SUPREME COURT OF PENNSYLVANIA

Saw Creek Community Association, Inc. v. County of Pike and The Pike County Board of Assessment Appeals

581 Pa. 436 (2005) (Pa. 2005) · No. No. 29 MAP 2003 · Decided January 19, 2005

SUMMARY

The Supreme Court of Pennsylvania held that a restaurant and real estate sales office located within a planned community and owned by its homeowners' association were common facilities under the Uniform Planned Community Act. The court concluded that the facilities were exempt from separate assessment and taxation even though the association leased them to private parties and residents did not have free and unfettered access. The court affirmed the Commonwealth Court's order.

CASE DETAILS

COURT	Supreme Court of Pennsylvania
WRITING FOR THE COURT	Justice Nigro; Chief Justice Cappy; Justice Castille; Justice Newman; Justice Saylor; Justice Eakin; Justice Lamb
JURISDICTION	Pennsylvania
DECIDED	January 19, 2005
DOCKET	No. 29 MAP 2003
DISPOSITION	affirmed
PROCEDURAL POSTURE	The County of Pike and the Pike County Board of Assessment Appeals appealed the Commonwealth Court's reversal of a trial court order that had upheld separate tax assessments on a planned community's restaurant and real estate sales office.
STANDARD OF REVIEW	The court reviewed the statutory interpretation and tax-assessment exemption issue presented on appeal. Entitlement to a tax exemption is a mixed question of law and fact, although the dissent cited the rule that the trial court's decision is binding absent an abuse of discretion or lack of supporting evidence.
PRECEDENTIAL VALUE	published precedential opinion of the Supreme Court of Pennsylvania
PARTIES	County of Pike, Pike County Board of Assessment Appeals v. Saw Creek Community Association, Inc.

TOPICS

property tax | tax | statutory interpretation | real estate | tax court procedure

PRACTICE AREAS

property tax | real estate | statutory interpretation

QUESTIONS PRESENTED

1. Whether the Association's restaurant and real estate sales office qualified as common facilities under the Pennsylvania Uniform Planned Community Act.
2. Whether common facilities are exempt from separate assessment and taxation under 68 Pa.C.S. § 5105(b)(1) even when leased to private parties and not available to homeowners for free and unfettered use.
3. Whether Saw Creek homeowners retained appurtenant interests in the facilities despite the private leases.

HOLDINGS

1. Property qualifies as a common facility under 68 Pa.C.S. § 5103 when it is located within the planned community, is owned by or leased to the homeowners' association, and is not a unit designated for separate ownership or occupancy. The restaurant and sales office satisfied those requirements.
2. All property that qualifies as a common facility under the Act is exempt from separate assessment and taxation under 68 Pa.C.S. § 5105(b)(1), which states that no separate assessed value shall be attributed to and no separate tax imposed against common facilities.
3. Saw Creek homeowners retained appurtenant interests in the restaurant and sales office even though the Association leased the facilities to private parties and did not keep them open for homeowners' free and unfettered use.

KEY QUOTATIONS

> *"Thus, because we must effectuate the General Assembly's intent when interpreting statutes, and because the plain language in a statute is the best indicator of the General Assembly's intent, see 1 Pa.C.S. § 1921, we hold that the General Assembly must have intended section 5105(b)(1) to mean just what it clearly says: common facilities may not be separately assessed and taxed."* (265)

> *"Moreover, we hold that the Saw Creek homeowners retained appurtenant interests in the restaurant and sales office even though the association leased those facilities to private parties and did not keep them open for the homeowners' free and unfettered use."* (266)

FACTUAL BACKGROUND

Saw Creek Estates is a planned community whose homeowners' association owned a restaurant building and a real estate sales office. The Association leased the restaurant to a private operator and the sales office to a private real estate company; the restaurant was open to the public but gave Saw Creek residents a discount, and the sales office handled Saw Creek real estate transactions. The Board treated the two properties as separately taxable rather than as common facilities under the Pennsylvania Uniform Planned Community Act.

PROCEDURAL HISTORY

The Board separately assessed and taxed the restaurant and sales office for the 2000-2001 tax year. The trial court affirmed the assessments, but the Commonwealth Court reversed, holding that the properties were common facilities exempt from separate assessment and taxation. The Pennsylvania Supreme Court affirmed the Commonwealth Court.

DISPOSITION

affirmed

CASES CITED

- Saw Creek Estates Community Assoc., Inc. v. County of Pike, 808 A.2d 322 (Pa. Commw. Ct. 2002)
- In re Township of Moon, 387 Pa. 144, 127 A.2d 361 (1956)
- West View Borough Municipal Authority Appeal, 381 Pa. 416, 113 A.2d 307 (1955)
- Appeal of Planned Parenthood Association of Bucks County, 55 Pa. Commw. 195, 423 A.2d 760 (1980)
- In the Matter of Tax Assessment of Real Estate of Greater Erie Economic Development Corporation, 61 Pa. Commw. 144, 433 A.2d 568 (1981)