

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 918

PRINTER'S NO. 1109

AMOUNT

No cost to the Commonwealth

FUND

General

DATE INTRODUCED

June 5, 2009

PRIME SPONSOR

Senator Eichelberger

HISTORY OF BILL

Referred to FINANCE, June 5, 2009

Reported as committed, July 15, 2009

First consideration, July 15, 2009

Re-referred to APPROPRIATIONS, Aug. 3, 2009

Re-reported as committed, April 12, 2010

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 918 amends Title 53 (Municipalities Generally) by adding Chapter 88, entitled the Consolidated County Assessment Law. This chapter will not apply to Philadelphia or Allegheny County except for the provisions relating to the valuation of real property used for the purpose of wind energy generation.

Senate Bill 918 is not intended to be assessment reform. This bill simply consolidates three assessment laws into one statute. The consolidated law would not mandate countywide reassessments or change the predetermined ratio for counties.

The Local Government Commission is the sponsor of Senate Bill 918, and the following description of the legislation relies on the Commission's summary.

The consolidated law substantially reenacts the language in the General County Assessment Law, the Fourth to Eighth Class County Assessment Law, and the Third Class County Assessment Board Law pertaining to the subjects of local taxation, and exemptions from taxation, and the method by which property is valued and assessed for taxation purposes.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

The provisions of Act 142 of 2006, Act 38 of 2007, and Act 167 of 2006 have been added to this bill. Act 142 of 2006 and Act 38 of 2007 amended the County Code and the Second Class County Code, respectively, by prohibiting the assessment of signs and sign structures for real estate tax purposes regardless of whether the structure has become affixed to the real estate. Act 167 of 2006 amended the Fourth to Eighth Class County Assessment Law to delineate the method by which wind turbine generators, wind energy appliances and equipment, including towers and tower foundations, and the property on which such is situated is to be valued and assessed. Act 167 applies to all counties, including Philadelphia and Allegheny counties.

Many of the substantive changes were a result of reconciling the differing provisions of the current assessment laws and/or codifying case law. The most important changes are as follows:

- The addition of telecommunication towers as a subject of taxation incorporates the holding of *Shenandoah Mobile v. Dauphin County Board of Assessment*.
- The addition of language stipulating that if this law is inconsistent with the Institutions of Purely Public Charities Act (IPPCA), then the IPPCA prevails.
- Spot reassessment provisions are updated to comport with case law.
- The bill preserves the anti-windfall provisions for school districts as set forth in section 327 of Act 1, Special Session 1, 2006.
- Anti-windfall limitations are made uniform for all counties and municipalities in the year following a reassessment.
- The language pertaining to the appointment, compensation, and duties of the chief assessor has been revised and updated, and language was added to require that any person appointed to the position of chief assessor must be currently licensed as a Certified Pennsylvania Evaluator (CPE).
- The office of elected assessor is abolished.

Other important changes include the following:

- Allows 4th to 8th class counties to permit the designation of an appeal deadline as early as the first day of August, which currently exists for 2A and 3rd class counties.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

- For 4th to 8th class counties, extends from 30 days to 40 days the time period in which a property owner has to appeal following a countywide reassessment.
- Creates an informal review process by which taxpayers can request an informal meeting to discuss their proposed assessment with the county assessment office or its designee prior to completion of the final assessment roll.
- Preserves the authority of the commissioners in counties of the 2A and 3rd class to appoint a separate board of assessment appeals and authorizes the commissioners in counties of the 4th through 8th class to appoint a board similar to that in 2A and 3rd class counties with the same powers and duties. County commissioners in counties of the 4th through 8th class retain their authority to serve as the county board of assessment "revision".
- If the commissioners in 4th to 8th class counties choose to appoint a separate assessment appeals board under the consolidated law, then the board would be responsible for the supervision and management of the county assessment office.
- The consolidated law states that only parties to the appeal before the Court of Common Pleas may appeal to the Commonwealth or Supreme Courts.
- The bill clarifies that the provisions in the consolidated law shall not be construed to limit the right of an appeal based on alleged violation of the "uniformity" requirements of the Pennsylvania Constitution.
- Clarifies refund provisions such that overpayments of tax due a local taxing authority, including taxes on real property, shall bear simple interest from the date of overpayment until the date of resolution.
- Requires building and demolition permits, including those issued by third-party agencies and the Department of Labor and Industry, to be forwarded to the county assessment office.
- The optional exemption threshold for per capita and occupation taxes is raised from \$5,000 to \$12,000 per year to comport with Act 511.

The Act shall take effect January 1, 2011.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

FISCAL IMPACT:

It is presumed there would be no costs to the Commonwealth. Senate Bill 918 provides an option for 4th through 8th class counties to create a separate board of assessment appeals as is currently authorized for counties of the 2A and 3rd class. To the extent that these counties establish a new board, they would incur the costs associated with compensation for the board members.