

MEETING OF THE LOCAL GOVERNMENT COMMISSION

Wednesday, March 12, 2014

The meeting of the Local Government Commission was called to order by Senator John Eichelberger, Jr., at 8:50 a.m. in Room 14 East Wing-Main Capitol Building, Harrisburg, Pennsylvania, with the following individuals present:

MEMBERS

Senator John H. Eichelberger, Jr., Chairman
Senator Robert D. Robbins
Senator Edwin B. Erickson
Senator John P. Blake
Representative Chris Ross
Representative Mauree Gingrich
Representative Kate Harper
Representative Robert L. Freeman
Representative Mary Jo Daley

STAFF

Michael P. Gasbarre, Executive Director
Philip H. Klotz, Assistant Director
David A. Greene, Legal Counsel
Kristopher Gazsi, Associate Legal Counsel
Danette H. Magee, Research Associate
Karen S. Bear, Secretary

GUESTS

Lee Derr, Senator Eichelberger's Office
Chris Yniquez, Senator Robbins' Office
Luc Miron, Senator Blake's Office
John Fulton, Representative Freeman's Office
Christine Goldbeck, House Republican Research Office
Wanda Snader, House Republican Research Office
Rob Gaertner, House Republican Research Office
Brett Mauser, House Republican Research Office
Lisa Schaeffer, County Commissioners Association of PA
Ed Troxell, PA State Association of Boroughs
Ron Grutza, PA State Association of Boroughs
Joe Regan, Fraternal Order of Police

As the first order of business, the Members discussed the minutes of the January 29, 2014, business meeting, which were unanimously approved on a motion by Senator Erickson and a second by Representative Ross. The financial reports for the months of January and February 2014 were presented, and a detailed explanation was given by the Executive Director. The financial reports were unanimously approved on a motion by Representative Gingrich and a second by Representative Ross.

On February 25, 2014, the Commission received a letter from the County Commissioners Association of Pennsylvania (CCAP) requesting the Commission's support and assistance in advancing a technical amendment to the Consolidated County Assessment Law (CCAL). CCAP became aware of a recent court decision that was contrary to the intent of the General Assembly's efforts to consolidate the various assessment statutes into the CCAL via Act 93 of 2010. Commonwealth Court issued an opinion in the case of *Pedersen v. Monroe County Board of Assessment Appeals* affirming Mr. Pedersen's stipulation that a shed he had placed on his property could not be taxable under the plain language of the CCAL, because it was not a "building permanently attached to the land or connected with water, gas, electric or sewage facilities" as outlined under Section 8811(a). Under the previously existing statutes, subjects of taxation were defined as "All real estate, to wit: Houses, house trailers and mobilehomes buildings permanently attached to land or connected with water, gas, electric or sewage facilities, *buildings*, lands, lots of ground and ground rents, trailer parks and parking lots...." (General County Assessment Law, Section 201, emphasis added). The movement of the

language “permanently attached to land or connected with water, gas, electric or sewage facilities,” in its carryover to the CCAL appears to have been editorial, rather than any affirmative intention to change the interpretation of the statute. Also, case law has established that under prior laws, a structure used in connection with real estate may be considered realty even if not substantially connected to the property, depending on the intention of the property owner to readily move that structure.

To provide necessary clarity to the CCAL, CCAP is requesting the Commission to offer the following technical amendment:

§ 8811. Subjects of local taxation.

(a) Subjects of taxation enumerated.—Except as provided in subsection (b), all subjects and property made taxable by the laws of this Commonwealth for county, city, borough, town, township and school district purposes shall, as provided in this chapter, be valued and assessed at the annual rates, including all:

(1) Real estate, namely:

(i) houses;

(ii) house trailers and mobile homes permanently attached to land or connected with water, gas, electric or sewage facilities;

(iii) buildings [permanently attached to land or connected with water, gas, electric or sewage facilities;]

(iv) lands, lots of ground and ground rents, trailer parks and parking lots;

After a brief discussion, the Members unanimously approved on a motion by Representative Gingrich and a second by Senator Erickson to have Commission staff draft the appropriate legislation for introduction into the Senate of Pennsylvania and the House of Representatives.

Draft language that would amend Act 537 of 1966, the Sewage Facilities Act, was given to the Members for their perusal. The amendment would remove a cap on the fee levied by a municipality on a person who seeks to install a permit-exempt septic system. Before completing the installation, a person must notify the municipality that he/she intends to install such a system so that the municipality can verify that the proposed location meets the Act’s siting requirements. The fee that a municipality is currently allowed to charge for the verification of the siting requirements is \$25. Under this bill, that fee cap would be lifted, but a municipality would not be allowed to charge more than the municipality’s actual cost for verification. The bill was drafted in consultation with the Pennsylvania State Association of Township Supervisors (PSATS) and the Department of Environmental Resources and in response to PSATS resolution 2013-37. The Members unanimously approved the legislation on a motion by Senator Erickson and a second by Representative Ross. The legislation will be introduced in the Senate of Pennsylvania and the House of Representatives.

The Executive Director apprised the Members that the quarterly meeting with the local government associations is scheduled for Thursday, March 13, 2014, at 11:00 a.m. in the Senate Majority Caucus Room. Attendance is encouraged. Also, four bills sponsored by the Commission have seen action this week. Senate Bill 497, Printer’s Number 1703, which is the recodification of the Third Class City Code, was presented to the Governor on March 11, 2014, for his signature. The last day for the Governor’s signature is March 21, 2014. Senate Bill 1157, Printer’s Number 1560, which proposes amendments to the Municipalities Financial Recovery Act, is scheduled for a public hearing by the Senate Local Government Committee on Thursday, April 10, 2014, at 10:00 a.m. in Room 8 East Wing-Main Capitol Building. House Bill 1719, Printer’s Number 2699, which incorporates the provisions of the Borough Code into Title 8 (Boroughs and Incorporated Towns) of the Pennsylvania Consolidated Statutes, passed the House (190-0). The bill was reported as committed from the Senate Local Government Committee and is on first consideration in the Senate. House Bill 1773, Printer’s Number 3109, which proposes amendments to the Municipalities Financial Recovery Act, was reported from the House Urban Affairs Committee, as amended, and was laid on the table after first consideration in the House of Representatives.

MEETING OF THE LOCAL GOVERNMENT COMMISSION

Page 3 – March 12, 2014

As the last order of business, the Commission resolved itself into executive session to consider the lease of real property for office use. At the conclusion of the executive session, the Members unanimously approved on a motion by Representative Ross and a second by Senator Erickson to authorize staff of the Local Government Commission to negotiate formally with Forum Place management for the purpose of leasing office space. The Commission's lease at Forum Place is due to expire June 30, 2014.

The meeting adjourned at 9:10 a.m.

ATTESTED: _____

March 13, 2014