

No. 1982-270

AN ACT

HB 2562

Amending the act of May 21, 1943 (P.L. 571, No. 254), entitled, as amended, "An act relating to assessment for taxation in counties of the fourth, fifth, sixth, seventh and eighth classes; designating the subjects, property and persons subject to and exempt from taxation for county, borough, town, township, school, except in cities and county institution district purposes; and providing for and regulating the assessment and valuation thereof for such purposes; creating in each such county a board for the assessment and revision of taxes; defining the powers and duties of such boards; providing for the acceptance of this act by cities; regulating the office of ward, borough, town and township assessors; abolishing the office of assistant triennial assessor in townships of the first class; providing for the appointment of a chief assessor, assistant assessors and other employees; providing for their compensation payable by such counties; prescribing certain duties of and certain fees to be collected by the recorder of deeds and municipal officers who issue building permits; imposing duties on taxables making improvements on land and grantees of land; prescribing penalties; and eliminating the triennial assessment," providing for the use of actual values in determining the taxability of persons and property.

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

Section 1. Section 102, act of May 21, 1943 (P.L. 571, No. 254), known as "The Fourth to Eighth Class County Assessment Law," is amended by adding definitions to read:

Section 102. Definitions.—The following words and phrases shall for the purpose of this act have the meanings respectively ascribed to them in this section, except where the context clearly indicates a different meaning:

* * *

"Base year" shall mean the year upon which real property market values are based for the most recent county-wide revision of assessment of real property or other prior year upon which the market value of all real property of the county is based. Real property market values shall be equalized within the county and any changes by the board shall be expressed in terms of such base year values.

"Common level ratio" shall mean the ratio of assessed value to current market value used generally in the county as last determined by the State Tax Equalization Board pursuant to the act of June 27, 1947 (P.L. 1046, No. 447), referred to as the State Tax Equalization Board Law.

"County commissioners" shall mean the board of county commissioners or other similar body in home rule charter counties.

"Established predetermined ratio" shall mean the ratio of assessed value to market value established by the board of county commissioners and uniformly applied in determining assessed value in any year.

Section 2. Section 104 of the act, amended October 13, 1965 (P.L.590, No.307), is amended to read:

Section 104. Optional Use by Cities.—(a) Any city in any county wherein a board is created under this act may become subject to the provisions of this act, and the mayor and council of any such city may effect the same by an ordinance duly passed. A copy of such ordinance approved by the mayor and duly certified, accompanied by a statement of the vote thereon, with the names of the members of council voting for and against such ordinance, shall be forwarded to and filed in the office of the Secretary of the Commonwealth, and when so filed the Governor shall under the great seal of the Commonwealth certify the acceptance of the provisions of this act, which certificate shall be recorded among the minutes of the council and in the office for the recording of deeds in the proper county.

(b) From the date of the completion of such acceptance the objects, property and persons subject to and exempt from taxation in such city for city and school purposes shall be designated by and the assessment and valuation thereof for such city and school purposes, shall be done only in accordance with the provisions of this act and by the officers designated in this act: Provided, That if a city in accepting the provisions of this act elects by ordinance to adopt [a] *an established* predetermined ratio different from that used by the county, then the city shall apply the ratio selected to the [market] *actual* valuation supplied by the county to determine assessed value for tax purposes. The *established* predetermined ratio selected by the city, if different from the ratio selected by the county, may be set at any value up to and including the [market] *actual* valuation supplied by county.

(c) Whenever any city accepts the provisions of this act, all the provisions thereof shall apply to such city, and the act approved the twenty-second day of May, one thousand nine hundred thirty-three (Pamphlet Laws, eight hundred fifty-three), entitled "The General County Assessment Law," in so far as it applies to or is effective in such city, and any act of Assembly in force in such city, in so far as it is inconsistent with the provisions of this act, shall be annulled.

Section 3. Section 601 of the act, amended October 5, 1978 (P.L.1138, No.268), is amended to read:

Section 601. Preparation of Assessment Roll.—Annually, on or before the first day of July, the chief assessor shall, from the returns made by the local assessors, prepare and submit to the board, in the form prescribed by the board, an assessment roll or list of persons and property subject to local taxation, together with the *actual* value placed upon each person, each parcel or tract of real property and the personal property of each person by the assessor, and shall make and have supervision of listing and valuation of property excluded or exempted from taxation. The chief assessor shall, at the same time, prepare and submit a list of all property exempted by law from taxation. The making of triennial assessments as provided by existing law is hereby abolished.

Section 4. Section 602 of the act, amended December 18, 1959

(P.L.1933, No.703), May 9, 1961 (P.L.182, No.91), August 10, 1965 (P.L.319, No.169) and June 24, 1976 (P.L.432, No.104), is amended to read:

Section 602. Valuation of Persons and Property.—(a) It shall be the duty of the chief assessor to [assess,] rate and value all subjects and objects of local taxation, whether for county, township, town, school (except in cities), county institution district, poor or borough purposes, according to the actual value thereof, and in the case of subjects and objects of local taxation other than real property at such rates and prices for which the same would separately bona fide sell. After there has been established and completed for the entire county the permanent system of records consisting of tax maps, property record cards and property owners' index, as required by section three hundred six of the act herein amended, real property shall be assessed at a value based upon an established predetermined ratio, of which proper notice shall be given, not exceeding seventy-five per centum (75%) of [its] actual value [or the price for which the same would separately bona fide sell]. Such ratio shall be established and determined by the board of county commissioners. *In arriving at actual value the county may utilize the current market value or it may adopt a base year market value.* In arriving at such value, the price at which any property may actually have been sold *either in the base year or in the current taxable year* shall be considered, but shall not be controlling. Instead, such selling price estimated or actual shall be subject to revision by increase or decrease to accomplish equalization with other similar property within the county. *In arriving at the actual value, all three methods, namely, cost (reproduction or replacement, as applicable, less depreciation and all forms of obsolescence), comparable sales and income approaches, must be considered in conjunction with one another.* After the completion of the permanent system of records for the county, when [assessing] valuing real property, the chief assessor shall also take into consideration the *actual* value of such property as indicated by the use of the permanent system of records, cost charts and land values applied on the basis of zones and districts as well as the general adherence to the established predetermined ratio.

(b) After any county has established and completed, for the entire county, the permanent system of records consisting of tax maps, property record cards and property owner's index as required by section 306 of this act, and has made its first county assessment of real property or subsequently makes a county-wide revision of assessment of real property under that system and at values based upon an established predetermined ratio as required by this section *or when a county changes its established predetermined ratio*, each political subdivision, which hereafter for the first time levies its real estate taxes on that first or revised assessment or valuation, shall, for that first year, reduce its tax rate, if necessary, for the purpose of having the total amount of taxes levied for that year against the real properties contained in the duplicate for the preceding year, equal, in the case of a school district, not more than one hundred and ten per centum, and in the case of any other taxing district,

not more than one hundred and five per centum of the total amount it levied on such properties the preceding year, notwithstanding the increased valuations of such properties under the new assessment system. For the purpose of determining the total amount of taxes to be levied for said first year, the amount to be levied on newly constructed buildings or structures or on increased valuations based on new improvements made to existing houses need not be considered. The tax rate shall be fixed for that year at a figure which will accomplish this purpose. With the approval of the court of common pleas, upon good cause shown, any such political subdivision may increase the tax rate herein prescribed, notwithstanding the provisions of this subsection. No political subdivision shall levy real estate taxes on a county-wide revised assessment until it has been completed for the entire county.

(c) Whenever any county makes its first county assessments for taxation purposes in the entire county from valuations made with the use of the permanent system of records, consisting of tax maps, property record cards and property owner's index, as required by section 306 of the act herein amended, and such assessments or valuations are sufficiently completed so that, on or before August 1st in the year 1960, notice has been given in the manner provided by the act herein amended to each owner of property whose valuation or assessment has been changed from the valuation or assessment of the previous year, every taxing body or taxing district in the county which uses county assessments for taxation purposes shall levy its taxes for that year on the new assessments and not on the assessments made for the previous year, and, where necessary, shall amend and revise any levy previously made for that year in order to comply with this provision, notwithstanding any other provisions of law requiring tax levies to be made at certain prescribed times.

(d) Whenever any county of the eighth class makes its first county assessments for taxation purposes in the entire county from valuations made with the use of the permanent system of records, consisting of tax maps, property record cards and property owner's index, as required by section 306 of the act herein amended, and such assessments or valuations are sufficiently completed so that on or before April 15th in the year 1960 all appeals of assessments will have been heard as provided in section 702.1 and all decisions rendered by the board, every taxing body or taxing district in the county which uses county assessments for taxation purposes may levy its taxes for that year on the new assessments and not on the assessments made for the previous year and where necessary may amend and revise any levy previously made for that year in order to comply with this provision notwithstanding any other provisions of law requiring tax levies to be made at certain prescribed times.

Section 5. Section 701 of the act, amended July 1, 1978 (P.L.714, No.125) and October 5, 1978 (P.L.1138, No.268), is amended to read:

Section 701. Appeal Notices.—(a) Upon receipt of the assessment roll from the assessor, or as soon thereafter as possible, the board shall examine and inquire whether the assessments and valuations have been made in conformity with the provisions of this act, and shall revise the

same, increasing or decreasing the assessments and valuations as in their judgment may seem proper, and shall add thereto such property or subjects of taxation as may have been omitted. The board may revise and decrease the assessment *and valuation* of real property the buildings of which are completely destroyed or razed, taking into account the loss in value of the property for that part of the assessment year subsequent to the destruction. The board shall, on or before the fifteenth day of July prepare an assessment roll or list of persons and property subject to local taxation, together with the value placed upon each person and each parcel or tract of real property. The board shall at the same time prepare a list of all property exempted by law from taxation. It shall cause to be mailed or delivered to each owner of property or person assessed, and taxing district having an interest therein, the *actual* value of whose property or personal assessment has been changed from that fixed in the preceding assessment roll as corrected after revision or the value of whose property or personal assessment has not theretofore been separately fixed, *or when the established predetermined ratio has been changed within the county*, at his last known address, a notice of such change, the amount of the present assessment, *valuation and ratio* if the property or personal assessment was previously separately assessed and the amount of such new assessment, *valuation and ratio*. Said notice shall be mailed within five days from the date the board made such change or added said property to the roll and shall state that any person aggrieved by such change or by any assessment, and the said taxing districts may appeal to the board for relief by filing with the board within forty days of the date of such notice, a statement in writing of such intention to appeal, designating the assessment or assessments by which such person is aggrieved, and the address to which notice of when and where to appear for hearing of the appeal shall be mailed.

(a.1) The board is authorized to make additions and revisions to the assessment roll of persons and property subject to local taxation at any time in the year, so long as the notice provisions of this section are complied with. All additions and revisions shall be a supplement to the assessment roll for levy and collection of taxes for the tax year for which the assessment roll was originally prepared, in addition to being added to the assessment roll for the following calendar or fiscal tax years.

(b) Any person aggrieved by any assessment whether or not the value thereof shall have been changed since the preceding annual assessment, or any taxing district having an interest therein, may appeal to the board for relief. Any person or such taxing districts desiring to make an appeal shall, on or before the first day of September, file with the board an appeal, setting forth:

(1) The assessment or assessments by which such person feels aggrieved;

(2) The address to which the board shall mail notice of when and where to appear for hearing.

(b.1) For the purpose of assessment appeals under this act, the term "person" shall include, in addition to that provided by law, a group of

two or more persons acting on behalf of a class of persons similarly situated with regard to the assessment.

(c) Notwithstanding any other provisions of this act when any county proposes to institute a county-wide revision of assessments upon real property, the following notice requirements and appeal process shall be followed:

(1) All property owners shall be notified by first class mail at their last known address of the value of the new assessment and the value of their old assessment.

(2) All property owners shall have the right to appeal any new assessment value within thirty days of receipt of notice and each notice shall so state.

(3) The board shall mail all notices on or before the first day of July. The board at its discretion may commence with the hearing of appeals thirty days following the mailing of the initial notices of reassessment.

(4) The board shall notify each person and each taxing district having an interest therein, who has filed an appeal, of the time and place of hearing on said appeal by depositing such notice in the mail addressed to such person at the address designated in the appeal not later than the twentieth day preceding the day designated in the notice for such appearance. Any person or such taxing district who shall fail to appear for hearing at the time fixed shall be presumed to have abandoned his appeal unless said hearing date is re-scheduled by the mutual consent of the property owner and the board.

(5) On or before the fifteenth day of November, the board shall certify to the clerk or secretary of each political subdivision coming within the scope of this act within the county, the value of real property, the value of occupations, and the number of persons subject to personal taxes appearing in the assessment roll and taxable by the respective political subdivisions.

(6) All appeals shall be heard and acted upon by the board by not later than the last day of October.

Section 6. Section 702 of the act, amended October 5, 1978 (P.L.1138, No.268), is amended to read:

Section 702. Appeal Hearings.—(a) The board shall meet for the hearing of appeals and shall continue to meet for such purpose from time to time, until all appeals have been heard and acted upon. All appeals other than appeals brought under section 701(a.1) shall be acted upon not later than the last day of October. When an appeal has been filed, the board shall notify each person and each taxing district having an interest therein, of the time and place where he shall appear for the purpose of being heard, by depositing such notice in the mail, addressed to such person at the address designated in the statement of intention to appeal, not later than the twentieth day preceding the day designated in the notice for such appearance. All hearings on appeals before the board shall be open to the public and shall be conducted in accordance with regulations prescribed by the board. Any person may appear and be heard, either in person or by counsel. Any political subdivision having an inter-

est in the assessment may appear and be heard, either by its solicitor or counsel specially engaged for such purpose. [At such hearing, the board shall inquire as to the equity of the assessment appealed from in relation to other similar assessments, as well as to the proper value of the subject or object assessed, and after such hearing shall make such order as to it seems just and equitable, affirming, raising or lowering the assessment appealed from.]

(b) In any appeal of an assessment the board shall make the following determinations:

(1) The current market value for the tax year in question.

(2) The common level ratio.

(c) The board, after determining the current market value of the property for the tax year in question, shall then apply the established predetermined ratio to such value unless the common level ratio varies by more than fifteen per centum (15%) from the established predetermined ratio, in which case the board shall apply the common level ratio to the current market value of the property for the tax year in question.

(d) Nothing herein shall prevent any appellant from appealing any base year valuation without reference to ratio.

(e) The order of the board shall be entered in the minutes of the board, and a copy of such order shall be delivered to the person who appealed, either in person or by mail, to the address shown in the statement of intention to appeal, within five days after the hearing on such appeal. The chief assessor and such assistant assessors as he or the board may designate, shall attend each hearing and shall furnish the board with such information relating to the assessment appealed from, as the board may desire. Either the board or the person appealing may call such witnesses as they desire and as may be permitted under the rules of the board, and the board may examine such witnesses under oath. For the purpose of examining witnesses, any member of the board shall be competent to administer oaths.

Section 7. Section 704 of the act, amended January 18, 1952 (1951, P.L.2138, No.606) and October 5, 1978 (P.L.1138, No.268), is amended to read:

Section 704. Appeal to Court from Order of Board; Collection Pending; Appeal; Payment into Court.—*(a)* Any person who shall have appealed to the board for relief from any assessment, who may feel aggrieved by the order of the board in relation to such assessment, may appeal from the order of the board to the court of common pleas of the county within which such property is situated, and for that purpose may present to said court, or file in the prothonotary's office within sixty days after the board entered its order on the said assessment, a petition signed by him, his agent or attorney, setting forth the facts of the case, and thereupon the court shall proceed at the earliest convenient time to be by them appointed, of which notice shall be given to the board to hear the said appeal and the proofs in the case, and to make such orders and decrees determining from the evidence submitted at the hearing. [what ratio was used generally in the taxing district and the court shall direct

the application of the ratio so found to the value of the property which is the subject matter of the appeal and such shall be the assessment the]

(b) In any appeal of an assessment the court shall make the following determinations:

(1) The current market value for the tax year in question.

(2) The common level ratio.

(c) The court, after determining the current market value of the property for the tax year in question, shall then apply the established pre-determined ratio to such value unless the common level ratio varies by more than fifteen per centum (15%) from the established predetermined ratio, in which case the court shall apply the common level ratio to the current market value of the property for the tax year in question.

(d) Nothing herein shall prevent any appellant from appealing any base year valuation without reference to ratio.

(e) The costs of the appeal and hearing are to be apportioned or paid, as the court may direct: Provided, however, That the appeal shall not prevent the collection of taxes based on the assessment complained of, but in case the same shall be reduced, then the excess shall be returned to the person or persons who shall have paid the same: And provided further, That the appellant may pay the amount of the tax alleged to be due by reason of the assessment appealed from to the tax collector under protest in writing, in which case when the tax is paid over to the taxing district, it shall be the duty of the tax collector to notify the taxing district of such payment under protest by delivering to it the protest in writing. Whereupon, the taxing district shall be required to segregate twenty-five per centum of the amount of the tax paid over, and shall deposit the same in a separate account in the depository in which the funds of the taxing district are deposited, and shall not be permitted to expend any portion of such segregated amount unless it shall first petition the court, alleging that such segregated amount is unjustly withheld. Thereupon, the court shall have power to order the use by the taxing district of such portion of such segregated amount as shall appear to said court to be reasonably free from dispute, and the remainder of the segregated amount shall be held segregated by the taxing district, pending the final disposition of the appeal: Provided further, That upon final disposition of the appeal, the amount found to be due the appellant as a refund shall also be a legal set-off or credit against any future taxes assessed against the appellant by the same taxing district, and where a taxing district alleges that it is unable to thus credit all of such refund in one year, the court, upon application of either party, shall determine over what period of time such refund shall be made, and shall fix the amount thereof which shall be credited in any year or years. This proviso shall be construed to apply to all refunds that are now due or may hereafter become due as the result of appeals from assessments that have not been finally determined or adjusted at the time this act takes effect, regardless whether there has been a payment of any moneys into court or to the tax collector under written protest.

(f) If a taxpayer has filed an appeal from an assessment, so long as

the appeal is pending before the board or before a court on appeal from the determination of the board, as provided by statute, the appeal will also be taken as an appeal by the taxpayer on the subject property for any valuation for any assessment subsequent to the filing of such appeal with the board and prior to the determination of the appeal by the board or the court. The board shall hold its hearings and make its final determination of the subsequent years in question in the same manner as for the year or years for which the original appeal was filed. This provision shall be applicable to all pending appeals as well as future appeals.

Section 8. This act shall apply to appeals initiated after January 1, 1983.

Section 9. This act shall take effect immediately.

APPROVED—The 13th day of December, A. D. 1982.

DICK THORNBURGH