

## No. 1991-21

## AN ACT

## HB 521

Amending the act of June 26, 1931 (P.L.1379, No.348), entitled, as amended, "An act creating in counties of the second A and third class a board for the assessment and revision of taxes; providing for the appointment of the members of such board by the county commissioners; providing for their salaries, payable by the county; abolishing existing boards; defining the powers and duties of such board; regulating the assessment of persons, property, and occupations for county, borough, town, township, school, and poor purposes; authorizing the appointment of subordinate assessors, a solicitor, engineers, and clerks; providing for their compensation, payable by such counties; abolishing the office of ward, borough, and township assessors, so far as the making of assessments and valuations for taxation is concerned; and providing for the acceptance of this act by cities," prohibiting spot reassessment; providing for changes in valuation in certain cases; and further providing for appeals by persons who have suffered catastrophic losses to their property.

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

Section 1. Section 1.1 of the act of June 26, 1931 (P.L.1379, No.348), referred to as the Third Class County Assessment Board Law, is amended by adding a definition 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:

\* \* \*

***"Spot reassessment."*** *The reassessment of a property or properties that is not conducted as part of a countywide revised reassessment and which creates, sustains or increases disproportionality among properties' assessed values.*

Section 2. The act is amended by adding sections to read:

***Section 6.1.*** *The subordinate assessors may change the assessed valuation on real property when a parcel of land is divided and conveyed away in smaller parcels or when improvements are made to real property or existing improvements are removed from real property or are destroyed. The painting of a building or the normal regular repairs to a building aggregating one thousand dollars (\$1,000) or less in value annually shall not be deemed cause for a change in valuation.*

***Section 7.1.*** *The board shall not engage in the practice of spot reassessment. In the event that the board does engage in the practice of spot reassessment, the property owner may appeal the assessment to the board or to the court as set forth in this act. Upon a finding by the board or an adjudication by the court that the property owner has been subjected to a spot reassessment, the property owner shall be entitled to a refund of any taxes paid pursuant to a spot reassessment and interest thereon at the same rate and in the same manner as the Commonwealth is required to pay interest pursuant to*

*section 806.1 of the act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code."*

Section 3. Section 8 of the act, amended December 13, 1982 (P.L.1165, No.269) and October 9, 1986 (P.L.1418, No.132), is amended to read:

Section 8. (a) The assessment roll shall be open to public inspection at the office of the board at the county seat during ordinary business hours of each business day from the time of completion to and including the last day of October. Within fifteen days of completion of the assessment roll, the board shall give notice by publication once in one or more newspapers published in the county that such assessment roll has been completed and the place and times when such roll will be open for inspection, and shall, in the same notice, state that any person desiring to appeal from any assessment shall file with the board, on or before the first day of September, an appeal, in writing, designating the assessment appealed from.

(b) The board shall cause to be mailed to each owner of property or person assessed and taxing district having any interest therein, the value of whose property or personal assessment has not theretofore been separately fixed or the value of whose property or personal assessment has been changed from that finally fixed in the preceding assessment roll or when the established predetermined ratio has been changed within the county, at his last known address, a notice of such change and the amount of the old assessment, valuation and ratio, if the property or personal assessment was previously separately assessed, and the amount of the new assessment, valuation and ratio. Such 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 any assessment and the said taxing districts may appeal to the board for trial by filing with the board, within forty days of the date of such notice, an appeal, in writing, designating the assessment or assessments by which such person is aggrieved and the address to which notice of the time and place for a hearing of the appeal shall be mailed.

(c) 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 district desiring to make an appeal shall, on or before the first day of September, file with the board an appeal, in writing, setting forth:

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

(2) The address to which the board shall mail notice of the time and place of hearing.

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.

(d) 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. The board shall have the power to compel the attendance of witnesses and the furnishing of documents. All appeals other than appeals

brought under subsection (b) of this section shall be heard and 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 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.

(d.1) In any appeal of an assessment the board shall make the following determinations:

(1) The market value as of the date such appeal was filed before the board.

(2) The common level ratio published by the State Tax Equalization Board on or before July 1 of the year prior to the tax year on appeal before the board.

(d.2) The board, after determining the market value of the property, shall then apply the established predetermined ratio to such value unless the common level ratio published by the State Tax Equalization Board on or before July 1 of the year prior to the tax year on appeal before the board varies by more than fifteen percent from the established predetermined ratio, in which case the board shall apply that same common level ratio to the market value of the property.

*(d.3) When a county has effected a countywide revision of the assessment which was used to develop the common level ratio last determined by the State Tax Equalization Board, the following shall apply:*

*(1) If a county changes its assessment base by applying a change in predetermined ratio, the board shall apply the percentage change between the existing predetermined ratio and newly established predetermined ratio to the county's common level ratio to establish the certified revised common level ratio for the year in which the assessment was revised.*

*(2) If the county performs a countywide revision of assessments by revaluing the properties and applying an established predetermined ratio, the board shall utilize the established predetermined ratio instead of the common level ratio for the year in which the assessment was revised and until such time as the common level ratio determined by the State Tax Equalization Board reflects the revaluing of properties resulting from the revision of assessments.*

**[(d.3)] (d.4)** Nothing herein shall prevent any appellant from appealing any base year valuation without reference to ratio.

**[(d.4)] (d.5)** When the board has completed the hearing of appeals and has in each case entered its order it shall make such changes in the assessment roll as will make it conform to such orders.

(e) The board shall prepare three copies of the assessment roll and deliver them on or before the fifteenth day of November with its certificate that they are a true copy of the original assessment roll to the following:

- (1) One copy to the chief clerk of the county commissioners;
- (2) One copy of such portion of the roll as contains the assessment of persons or property within each school district to the secretary of the board of school directors of the respective school district; and
- (3) One copy of such portion of the roll as contains the assessment of persons or property within each city accepting the provisions of this act, borough, town or township, to the respective city clerk, borough secretary, town clerk or secretary, or township secretary. All copies of such roll so furnished shall for all purposes be considered as originals. The original assessment roll and the true copies may be corrected, amended or changed after the fifteenth day of November as circumstances may require. The said copies, in addition to the information required to be shown on the original assessment roll, shall provide space to the right of each assessment for the entry of all taxes which may be levied thereon by the respective political subdivisions. The original assessment roll as corrected shall be preserved in the office of the chief assessor or of the board and shall be open to public inspection, subject to such regulations as the board may prescribe for the preservation and safekeeping of such roll.
- (f) 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 assessed 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.
- (g) Notwithstanding any other provision of this section, when any county proposes to institute a countywide revision of assessments upon real property, the following notice requirements and appeal process shall be followed:
  - (1) All property owners shall be notified by 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 conclusively 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 4. Section 8.3 of the act, added October 11, 1984 (P.L.893, No.174), is amended to read:

Section 8.3. (a) 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 section [shall]:

(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.*

(b) For purposes of this section, 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 5. Section 9(a), (a.1) and (a.2) of the act, amended December 13, 1982 (P.L.1165, No.269), are amended to read:

Section 9. (a) 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.

(a.1) 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 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.

(a.2) Nothing herein shall prevent any appellant from appealing any base year valuation without reference to ratio.]

(1) *The market value as of the date such appeal was filed before the board of assessment appeals. In the event subsequent years have been made a part of the appeal, the court shall determine the respective market value for each such year.*

(2) *The common level ratio which was applicable in the original appeal to the board. In the event subsequent years have been made a part of the*

*appeal, the court shall determine the respective common level ratio for each such year published by the State Tax Equalization Board on or before July 1 of the year prior to the tax year being appealed.*

*(a.1) The court, after determining the market value of the property pursuant to subsection (a)(1), shall then apply the established predetermined ratio to such value unless the corresponding common level ratio determined pursuant to subsection (a)(2) varies by more than fifteen percent from the established predetermined ratio, in which case the court shall apply the respective common level ratio to the corresponding market value of the property.*

*(a.2) When a county has effected a countywide revision of the assessment which was used to develop the common level ratio last determined by the State Tax Equalization Board, the following shall apply:*

*(1) If a county changes its assessment base by applying a change in predetermined ratio, the court shall apply the percentage change between the existing predetermined ratio and newly established predetermined ratio to the county's common level ratio to establish the certified revised common level ratio for the year in which the assessment was revised.*

*(2) If the county performs a countywide revision of assessments by revaluing the properties and applying an established predetermined ratio, the court shall utilize the established predetermined ratio instead of the common level ratio for the year in which the assessment was revised and until such time as the common level ratio determined by the State Tax Equalization Board reflects the revaluing of properties resulting from the revision of assessments.*

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Section 6. This act shall take effect in 60 days.

APPROVED—The 19th day of July, A. D. 1991.

ROBERT P. CASEY