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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

No. **898** Session of  
2015

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INTRODUCED BY HUTCHINSON, EICHELBERGER, MCGARRIGLE, WOZNIAK AND  
BLAKE, JUNE 18, 2015

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REFERRED TO LOCAL GOVERNMENT, JUNE 18, 2015

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AN ACT

1 Amending the act of July 28, 1953 (P.L.723, No.230), entitled,  
2 as amended, "An act relating to counties of the second class  
3 and second class A; amending, revising, consolidating and  
4 changing the laws relating thereto," in fiscal affairs,  
5 further providing for limits on counties of the second class.

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

8 Section 1. Section 1980.2 of the act of July 28, 1953  
9 (P.L.723, No.230), known as the Second Class County Code,  
10 amended November 16, 2005 (P.L.382, No.71), is amended to read:

11 Section 1980.2. Limits on Counties of the Second Class.--(a)  
12 Notwithstanding any provisions of the act of June 21, 1939  
13 (P.L.626, No.294), referred to as the Second Class County  
14 Assessment Law, to the contrary or any contrary provision of any  
15 home rule charter or administrative code of a county of the  
16 second class, when a county of the second class makes its  
17 reassessment or revaluation at values based upon an established  
18 predetermined ratio as required by law or when a county of the  
19 second class changes its established predetermined ratio, each

1 political subdivision, other than a school district subject to  
2 section 327 of act of June 27, 2006 (1st Sp.Sess., P.L.1873,  
3 No.1), known as the Taxpayer Relief Act, which hereafter levies  
4 its real estate taxes on that revised reassessment, revaluation  
5 or change in ratio shall for that year reduce [its] each tax  
6 rate levied by the political subdivision, if necessary, for the  
7 purpose of having the total amount of property tax revenue for  
8 that rate received exclusively as a result of the reassessment,  
9 revaluation or change in ratio equal, in the case of any  
10 political subdivision, the total amount of property tax revenue  
11 received in the preceding year for each tax, notwithstanding the  
12 increased valuations of properties under the annual reassessment  
13 system.

14 (a.1) Except as set forth in subsection (h), this section  
15 shall apply to all rates of taxes levied on an assessment roll  
16 after a countywide revision as provided in subsection (a),  
17 including millage rates established by referendum.

18 (b) After establishing a tax rate under subsection (a), a  
19 political subdivision may, by a separate and specific vote,  
20 establish a final tax rate for the first year it levies its real  
21 estate taxes on a reassessment, revaluation or change in ratio.  
22 [The] Each tax rate levied by the political subdivision under  
23 this subsection shall be fixed at a figure that limits total  
24 amount of property tax revenue received exclusively as a result  
25 of the reassessment, revaluation or change in ratio not to  
26 exceed one hundred five per cent of the total amount of property  
27 tax revenue received in the preceding year, notwithstanding the  
28 increased valuations of properties under the reassessment  
29 system.

30 (c) For the purpose of determining the total amount of

1 revenue received exclusively as a result of the reassessment,  
2 revaluation or change in ratio for the year under subsections  
3 (a) and (b), the amount to be levied on newly constructed  
4 buildings or structures or on increased valuations based on new  
5 improvements made to existing structures shall not be  
6 considered.

7 (d) With the approval of the court of common pleas, upon  
8 good cause shown, any political subdivision may increase the tax  
9 rate authorized under this section.

10 (e) A political subdivision may adjust its calculation of  
11 the total amount of revenue to be received exclusively as a  
12 result of the reassessment, revaluation or change in ratio for  
13 the year under subsections (a) and (b) by the previous five-year  
14 average, excluding the year immediately preceding the effective  
15 date of the reassessment, revaluation or change in ratio, annual  
16 net increase or decrease in revenue resulting from final  
17 dispositions of assessment appeal.

18 (f) (1) To the extent that a political subdivision imposes  
19 taxes at a rate in excess of that which is required to produce  
20 revenue in accordance with subsections (a) and (b), the  
21 political subdivision, upon the filing with it, within three  
22 years of payment of the tax, of a written and verified claim for  
23 a refund of the excess taxes paid or caused to be paid by any  
24 person or corporation of this Commonwealth, shall refund the  
25 excess taxes with interest.

26 (2) Interest required under this section shall be paid at  
27 the same rate and in the same manner as the Commonwealth is  
28 required to pay pursuant to section 806.1(b.1) of the act of  
29 April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code."

30 (3) For purposes of this subsection, the term "political

1 subdivision" means a county, city, borough, incorporated town,  
2 township, home rule municipality, school district, vocational  
3 school district and county institution district.

4 (g) The provisions of this section shall supersede any  
5 provision in a home rule charter, county administrative code,  
6 county ordinance or rule or regulation.

7 (h) Notwithstanding subsection (b) or (d), the rate of any  
8 tax which was established by referendum and adjusted as provided  
9 in subsection (a) shall be subject to any subsequent increase,  
10 decrease or elimination only as provided by law.

11 Section 2. The amendment of section 1980.2 of the act shall  
12 apply to tax rates based on reassessments implemented after the  
13 effective date of this section.

14 Section 3. This act shall take effect in 60 days.