

## No. 1988-175

## AN ACT

## SB 1044

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," further providing for assessments, reassessments and appeals and for the adjustment in the assessments for persons who have suffered catastrophic losses to their property; and providing for errors in assessments and refunds.

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 October 11, 1984 (P.L.870, No.169), 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.

(3) *The fair market value, as determined in accordance with section 402 of the act of May 22, 1933 (P.L.853, No.155), known as "The General County Assessment Law."*

(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. *For the initial year of the implementation of county-wide reassessment, appeals shall be solely on the basis of fair market value.*

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

(f) 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 (1) shall be reflected by the appropriate taxing authorities in the form of a credit for the next succeeding tax year; *or (2) upon application by the property owner to the appropriate taxing authorities, shall result in a refund being paid to the property owner at the time of issuance of the tax notice for the next succeeding tax year by the respective taxing authorities.* 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. Section 11 of the act, amended December 13, 1982 (P.L.1186, No.272), is amended to read:

Section 11. When the triennial assessments shall be fixed, either for the whole county or in districts thereof, or when the established predetermined ratio has been changed within the county, notice of that fact shall be given, by publication in at least two newspapers of general circulation in the county, of the time when appeals will be heard and a copy of the assessments made in boroughs and townships shall be placed in some public place in each such borough or township by the assessor. The board shall adopt rules and regulations governing the right to and the holding of appeals, and the practice and procedure thereat. Such rules and regulations shall be published, together with the notices of triennial assessments as above provided.

The board shall provide simple appeal forms which shall contain simple questions clearly expressed, which will require answers having a direct bearing on the true value of the property as of the period for which such assessment was made. No other type of questions shall be contained thereon.

In the year one thousand nine hundred forty-three, the board shall permit appeals to be taken from assessments up to and including June first, and no later, including all those where the 1943 taxes have been paid in whole or in part. In subsequent years, no appeals may be taken from assessments of properties **[within cities of the second class after November fifteenth of the year preceding the period for which the assessment becomes effective, and for all other assessments no appeal shall be taken]** after the last day of February of the year in which the assessment first becomes effective. All appeals filed with the board prior to this amendment shall be valid, if otherwise in

accordance with existing law. At all appeal hearings, the property owner or his agent appearing for him shall have the right to be represented by counsel and to be accompanied by witnesses or assistants.

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 triennial or intertriennial 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.

After the hearing of appeals, the board shall take such action in regard thereto as may be right and proper, and shall, within ten (10) days thereafter, complete such action and make their determinations, and immediately give due notice to the appellant by registered mail.

Section 3. Section 13 of the act, amended September 16, 1961 (P.L.1353, No.602) and October 11, 1984 (P.L.870, No.169), is amended to read:

Section 13. The proper assessors shall, between the triennial assessments, revise any assessment or valuation according to right and equity by correcting errors and by adding thereto any property, *improvements* or subjects of taxation which may have been omitted or any new property, *improvements* or subjects of taxation which may have come into being since the last triennial assessment. Any property, *improvements* or subjects of taxation which may have been omitted shall be assessed and made subject to taxation for the period during which said property, *improvements* or subjects of taxation shall have been omitted but in no event to exceed the period of five calendar years preceding the year in which the property, *improvements* or subjects of taxation omitted is first added to the assessment roll. Any such assessments as are made pursuant to the provisions of this paragraph shall be subject to appeal in the same manner as other assessments made pursuant to this act. Taxes levied on any such assessment shall not be made subject to the payment of any interest and penalties otherwise provided by law, except as the same are computed from the date of assessment made pursuant to this section. No bona fide purchaser of any property or subject of taxation without knowledge that the property or subject of taxation was omitted from assessment for purposes of taxation shall be subject to any taxation based upon the additional assessment made pursuant to this section.

They shall also add thereto the names of any persons who may have moved into such district and strike therefrom the names of any persons who have removed from such districts since the last triennial assessment.

The proper assessors shall also revise assessments and valuations between the triennial assessments by increasing or decreasing the same where the value of the property or subjects of taxation assessed or valued has changed by reason of any change of conditions thereon or adjacent thereto or in the

vicinity thereof, or for the reason that the property assessed or valued has been subdivided or laid out into a plan of lots or other subdivisions, or for the reason that improvements have been placed thereon or added thereto, or for the reason that any public or other improvement has been made adjacent thereto or in the vicinity thereof, or for the reason that the assessor and the majority of the board decides that the assessor erred in the value which he placed on the property or subjects of taxation when making the triennial assessment, or where, for any other reason whatsoever, the value of the property has changed and it seems to the board necessary and equitable to make a change in the valuation thereof. The assessors shall also, between the triennial assessments in all cases where it is apparent that any assessment is not in accord with the generality or uniform standard of assessments, revise and correct the same by increasing or decreasing the same where the value of the property or subjects of taxation assessed do not conform to the generality or uniform standard of assessments.

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 until such time as the lots are actually improved with permanent construction of any new building and either sold to a bona fide purchaser or occupied for residential purposes. Each such lot as sold or occupied shall be subject to reassessment beginning with the date of such sale or occupancy, and new construction 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) thirty months from the first day of the month 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.

All assessments required to be made by the proper assessors in the year between the triennial assessment shall be returned to the board not later than the first Monday of September of the year preceding the one for which it is made.

Section 4. The act is amended by adding a section to read:

**Section 13.1.** *Whenever, through mathematical or clerical error, an assessment is made more than it should have been and taxes are paid on such incorrect assessment, the Board of Property Assessment, Appeals and Review, upon discovery of such error and correction of the assessment, shall so inform the appropriate taxing district or districts, which shall make a refund to the taxpayer or taxpayers for the period of the error or six years, whichever is less, from the date of application for refund or discovery of such error by the board. For the purposes of this section, in counties of the second class, "mathematical or clerical error" shall mean the difference between the assessment as certified for a given tax year by the Board of Property Assessment, Appeals and Review and the assessment upon which taxes are billed and paid. Reassessment, revision of assessment or certification of assessment with or without application by the owner as a decision of judgment based upon the method of assessment by the board shall not constitute an error under this section.*

Section 5. Section 17.1 of the act, added March 6, 1956 (1955 P.L.1224, No.379), is amended to read:

Section 17.1. On or before the fifteenth day of January, the Board of Property Assessment, Appeals and Review shall certify to the clerk or secretary of each political subdivision coming within the scope of this act, within the county, the total value of real property appearing in the assessment roll and taxable by the respective political subdivisions. The time limit within which the political subdivision is entitled to appeal from the actions of the board shall commence to run on the day such certification is mailed or otherwise delivered. *Cities of the second class may submit appeals after November 15, as long as there is compliance with section 11 of this act.*

Section 6. (a) Sections 1, 2, 3 and 5 of this act shall apply to appeals initiated after January 1, 1987.

(b) Section 4 of this act shall apply to errors discovered on or after January 1, 1981.

Section 7. This act shall take effect in 60 days.

APPROVED—The 21st day of December, A. D. 1988.

ROBERT P. CASEY