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Legislature, governor must act on reassessments

By Colin McNickle

New guidelines developed by a statewide task force should help Pennsylvania’s 67 counties determine how best to approach property reassessment issues. But the far better public policy approach would be a legislatively mandated regular reassessment regimen that would meet state constitutional standards, reiterate scholars at the Allegheny Institute for Public Policy.

“Clearly, there can be no more serious obligation of lawmakers than to ensure fair and equitable treatment of taxpayers as required by the Pennsylvania Constitution, especially in a state that relies heavily on property taxes to fund education,” say Eric Montarti, senior policy analyst, and Jake Haulk, president of the Pittsburgh think tank (*in Policy Brief Vol. 18, No. 33*).

Pennsylvania is one of only six to eight states without a statutorily specified reassessment cycle. Most states mandate annual reassessments or on a fixed cycle of no more than six years.

But the Property Assessment Reform Task Force, a project of the state Local Government Commission, concluded in June that a countywide reassessment is almost generational for most commonwealth counties and property owners.

With no state property assessment oversight agency, that task falls to the respective counties and with varying results.

“The recent Washington County experience demonstrates the flawed and often unscrupulous political opposition to reassessments,” Montarti and Haulk recount. Despite dire warnings of massive property tax hikes, the anti-windfall provision worked and there was little taxpayer outcry.

It's an experience that Allegheny County officials, many of whom maintain a visceral opposition to reassessments for the same dubious reasons, should study. After all, failure to reassess on a regular schedule has led to a number of lawsuits over the years.

Allegheny County's last reassessment was in 2013 – court-ordered.

“Taxpayers should not have to engage in expensive lawsuits and long delays in the court system to receive fair treatment,” the institute scholars say. “The arguments against regular updates of property assessments are tired and shopworn and reflect the worst in political favoritism by elected officials.”

One of the task force's nine objectives was to develop a self-evaluation tool for counties to determine their need for a countywide reassessment. The guide was not designed to determine whether an assessment was appropriate for any county “but provide the tools for county officials to determine if the time is right,” Montarti and Haulk say.

Given that counties decide on the frequency of reassessments, whether to use base-year or current market value and a pre-determined ratio, the guide goes into depth on various ratio study methodologies that can be utilized to determine whether uniformity is being threatened.

The task force guide does note that where there is a significant time between reassessments, inequitable tax burdens can result. Moreover, failure to update assessed values can add significantly to the costs of reassessments if the property data require reconstruction and can also greatly complicate the development of a mass-appraisal model.

“It is time for the Legislature and the governor to fix this glaring problem,” Montarti and Haulk say. “It is a detriment to the state to be so far out of step with sound and fair taxation policies practiced in almost all other states.

“Every year of delay exacerbates the difficulties in a reassessment process for counties that are decades out of date,” they conclude.

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