

CHAPTER 85
ASSESSMENTS OF PERSONS AND PROPERTY

Subchapter

- A. through C. (Reserved)
- D. Cities and Counties of the First Class
- E. Real Estate Tax Deferral
- F. Homestead Property Exclusion

Enactment. Chapter 85 was added May 5, 1998, P.L.301, No.50, effective January 1, 1999, unless otherwise noted.

SUBCHAPTERS A through C
(Reserved)

SUBCHAPTER D
CITIES AND COUNTIES OF THE FIRST CLASS

Sec.

- 8561. Scope of subchapter.
- 8562. Definitions.
- 8563. Tax rates.
- 8564. Installment payments.
- 8565. Assessments and appeals for certain tax years.

Enactment. Subchapter D was added July 5, 2012, P.L.1097, No.131, effective immediately.

§ 8561. Scope of subchapter.

This subchapter relates to assessments in cities and counties of the first class.

§ 8562. Definitions.

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Act 1939-404." 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 employees; 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."

"Assessment office." The office of property assessment in a city.

"Board." The board of revision of taxes or a successor body authorized by a city to determine assessment appeals in a city.

"City." A city of the first class.

"Common level ratio." The ratio of assessed value to market

value as determined by the State Tax Equalization Board under the act of June 27, 1947 (P.L.1046, No.447), referred to as the State Tax Equalization Board Law.

"County." A county of the first class.

"Established predetermined ratio." The ratio of assessed value to market value established under Act 1939-404 and uniformly applied in determining assessed value in any year.

"Governing body." The governing body of a city.

"School district." A school district of the first class.

References in Text. The act of June 27, 1947 (P.L.1046, No.447), referred to as the State Tax Equalization Board Law, referred to in the def. of "common level ratio," was repealed by the act of April 18, 2013 (P.L.4, No.2). The subject matter is now contained in Chapter 15 of the act of June 27, 1996 (P.L.403, No.58), known as the Community and Economic Development Enhancement Act.

§ 8563. Tax rates.

(a) General rule.--Notwithstanding the provisions of section 696(h) of the Public School Code of 1949 or any other provision of law, the following shall apply to any city or county of the first class:

(1) For the reassessment year and the two years thereafter, the rate of any tax authorized by a city of the first class or county of the first class to be levied for a school district of the first class or dedicated to the school district of the first class in accordance with section 696(h)(1) of the Public School Code of 1949 may be adjusted so that the yield on taxes based on assessed values of real estate authorized by the city of the first class or county of the first class for the school district of the first class, as estimated and certified by the director of finance of the city of the first class, is equal to an amount equal to or greater than the highest yield of the taxes based on assessed values of real estate authorized by the city of the first class or county of the first class to be levied by the school district of the first class or dedicated to the school district of the first class during any of the three full preceding years prior to the reassessment year. In the third and fourth years following the reassessment year, the rate of any tax authorized by the city of the first class or county of the first class to be levied for the school district of the first class or dedicated to the school district of the first class shall be not less than the rate authorized in the immediately preceding year.

(2) In the reassessment year and each year thereafter, in any year in which the school district of the first class is subject to a declaration of distress pursuant to section 696 of the Public School Code of 1949, the school district of the first class may levy taxes on real estate under any of the following acts to the extent the estimated yield on all taxes on real estate for the year is less than an amount equal to the yield in the year prior to the reassessment year, increased by an amount proportional to the increase since the year prior to the reassessment year in total assessed value of real estate in the city of the first class:

(i) Section 652 of the Public School Code of 1949.

(ii) The act of May 23, 1949 (P.L.1661, No.505), entitled "An act to impose a tax on real estate for public school purposes in school districts of the first class and of the first class A for current expenses."

(iii) The act of July 8, 1957 (P.L.548, No.303),

entitled "An act to impose an additional tax on real estate for public school purposes in school districts of the first class for current expenses."

(iv) The act of November 19, 1959 (P.L.1552, No.557), entitled "An act imposing a tax on real estate for public school purposes in school districts of the first class and first class A for current expenses."

(v) The act of August 8, 1963 (P.L.592, No.310), entitled "An act to impose an additional tax on real estate for public school purposes in school districts of the first class for general public school purposes."

(vi) Any other statute authorizing the school district of the first class to levy taxes without authorization of the city of the first class.

(3) Paragraph (1) shall affect only the rate of the taxes authorized by the city of the first class or county of the first class to be levied by the school district of the first class or dedicated to the school district of the first class for the reassessment year and the four years immediately thereafter. Nothing under this subsection shall:

(i) Repeal or modify the obligation of the city of the first class or the county of the first class to fully comply with section 696(h)(1) of the Public School Code of 1949 for each year while the school district of the first class is subject to a declaration of distress.

(ii) Repeal or affect the taxing authority of a city of the first class under the act of August 5, 1932

(Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

(b) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Public School Code of 1949." The act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"Reassessment year." The year immediately following the year in which the director of finance in a city of the first class first certifies that the total assessed value of all real property in the city of the first class is at full market value.

(Oct. 24, 2012, P.L.1286, No.160, eff. 60 days)

§ 8564. Installment payments.

The governing body of a county of the first class may authorize the collection of a tax enumerated in section 201(a) of the act of May 22, 1933 (P.L.853, No.155), known as The General County Assessment Law, through periodic installment payments and may determine the frequency of and eligibility for the payments. (Dec. 18, 2013, P.L.1165, No.106, eff. 60 days)

§ 8565. Assessments and appeals for certain tax years.

(a) Legislative findings.--The General Assembly finds and declares as follows:

(1) Real estate tax assessment in a city has become increasingly at variance with principles of uniformity and sound assessment.

(2) The deficiencies under paragraph (1) have been determined to be remedied by a citywide reassessment, sometimes referred to as the "actual value initiative."

(3) The reassessment of all properties located in a city is likely to cause substantial shifts in tax liabilities among various neighborhoods and groups of taxpayers. These shifts are likely to increase substantially the tax burdens on residential properties, particularly those properties with low to medium values.

(4) As part of a reassessment, the governing body must make a major revision to the applicable tax rates in order to maintain tax revenues and fund any required tax increases. The governing body must take into account enactment of a homestead exclusion and perhaps other measures in order to alleviate an increased tax burden on lower value residential properties.

(5) The governing body cannot responsibly determine the applicable tax rates without knowing the value of the tax base to which the rates apply. Currently, a city's budget, including tax revenues, must be enacted by each June 30, but tax assessments are not finalized until the following September.

(6) Implementation by a city of an actual value initiative will be helped by requiring that assessed values be determined prior to adopting the city's budget and by the applicable assessment officials completing the task of determining the tax base in the city.

(7) The common level ratio for a city applicable to tax year 2012, certified by the State Tax Equalization Board and published at 42 Pa.B. 2152 (April 14, 2012), has been disputed and may be subject to further dispute. The common level ratio for tax year 2013 may have similar uncertainties. The ratios for both years are determined by a State Tax Equalization Board assessment tool new to the review of properties in a city.

(8) The common level ratio for a city applicable to tax year 2011, based on 2009 data and published at 40 Pa.B. 4069 (July 17, 2010), has not been disputed and is the same as the applicable established predetermined ratio.

(9) Special provisions are necessary in order to address the findings set forth in this subsection.

(b) Certification of values.--Notwithstanding any other provision of law:

(1) For tax year 2013, the assessment office shall certify assessed values at the assessed values certified for tax year 2011, adjusted for subsequent improvements, demolition and destruction. The assessed values certified for tax year 2013 under this paragraph shall apply to all taxes on or measured by assessed values levied by a city or a school district for tax year 2013 notwithstanding any contrary enactment of a city or a school district or any contrary certification by a city, city agency or school district.

(2) For tax years after tax year 2013, the assessment office shall certify market values at actual market value. In arriving at actual market value, the price at which any property may actually have been sold shall be considered but shall not be controlling. In arriving at the actual market value:

(i) All three of the following valuation methods shall be considered in conjunction with one another:

(A) Reproduction or replacement cost, as applicable, minus:

(I) depreciation; and

(II) all forms of obsolescence.

(B) Comparable sales.

(C) Income.

(ii) The valuation process may employ systems, methodologies and technologies that meet nationally recognized assessment standards.

(c) Timing of certification.--Notwithstanding any other provision of law, for tax years after tax year 2013, the assessment office shall certify assessed values by March 31 of the preceding year.

(d) Application of established predetermined ratio.--

Notwithstanding any other provision of law, in any assessment appeal under Act 1939-404 for tax year 2013, the board and any applicable court of competent jurisdiction shall apply the established predetermined ratio applicable to a city for tax year 2011.

(e) Conflicts.--If there is a conflict between a provision of Act 1939-404 and a provision of this section, the provision of this section shall apply.

SUBCHAPTER E

REAL ESTATE TAX DEFERRAL

Sec.

- 8571. Short title of subchapter.
- 8572. Definitions.
- 8573. Authority.
- 8574. Income eligibility.
- 8575. Tax deferral.
- 8576. Application procedure.
- 8577. Contents of application.
- 8578. Attachment and satisfaction of liens.

§ 8571. Short title of subchapter.

This subchapter shall be known and may be cited as the Real Estate Tax Deferral Program Act.

§ 8572. Definitions.

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Base payment." The amount of property tax paid by an applicant in the base year.

"Base year." The tax year preceding the first tax year for which a taxing authority implements the provisions of this subchapter or the tax year immediately preceding an applicant's entry into the tax deferral program.

"Claimant." A person whose household income does not exceed the limit provided for in section 8574 (relating to income eligibility).

"Household income." All income as defined in the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, received by the claimant and by the claimant's spouse during the calendar year for which a tax deferral is claimed.

"Increase in real property taxes." An increase in the property taxes above the base payment resulting from a millage increase, a change in the assessment ratio or method or by a revaluing of all properties.

References in Text. The act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, referred to in the def. of "household income," was repealed by the act of June 27, 2006, Sp.Sess. 1 (P.L.1873, No.1). The subject matter is now contained in Chapter 13 of the Taxpayer Relief Act.

§ 8573. Authority.

All political subdivisions shall have the power and authority to grant annual tax deferrals in the manner provided in this subchapter.

§ 8574. Income eligibility.

A claimant shall be eligible for a tax deferral if the claimant and the claimant's spouse have a household income not exceeding the maximum household income eligibility limitations set forth in

the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act.

References in Text. The act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, referred to in this section, was repealed by the act of June 27, 2006, Sp.Sess. 1 (P.L.1873, No.1). The subject matter is now contained in Chapter 13 of the Taxpayer Relief Act.

Cross References. Section 8574 is referred to in sections 8572, 8576 of this title.

§ 8575. Tax deferral.

(a) **Amount.**--An annual real estate tax deferral granted under this subchapter shall equal the increase in real property taxes upon the homestead of the claimant.

(b) **Prohibition.**--No tax deferrals shall be granted if the total amount of deferred taxes plus the total amount of all other unsatisfied liens on the homestead of the claimant plus the outstanding principal on any and all mortgages on the homestead exceeds 85% of the market value of the homestead or if the outstanding principal on any and all mortgages on the homestead exceeds 70% of the market value of the homestead. Market value shall equal assessed value divided by the common level ratio as most recently determined by the State Tax Equalization Board for the county in which the property is located.

§ 8576. Application procedure.

(a) **Initial application.**--Any person eligible for a tax deferral under this subchapter may apply annually to the political subdivision. In the initial year of application, the following information shall be provided in the manner required by the political subdivision:

- (1) A statement of request for the tax deferral.
- (2) A certification that the applicant or the applicant and his or her spouse jointly are the owners in fee simple of the homestead upon which the real property taxes are imposed.
- (3) A certification that the applicant's homestead is adequately insured under a homeowner's policy to the extent of all outstanding liens.
- (4) Receipts showing timely payment of the immediately preceding year's nondeferred real property tax liability.
- (5) Proof of income eligibility under section 8574 (relating to income eligibility).
- (6) Any other information required by the political subdivision.

(b) **Subsequent years.**--After the initial entry into the program, a claimant shall remain eligible for tax deferral in subsequent years so long as the claimant continues to meet the eligibility requirements of this subchapter.

§ 8577. Contents of application.

Any application for a tax deferral distributed to persons shall contain the following:

- (1) A statement that the tax deferral granted under this subchapter is provided in exchange for a lien against the homestead of the applicant.
- (2) An explanation of the manner in which the deferred taxes shall become due, payable and delinquent and include, at a minimum, the consequences of noncompliance with the provisions of this subchapter.

§ 8578. Attachment and satisfaction of liens.

(a) **Nature of lien.**--All taxes deferred under this subchapter shall constitute a prior lien on the homestead of the claimant in favor of the political subdivision and shall attach as of the date

and in the same manner as other real estate tax liens. The deferred taxes shall be collected as other real estate tax liens, but the deferred taxes shall be due, payable and delinquent only as provided in subsection (b).

(b) Payment.--

(1) All or part of the deferred taxes may at any time be paid to the political subdivision.

(2) In the event that the deferred taxes are not paid by the claimant or the claimant's spouse during his or her lifetime or during their continued ownership of the homestead, the deferred taxes shall be paid either:

(i) prior to the conveyance of the homestead to any third party; or

(ii) prior to the passing of the legal or equitable title, either by will or by statute, to the heirs of the claimant or the claimant's spouse.

(3) The surviving spouse of a claimant shall not be required to pay the deferred taxes by reason of his or her acquisition of the homestead due to death of the claimant as long as the surviving spouse maintains his or her domicile in the property. The surviving spouse may continue to participate in the tax deferral program in subsequent years provided he or she is eligible under the provisions of this subchapter.

SUBCHAPTER F

HOMESTEAD PROPERTY EXCLUSION

Sec.

- 8581. Short title of subchapter.
- 8582. Definitions.
- 8583. Exclusion for homestead property.
- 8584. Administration and procedure.
- 8585. Exclusion for farmstead property.
- 8586. Limitations.
- 8587. Uniform application.
- 8588. Applicability.

Effective Date. Section 12(2) of Act 50 of 1998 provided that Subchapter F shall take effect July 1, 1998.

Cross References. Subchapter F is referred to in section 8853 of this title.

§ 8581. Short title of subchapter.

This subchapter shall be known and may be cited as the Homestead Property Exclusion Program Act.

§ 8582. Definitions.

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Assessor." The chief assessor of the county, the equivalent position in a home rule county or the equivalent position in a city of the third class that performs its own assessments of real property.

"Board." Any of the following:

(1) "Board." As defined in section 8802 (relating to definitions).

(2) "Board of Property Assessment, Appeals and Review."

The Board of Property Assessment, Appeals and Review in a county of the second class under the act of June 21, 1939 (P.L.626, No.294), referred to as the Second Class County Assessment Law, or a similar body established by a home rule

county.

(3) "Board of Revision of Tax and Appeals." The board of revision of taxes and appeals in cities of the third class.

(4) The body with responsibility for the making of assessments of real property in a city of the first class.

"Common level ratio." The ratio of assessed value to current market value used generally in the county as last determined by the State Tax Equalization Board under the act of June 27, 1947 (P.L.1046, No.447), referred to as the State Tax Equalization Board Law.

"Established predetermined ratio." The ratio of assessed value to market value established by the board of county commissioners and uniformly applied in determining assessed value in any year.

"Farmstead." All buildings and structures on a farm not less than ten contiguous acres in area, not otherwise exempt from real property taxation or qualified for any other abatement or exclusion pursuant to any other law, that are used primarily to produce or store any farm product produced on the farm for purposes of commercial agricultural production, to house or confine any animal raised or maintained on the farm for the purpose of commercial agricultural production, to store any agricultural supply to be used on the farm in commercial agricultural production or to store any machinery or equipment used on the farm in commercial agricultural production. This term shall only apply to farms used as the domicile of an owner.

"Farmstead property." A farmstead for which an application has been submitted and approved under section 8584 (relating to administration and procedure).

"Governing body." The board of county commissioners, including the successor in function to the board of county commissioners in a county which has adopted a home rule charter under the former act of April 13, 1972 (P.L.184, No.62), known as the Home Rule Charter and Optional Plans Law, under Subpart E of Part III (relating to home rule and optional plan government) or under Article XXXI-C of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, city council, borough council, incorporated town council, board of township commissioners, board of township supervisors, a governing council of a home rule municipality or optional plan municipality, a governing council of any similar general purpose unit of government which may hereafter be created by statute or a board of school directors of a school district.

"Median assessed value." The value which is the middle point in the sequential distribution of assessed values, above and below which exist an equal number of assessed values.
(July 5, 2012, P.L.1097, No.131, eff. imd.)

2012 Amendment. Act 131 amended the def. of "board."

References in Text. The act of June 27, 1947 (P.L.1046, No.447), referred to as the State Tax Equalization Board Law, referred to in the def. of "common level ratio," was repealed by the act of April 18, 2013 (P.L.4, No.2). The subject matter is now contained in Chapter 15 of the act of June 27, 1996 (P.L.403, No.58), known as the Community and Economic Development Enhancement Act.

§ 8583. Exclusion for homestead property.

(a) **General rule.**--The governing body of a political subdivision may exclude from taxation a fixed dollar amount of the assessed value of each homestead property in the political subdivision consistent with section 8586 (relating to limitations).

(b) Jurisdictions crossing county lines.--If a political subdivision is located in more than one county, the exclusion established under subsection (a) for each county portion of the political subdivision shall be uniform after adjustment for the common level ratios in the respective counties.

(c) Split rate taxes.--In political subdivisions where different millage rates are applied to land and the improvements upon land, the exclusion established under subsection (a) shall be applied first to the value of the improvements, and the remainder of the exclusion, if any, shall be applied to the value of the land.

(d) New construction.--The exclusion authorized under subsection (a) for a dwelling constructed during the taxable year and used as homestead property shall be prorated in a manner consistent with the assessment of real property taxes on that dwelling.

(e) Reassessment.--After a revision of assessments by means of revaluing all properties, the governing body of the political subdivision providing an exclusion under this section shall adjust the amount of the exclusion for homestead property as follows:

(1) if the assessment base is revised by applying a change in the established predetermined ratio, the exclusion for homestead property shall be adjusted by the percentage change between the existing predetermined ratio and the newly established predetermined ratio; or

(2) if the assessor performs a revision of assessments by revaluing all properties and applying an established predetermined ratio, the exclusion for homestead property shall be adjusted by dividing the exclusion for homestead property for the year preceding the revision of assessments by the common level ratio and multiplying the quotient of that calculation by the newly established predetermined ratio.

Cross References. Section 8583 is referred to in sections 8585, 8586, 8717 of this title.

§ 8584. Administration and procedure.

(a) Application; determinations.--The owner or owners of real property seeking to have property approved as homestead property or farmstead property shall file an application with the assessor on the form developed under section 8587 (relating to uniform application). Determinations with respect to the qualification of all or a part of a parcel of real property as homestead property or farmstead property shall be made by the assessor.

(b) Filing deadlines; renewal of application.--Applications shall be filed with the assessor not later than March 1 of each year, provided that, in a city of the first class, the application shall be filed with the assessor not later than a date set by the governing body, which date shall be no later than December 1 of the year prior to the year in which the exclusion shall first apply. The governing body of a county may adopt a schedule for review or reapplication for real property previously approved as homestead property or farmstead property.

(c) Notice of applications and deadlines.--The assessor shall provide sufficient notice to the public regarding the availability of applications to designate real property as homestead property or farmstead property and all filing deadlines. The assessor shall make applications available at least 75 days before the filing deadline, provided that, in a city of the first class, the application shall be available at least 60 days before the filing deadline.

(d) Denial of application.--The assessor shall provide to each

property owner whose application for approval as homestead property or farmstead property is being denied in whole or in part a written notice of denial by first class mail not later than 120 days after the filing deadline. The notice shall include all reasons for denial. Failure by the assessor to provide notice under this subsection shall be deemed to be approval of the application.

(e) Appeals of assessor's decision.--An owner aggrieved by the decision of the assessor may appeal to the board for a review of the decision in a manner consistent with the provisions for appeal of assessments under the applicable assessment law. Appeals under this subsection shall be limited to whether the application meets the requirements of subsections (a) and (b) or whether the parcel for which the appeal is made meets the definition of "farmstead property" or "homestead property."

(f) Other appeals.--Appeals regarding the assessed value of real property under the applicable assessment law shall be based on the assessed value of the real property before application of the exclusions for homestead property or farmstead property. The issue of qualification as homestead property or farmstead property shall not be raised in an appeal except as provided in subsection (e).

(g) False or fraudulent applications.--The assessor may select, randomly or otherwise, applications filed under subsection (a) to review for false or fraudulent information.

(h) Penalties.--Any person who files an application under subsection (a) which is false as to any material matter shall:

(1) pay any taxes which would have been due but for the false application, plus simple interest computed at the rate provided in section 806 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code;

(2) pay a penalty equal to 10% of the unpaid taxes computed under paragraph (1); and

(3) upon conviction for filing an application under subsection (a) which a person knows to be fraudulent, be guilty of a misdemeanor of the third degree and be sentenced to pay a fine not exceeding \$2,500.

(i) Reports.--At the same time as the assessor certifies the tax duplicate, the assessor shall provide to the governing bodies of the county and each political subdivision within the county upon request and at no charge a certified report listing at least all of the following information:

(1) The parcel number of each parcel which is approved, in whole or in part, as homestead property.

(2) The assessed value of each parcel which is approved, in whole or in part, as homestead property.

(3) The portion of the assessed value of each parcel listed under paragraph (2) which is approved as homestead property.

(4) The median assessed value of the homestead property listed in paragraph (3).

(5) The parcel number of each parcel which is approved, in whole or in part, as farmstead property.

(6) The assessed value of each parcel which is approved, in whole or in part, as farmstead property.

(7) The portion of the assessed value of each parcel listed under paragraph (6) which is approved as farmstead property.

The governing body of the county may set reasonable fees for providing customized reports or services not otherwise required under this chapter or other applicable law to political subdivisions.

(j) Notification on change of use.--

(1) A property owner whose property is approved as homestead property or farmstead property and which property no longer qualifies as homestead property or farmstead property shall notify the assessor within 45 days of the date the property no longer qualifies as homestead property or farmstead property. Failure to notify the assessor as required by this subsection shall be treated in the same manner as a false application under subsection (g).

(2) The recorder of deeds shall periodically provide to the assessor a list of real property conveyance documents which have been presented for recording. The list shall include the name of the grantor and the address of the property. For the purposes of this paragraph, the word "document" shall have the meaning ascribed to it in section 1101-C of the Tax Reform Code.

(July 5, 2012, P.L.1097, No.131, eff. imd.)

2012 Amendment. Act 131 amended subsecs. (b) and (c).

Cross References. Section 8584 is referred to in sections 8401, 8582, 8586, 8587 of this title.

§ 8585. Exclusion for farmstead property.

(a) Authorization.--The exclusion for farmstead property shall be authorized pursuant to section 2(b)(i) of Article VIII of the Constitution of Pennsylvania. This exclusion shall apply uniformly to each farmstead property within the taxing jurisdiction.

(b) General rule.--Any governing body that excludes a portion of the value of homestead property under section 8583 (relating to exclusion for homestead property) shall exclude a portion of the assessed value of each farmstead property in the political subdivision by a fixed dollar amount established by its governing body, not to exceed the amount of the exclusion for homestead property under section 8583. The exclusion for farmstead property shall be in addition to any exclusion for homestead property for which the dwelling on the farm may qualify.

(c) Farmstead crossing county lines.--If a political subdivision is located in more than one county, the exclusion for farmstead property computed under subsection (a) for each county portion of the political subdivision shall be uniform after adjustment for the common level ratios in the respective counties.

(d) New construction.--The exclusion allowed under subsection (b) for a building constructed during the taxable year and used as farmstead property shall be prorated in a manner consistent with the assessment of real property taxes on that building.

(e) Reassessment.--After a revision of assessments by means of revaluing all properties, the governing body of the political subdivision providing an evaluation under this section shall adjust the amount of the exclusion for farmstead property as follows:

(1) if the assessment base is revised by applying a change in the established predetermined ratio, the exclusion for farmstead property shall be adjusted by the percentage change between the existing predetermined ratio and the newly established predetermined ratio; or

(2) if performing a revision of assessments by revaluing all properties and applying an established predetermined ratio, the exclusion for farmstead property shall be adjusted by dividing the exclusion for farmstead property for the year preceding the revision of assessments by the common level ratio and multiplying the quotient of that calculation by the newly established predetermined ratio.

Cross References. Section 8585 is referred to in section 8586 of this title.

§ 8586. Limitations.

(a) Limit on exclusion.--

(1) In accordance with the limits established on the exclusion for homestead property in Article VIII of the Constitution of Pennsylvania, no governing body of a political subdivision shall authorize an exclusion for homestead property in excess of the amount which is one-half of the median assessed value of homestead property in the political subdivision. The median assessed value of homestead property shall be determined by the information provided to the governing body under section 8584(i) (relating to administration and procedure).

(2) For the purposes of calculating the limit on the exclusion under paragraph (1), a political subdivision that is located in more than one county shall determine the median assessed value of homestead property for the entire political subdivision after dividing the assessed value of each homestead property by the common level ratio of the county in which the homestead property is located.

(b) Prohibition.--The governing body of the political subdivision may not increase the millage rate of its tax on real property to pay for the exclusions authorized by sections 8583 (relating to exclusion for homestead property) and 8585 (relating to exclusion for farmstead property).

(c) Other tax exemption.--Notwithstanding any provision of this subchapter to the contrary, no governing body in a city of the first class shall authorize a homestead property exclusion for property that, for the same tax year to which the homestead property exclusion would otherwise apply, has an exemption from real property taxation under the act of July 9, 1971 (P.L.206, No.34), known as the Improvement of Deteriorating Real Property or Areas Tax Exemption Act.

(Dec. 18, 2013, P.L.1165, No.106, eff. 60 days)

2013 Amendment. Act 106 added subsec. (c).

Cross References. Section 8586 is referred to in sections 8583, 8717 of this title.

§ 8587. Uniform application.

An application form for use by assessors under section 8584(a) (relating to administration and procedure) shall be developed by the Department of Community and Economic Development and published in the Pennsylvania Bulletin by September 30, 1998.

Cross References. Section 8587 is referred to in section 8584 of this title.

§ 8588. Applicability.

Notwithstanding the provisions of section 8405 (relating to applicability), the provisions of this subchapter shall apply to cities and counties of the first class and to school districts of the first class. Any action taken pursuant to this subchapter by the governing body of a city of the first class shall apply to a city of the first class and to a school district of the first class.

(July 5, 2012, P.L.1097, No.131, eff. imd.)

2012 Amendment. Act 131 added section 8588.