

No. 1984-169

AN ACT

HB 1156

Amending the act of June 21, 1939 (P.L.626, No.294), entitled "An act providing for and regulating the assessment and valuation of all subjects of taxation in counties of the second class; creating and prescribing the powers and duties of a Board of Property Assessment, Appeals and Review; imposing duties on certain county and city officers; abolishing the board for the assessment and revision of taxes in such counties; and prescribing penalties," providing for the right to appeal before the board for persons suffering catastrophic losses to their property; and further providing for changes in the assessment of plans for residential lots and for the temporary tax exemption for residential construction.

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

Section 1. Section 10 of the act of June 21, 1939 (P.L.626, No.294), referred to as the Second Class County Assessment Law, amended December 13, 1982 (P.L.1186, No.272), is amended to read:

Section 10. (a) The board shall, as provided by this act and by the provisions of existing law, examine and revise the assessments and valuations, increasing or decreasing the same as in their judgment may seem proper, and shall add thereto such property or subjects of taxation as may have been omitted.

(b) After such revision, the board shall, by rule, fix convenient times for the hearing of appeals from said assessments and valuations.

(c) 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.

(d) 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 percent (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.

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

(f) **[The] Except as provided for in subsection (g), the** valuations determined in accordance with this section shall stand as the valuations for the assessments of all county and institution district taxes and for such other political subdivisions as levy their taxes on county assessments and valuations in the county until the next triennial assessment.

(g) Persons who have suffered catastrophic losses to their property shall have the right to appeal before the board, within the remainder of the county fiscal year in which the catastrophic loss occurred, or within six (6) months

of the date on which the catastrophic loss occurred, whichever time period is longer. The duty of the board shall be to reassess the value of the property in the following manner: the value of the property before the catastrophic loss based on the percentage of the taxable year for which the property stood at its former value, added to the value of the property after the catastrophic loss, based on the percentage of the taxable year for which the property stood at its reduced value. Any property improvements made subsequent to the catastrophic loss in the same tax year shall not be included in the reassessment as herein described for that tax year. Any adjustment in an assessment pursuant to this subsection shall be reflected by the appropriate taxing authorities in the form of a credit for the next succeeding tax year. For purposes of this subsection, the phrase "catastrophic loss" shall mean any loss due to mine subsidence, fire, flood or other natural disaster which affects the physical state of the real property and which exceeds fifty percent (50%) of the market value of the real property prior to the loss.

Section 2. The fourth paragraph of section 13 of the act, amended February 24, 1984 (P.L.96, No.18), is amended to read:

Section 13. * * *

No land assessed as acreage or unimproved property, which is subsequently laid out in residential lots and the plan of such lots is recorded, shall be assessed in excess of the total assessment of the land as acreage or unimproved property **[for a period of three years after the recording of such plan, or]** until such time as the lots are actually **[sold or]** improved with permanent construction of any new building **and either sold to a bona fide purchaser or** occupied for residential purposes**[, whichever period is the shorter]**. Each such lot as sold **or occupied** shall be subject to reassessment beginning with the date of such sale **or occupancy**, and new construction **[begun]** thereon shall be subject to reassessment as provided above. When a department or agency of the Commonwealth or a municipality has ordered a sewer connection ban because of a lack of adequate sewage treatment facilities, the real estate affected by the order shall be reassessed for the duration of the order. The reassessment shall be based on the value of the best use of the land during the period of the reassessment. New single and multiple dwellings constructed for residential purposes and improvements to existing unoccupied dwellings or improvements to existing structures for purposes of conversion to dwellings, shall not be valued or assessed for purposes of real property taxes until (1) occupied, (2) conveyed to a bona fide purchaser, or (3) **[one year] thirty months** from the first day of the month **[in which falls the sixtieth day]** after which the building permit was issued or, if no building permit or other notification of improvement was required, then from the date construction commenced. The assessment of any multiple dwelling because of occupancy shall be upon such proportion which the value of the occupied portion bears to the value of the entire multiple dwelling. As used in this paragraph, the word "dwellings" means buildings or portions thereof intended for permanent use as homes or residences and the phrase "affected by the order" shall be defined as the application for a building permit and the denial to the applicant of permission to proceed with the building or construction because of a sewer ban order.

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Section 3. (a) Section 1 of this act shall take effect in 60 days.

(b) The remainder of this act shall take effect immediately.

APPROVED—The 11th day of October, A. D. 1984.

DICK THORNBURGH