

No. 1982-268

AN ACT

HB 2560

Amending the act of May 22, 1933 (P.L.853, No.155), entitled "An act relating to taxation; designating the subjects, property and persons subject to and exempt from taxation for all local purposes; providing for and regulating the assessment and valuation of persons, property and subjects of taxation for county purposes, and for the use of those municipal and quasi-municipal corporations which levy their taxes on county assessments and valuations; amending, revising and consolidating the law relating thereto; and repealing existing laws," 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 22, 1933 (P.L.853, No.155), known as "The General 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 of revision of taxes or board for the assessment and revision of taxes 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" means 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 402 of the act, amended June 24, 1976 (P.L.422, No.100), is amended to read:

Section 402. Valuation of Property.—(a) It shall be the duty of the several elected and appointed assessors, and, in townships of the first

class, of the assessors, assistant township assessors and assistant triennial assessors, to [assess,] rate and value all objects of taxation, whether for county, city, township, town, school, institution district, poor or borough purposes, according to the actual value thereof, and at such rates and prices for which the same would separately bona fide sell. *In arriving at actual value the county may utilize either 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 taxing district. *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.* Except in counties of the first class, no political subdivision shall levy real estate taxes on a county-wide revised assessment of real property until it has been completed for the entire county.

(a.1) The board of county commissioners shall establish and determine, after proper notice has been given, an established predetermined ratio of assessed value to actual value which may not exceed one hundred per centum (100%) of actual value. The commissioners, acting as a board of revision of taxes, or board for the assessment¹ and revision of taxes shall apply the established predetermined ratio to the actual value of all real property to formulate the assessment roll.

(b) Except as to counties of the first and second class, after any county makes a county-wide revision of assessment of real property at values based upon an established predetermined ratio as required by law *or after any county changes its established predetermined ratio*, each political subdivision, which hereafter for the first time levies its real estate taxes on that revised assessment or valuation, shall, for the 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 any taxing district, not more than ten per centum greater than the total amount it levied on such properties the preceding year, notwithstanding the increased valuations of such properties under the revised assessment. 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.

¹"assessments" in original.

Section 3. Section 505 of the act, amended October 5, 1978 (P.L.1142, No.269), is amended to read:

Section 505. Making Revisions.—(a) The county commissioners, acting as the board of revision, or board of revision of taxes, or board for the assessment and revision of taxes, as the case may be, in each county, shall, on receiving the returns of the elected or appointed assessors, proceed to examine and inquire whether the same have been made in conformity with the laws of this Commonwealth, and whether all property to be valued for taxation for county purposes has been valued **[at a sum or price not less than the same would bring after full public notice at a public sale, supposing each separate lot or piece or tract of land, with the improvements, or the personal property of each individual, company or corporation only were to be sold] at actual value**. They shall receive and consider the written communication of any taxable inhabitant of the county relative to any property which such taxable inhabitant shall believe to have been **[reduced] valued** too low, and, on the day appointed for determining whether any property has been **[reduced] valued** too low or **[assessed]** too high, they shall proceed to raise or lower the price or valuation of any property which they shall believe to have been **[reduced] valued** too low or **[assessed]** too high, and if they cannot on the day appointed revise, raise and equalize the valuation of all property, they may adjourn from day to day until the whole of such valuation shall have been revised, raised or equalized.

(b) 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 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.

Section 4. Section 508 of the act, amended July 9, 1976 (P.L.854, No.151), is amended to read:

Section 508. Notice of Assessment, Rate, and Appeal.—It shall be the duty of the several elected or appointed assessors on receiving such transcript of the triennial assessment from the county commissioners, acting as a board of revision, or the board for the assessment and revision of taxes, as the case may be, to give written or printed notice, at least five days before the day of appeal, to every taxable inhabitant within the respective ward, borough, town, township or district, the amount of the present assessment, *valuation and ratio*, the amount or sum of which he stands rated, and the rate per cent of the tax, and of the time and place of such appeal. In every case where the county commissioners, acting as a board of revision, or the board for the assessment and revision of taxes, as the case may be, shall **[raise] change** the **[price or]** valuation of any property **[which they believe has been valued or reduced by the assessor too low] or the established predetermined ratio**, a statement of the present assessment, *valuation and ratio* and a notice of such **[increased]**

changed assessment, valuation and ratio shall also be given to the owner or owners.

Section 5. Section 511 of the act is amended to read:

Section 511. Board of Revision to Hear and Pass on Appeals.—

(a) At the time and place fixed for the appeal, whether at a triennial or inter-triennial assessment, the commissioners, acting as a board of revision, or the board for the assessment and revision of taxes, shall attend and hear all persons who may apply for redress, and grant such relief as to them shall appear just and reasonable: Provided, That the commissioners, acting as a board of revision, or the board for the assessment and revision of taxes, shall not make any allowance or abatement in the valuation of any real estate, in any other year than that in which the triennial assessment is made, excepting where buildings or other improvements have been destroyed, or where coal, ore, or other minerals assessed under the triennial assessment have been mined out, subsequently to such triennial assessment, in which cases such allowance or abatement shall be made.

(b) *In any appeal of an assessment the commissioners, acting as a board of revision of taxes, or the board for the assessment and revision of taxes, shall make the following determinations:*

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

(2) *The common level ratio.*

(c) *The county commissioners, acting as a board of revision of taxes, or the board for the assessment and revision of taxes, 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 commissioners, acting as a board of revision of taxes, or a board for the assessment and revision of taxes, 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.*

Section 6. The act is amended by adding a section to read:

Section 518.2. Appeals to Court.—(a) *In any appeal of an assessment the court shall make the following determinations:*

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

(2) *The common level ratio.*

(b) *The court, 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 court shall apply the common level ratio to the current market value of the property for the tax year in question.*

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

Section 7. This act shall apply to appeals initiated after January 1, 1983.

Section 8. This act shall take effect immediately.

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

DICK THORNBURGH