

## No. 1982-271

## AN ACT

## HB 2563

Amending the act of June 27, 1939 (P.L.1199, No.404), entitled "An act relating to the assessment of real and personal property and other subjects of taxation in counties of the first class; providing for the appointment of members of the board of revision of taxes by the judges of the courts of common pleas; providing for the appointment, by the board, of personal property assessors, real estate assessors and assistant real estate assessors, clerks and other employes; fixing the salaries of members of the board, assessors and assistant assessors, and providing for the payment of salaries and expenses from the county treasury; prescribing the powers and duties of the board and of the assessors, the time and manner of making assessments, of the revision and notice of assessments and of appeals therefrom; prescribing the records of assessments; 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. The act of June 27, 1939 (P.L.1199, No.404), entitled "An act relating to the assessment of real and personal property and other subjects of taxation in counties of the first class; providing for the appointment of members of the board of revision of taxes by the judges of the courts of common pleas; providing for the appointment, by the board, of personal property assessors, real estate assessors and assistant real estate assessors, clerks and other employes; fixing the salaries of members of the board, assessors and assistant assessors, and providing for the payment of salaries and expenses from the county treasury; prescribing the powers and duties of the board and of the assessors, the time and manner of making assessments, of the revision and notice of assessments and of appeals therefrom; prescribing the records of assessments; and repealing existing laws," is amended by adding a section to read:

**Section 1.1.** *The following words and phrases when used in this act shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:*

**"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.*

**"Board"** *shall mean the board of revision of taxes in counties of the first class.*

**"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.*<sup>1</sup>

*“Established predetermined ratio” shall mean the ratio of assessed value to market value established and uniformly applied in determining assessed value in any year.*

Section 2. Section 7 of the act is amended to read:

Section 7. The board shall issue annually, at such time as the board shall determine, its precepts to the real estate assessors assigned to the various real estate assessment districts, and the assessors shall, upon the receipt of such precepts, **[assess and]** value each parcel of real property located within the districts to which they are assigned, and shall return such **[assessments] valuations** to the board upon such date as the board shall provide. Such return shall be in such form as the board shall prescribe, but shall require the assessors to **[assess] value** separately the land and the improvements thereon in the case of each parcel of real property. The assessors shall also ascertain, and shall note in their returns, any division of any parcel, any change in the physical condition of the land or of the improvements located thereon, including the destruction or demolition of improvements and the erection of new improvements, and any change in the ownership thereof, occurring after the last preceding return was filed for such parcel, and such changes shall be noted on the records to be maintained by the board as provided in section six of this act.

Section 3. Section 10 of the act is amended to read:

Section 10. (a) At least ten days prior to the first Monday in October of each year, the board shall give printed or written notice to the registered owners of all real property situated within the county, the assessment, *valuation and ratio* upon which has been increased or decreased, specifying the change made from the last preceding assessment, *valuation and ratio*, and setting forth that an appeal may be filed from such assessment on or before the first Monday of October, and stating as definitely as possible the time or times at which appeals will be heard by the board. Every such notice shall be given either by mailing or delivering the same to the address of the owner as shown upon the records of the board, or by posting upon the assessed property.

*(b) Notice similar to that provided for in subsection (a) shall be given when the county changes the established predetermined ratio.*

Section 4. Section 13 of the act is amended to read:

Section 13. (a) All property within the county now or hereafter made taxable by law, shall be valued **[and assessed]** by the assessors and *assessed* by the board at the actual value thereof. **[In determining the actual value of property, the price at which the same would separately bona fide sell shall be considered but shall not be controlling.] In arriving at actual value the county may utilize the current market value or it may adopt a base year market value.**

*(b) The board shall assess real property at a value based upon an established predetermined ratio which may not exceed one hundred*

<sup>1</sup>“act of \_\_\_\_\_, 1982 (P.L. \_\_\_\_\_, No. \_\_\_\_\_)” in original.

*percent of actual value. Such ratio shall be established and determined by the governing body after proper notice has been given.*

*(c) In arriving at actual 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. 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.*

*(d) The board shall apply the established predetermined ratio to the actual value of all real property to formulate the assessment roll.*

Section 5. Section 14 of the act is amended to read:

Section 14. *(a) Any person aggrieved by any assessment as the same shall be fixed following revision of assessments by the board, may file an appeal therefrom with the board. Appeals from real estate assessments shall be filed on or before the first Monday of October. Other appeals shall be filed within the time fixed by law, or in cases in which no time is provided by law, within such time as the board shall prescribe. The board shall set a time or times at which it shall hear all appeals which have been properly filed. [The board shall either affirm the assessment or shall make such revision thereof as shall appear to the board to be just and reasonable.]*

*(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 percent 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 board shall complete its hearings of appeals and shall dispose of all appeals before it as promptly as possible.*

Section 6. Section 15 of the act, repealed in part June 3, 1971 (P.L.118, No.6), is amended to read:

Section 15. *(a) Any person aggrieved by the disposition made by the board of any appeal may file a petition for review of the assessment in the court of common pleas of the county, and may appeal from the decision made thereon by the court of common pleas.*

*(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 percent 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.*

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