

Pennsylvania Statutes



*Assessments
For Subdivided
Vacant
Ground*

- Pennsylvania Statutes
- TITLE 53 P.S. MUNICIPAL AND QUASI-MUNICIPAL CORPORATIONS
- PART I GENERAL MUNICIPAL LAW
- CHAPTER 30 PENNSYLVANIA MUNICIPALITIES PLANNING CODE
- ARTICLE V. SUBDIVISION AND LAND DEVELOPMENT

53 P. S. § 10513. Recording plats and deeds

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53 P. S. § 10513. Recording plats and deeds (a) Upon the approval of a final plat, the developer shall within 90 days of such final approval or 90 days after the date of delivery of an approved plat signed by the governing body following completion of conditions imposed for such approval, whichever is later, record such plat in the office of the recorder of deeds of the county in which the municipality is located. Whenever such plat approval  municipality, the recorder of deeds of the county shall not accept any plat for recording, unless such plat officially notes the approval of the governing body and review by  planning agency, if one exists. (b) The recording of the plat shall not constitute grounds for assessment increases until such time as lots are sold or improvements are installed on the land included within the subject plat. 1968, July 31, P.L. 805, No. 247, art. V, § 513. Reenacted and amended 1988, Dec. 21, P.L. 1329, No. 170, § 41, effective in 60 days. Amended 2000, June 23, P.L. 495, No. 68, § 11, effective in 60 days; 2000, Dec. 20, P.L. 940, No. 127, § 1, effective in 60 days.

be valued or assessed for purposes of real property taxes until (1) occupied, (2) conveyed to a bona fide purchaser or, (3) thirty months from the first day of the month after which the building permit was issued or, if no building permit or other notification of improvement was required, then from the date construction commenced. The assessment of any multiple dwelling because of occupancy shall be upon such proportion which the value of the occupied portion bears to the value of the entire multiple dwelling.

4. Temporary Sewer Ban

72 P.S. § 5020-206 deals with sewer bans as follows:

When a department or agency of the Commonwealth or a municipality has ordered a sewer connection ban because of a lack of adequate sewage treatment facilities, the real estate affected by the order shall be reassessed for the duration of the order. The reassessment shall be based on the value of the best use of the land during the period of the reassessment. For the purposes of this section, the phrase "affected by the order" shall be defined as the application for a building permit and the denial to the applicant of permission to proceed with the building or construction because of a sewer ban order.

5. Assessment Treatment of Subdivisions and Improvements of Vacant Land

In order to facilitate the provisions of the Municipal Planning Act in situations where vacant land is subdivided, Pennsylvania assessment law mandates that the following steps should be adopted:

1. When land is subdivided and there is no physical change in the land, the Pennsylvania Municipal Subdivision Planning Act mandates that no assessment increase be made, but rather the assessment should be allocated where the sum of the parts equals the whole.

2. Once the developer puts in or begins some physical change, the vacant land can be brought up to subdivision value, i.e., the act of subdivision plus some improvements in most cases creates increased value.

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3. When engineering development and land improvements are completed and improved building lots are created, then they should be brought up to fair market value for building lots in the general area.

4. When residential construction is begun on the building lots, the final step up in assessment will be in conformity with 72 P.S. § 5020-205(b), which provides that new construction not be assessed until (1) occupied, (2) conveyed to a bona fide purchaser or, (3) 30 months after the issuance of the building permit.

The case of *Kraushaar v. Wayne County Board of Assessment*, 603 A.2d 264 (Pa.Cmwth. 1992), dealt with the subdivision of residential property. In this case the developers subdivided 119 acres of real property into 27 different lots for a proposed residential development. After the recording of the subdivision plan, one of the lots was sold. Six of the lots were located on the cul-du-sac, which was paved. After the subdivisions and the improvements, the Board of Assessment Appeals of Wayne County raised the assessment from \$17,880 to \$147,300, which was the aggregate of the separate assessments placed on each of the 26 lots. Based upon this action, the developer filed appeals to the Wayne County Board of Assessment Appeals for each of the subdivided lots, contending that the board did not have the authority to reassess the property. The developer lost his argument in front of both the board of assessment appeals and the Wayne County Court of Common Pleas. Developers took the position that only the lots that were sold from the property that was subdivided or specifically improved were subject to reassessment, but not the lots that remained. The Commonwealth Court disagreed and stated that the developers misinterpreted the language of 72 P.S. § 5453.602a, and further, that the result the developer wanted was unconstitutional under the uniformity requirement of Article VIII, Section 1, of the Pennsylvania Constitution. The court stated:

In enacting Section 602.1, the General Assembly recognized that the assessed value of the subdivided property does not automatically increase merely because it is subdivided. By adding a requirement that prior to being reassessed that one of the lots is to be conveyed or improvements had to be made, the General Assembly recognized that the sale of a lot would establish the property's market value and any improvement, even to only a portion of the parcel, would have an effect on the

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value of the remaining parcels, thereby warranting that each lot be reassessed up or down. The General Assembly expressed a similar sentiment in Section 513(b) of the Pennsylvania Municipalities Planning Code, 53 P.S. § 10513(b), by providing:

The recording of the plat [subdivision] shall not constitute grounds for assessment until such time as lots are sold or improvements are installed on the land included within the subject plat.

Both of these provisions indicate the intent of the General Assembly to forbear reassessing property merely because it has been subdivided, but once there has been a change in condition of the property, i.e., such as a sale or improvement, to allow a reassessment of each new lot to occur.

Therefore, this case holds that once an improvement is made, or a lot is sold from a larger subdivided property, all the remaining subdivided lots can be brought up to market value at that time.

6. Assessment of Mobile Homes

The General County Assessment Law provides for the taxation of "house trailers and mobile homes buildings permanently attached to land or connected with water, gas, electric or sewage facilities." The Fourth to Eighth Class County Assessment Law likewise provides for the real estate taxation of "houses, house trailers and mobile homes permanently attached to land or connected with water, gas, electric or sewage facilities." A mobile home or house trailer must, therefore, be assessed as real estate if permanently attached to the land or connected with water, gas, electric, or sewage facilities. The question of attachment is governed both by physical facts and the intention of the owner. Evidence such as removal of wheels, absence of a license for highway use, and presence of foundations and other accessory structures is taken into consideration.

A mobile home court operator, defined as a person who leases land to two or more persons for the purpose of location of a mobile home or house trailer on it subject to real estate taxation, is required to maintain a record of all leases, open for inspection at all reasonable times by the tax assessor. The law also requires mobile