilleries, sugar houses, malt
9 houses, breweries, tan yards, fisheries, ferries and
10 wharves;

11 (vi) all office buildings;

12 (vii) that portion of a steel, lead, aluminum or
13 like melting and continuous casting structure which
14 encloses or provides shelter or protection from the
15 elements for the various machinery, tools, appliances,
16 equipment, materials or products involved in the mill,
17 mine, manufactory or industrial process; and

18 (viii) telecommunication towers that have become
19 affixed to land.

20 (1.1) Rights held pursuant to a lease or other agreement
21 subject to the act of July 20, 1979 (P.L.183, No.60), known
22 as the Oil and Gas Lease Act, to extract, remove or recover
23 gas, including natural gas, or oil shall be subject to
24 taxation as real estate for all county, city, borough, town,
25 township and school district purposes. The rights shall be
26 assessed and taxed separately from the surface property
27 assessment, in the name of the holder of such rights, and
28 valued in accordance with section 8842(d) (relating to
29 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 * * *

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

20 * * *

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

23 § 8842. Valuation of property.

24 * * *

25 (d) Gas and oil leases.--The valuation of rights held
26 pursuant to a lease or other agreement subject to the act of
27 July 20, 1979 (P.L.183, No.60), known as the Oil and Gas Lease
28 Act, to extract, remove or recover gas, including natural gas,
29 or oil shall be developed by the county assessor utilizing the
30 income approach to value based upon the discounted value of the

1 rights, supplemented by the sales comparison data approach as
2 deemed necessary by the county assessor. The lessee or operator,
3 or lessor on behalf of the lessee or operator, shall annually,
4 no later than July 1, provide the county assessor with such
5 nonproprietary lease and lease income information as the
6 assessor determines is reasonably needed to determine value. The
7 board may change the assessed valuation of the rights in the
8 event information becomes available that would significantly
9 affect the valuation, including, but not limited to,
10 commencement of production on or near the property and the
11 depletion of the hydrocarbon gas subject to the lease and
12 related production.

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