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## The solid case for an Allegheny Co. reassessment

By Colin McNickle

The next Allegheny County chief executive must make a critical decision on property assessments, says the research director of the Allegheny Institute for Public Policy.

And it's clear—as a matter of the state Constitution, basic fairness and repeated litigation, the latest of which is wending its way through the courts—that a full reassessment must be undertaken, he says.

“The next chief executive could take office with legal uncertainty over the assessment issue but having to realize that assessments will be a dominant permanent and contentious issue unless a regular reassessment cycle is adopted,” Montarti says (in *Policy Brief Vol. 23, No. 14*).

The property assessment mess is well known, regularly debated and often litigated.

The county's current assessments went into effect Jan. 1, 2013, following a court ruling. Pennsylvania law permits counties to use a base year for assessments, which means many years might pass before values are updated through reassessment. Unfortunately, that is the case for many counties.

“The current litigation concerns the calculation of the common level ratio used in appeals,” Montarti explains.

Each year, counties submit sales data to the State Tax Equalization Board, which then calculates the ratio by using the assessed values to selling price for those sales.

Allegheny County's 2020 ratio, used in appeals from July 1, 2021, to June 30, 2022, was calculated to be 81.1. The lawsuit alleges that the county miscoded sales data and that the ratio was inflated as a result.

A Common Pleas Court judge agreed and ruled that the ratio should be lowered to 63.53. That ruling was appealed to Commonwealth Court by Pittsburgh Public Schools, where arguments began last week.

“In the meantime, Allegheny County Council created a Special Committee on Assessment Practices in September 2022,” Montarti notes. “The committee's purpose is to examine what happened to cause the litigation over the ratio.

To date, the committee has met four times. Ordinances dealing with a special appeal window, revising the assessment roll in years where there is no reassessment and requiring the council's confirmation of the chief assessment officer were introduced.

But, to date, only the first ordinance has been enacted; the special appeal window closed on March 31 without a determination of what the common level ratio (or CLR) would be. A news article put the count of those appeals at over 6,000.

Long and convoluted story short, the lack of regular reassessments has led to gross inequities in the property taxes paid by comparable properties when primarily school districts challenge the assessments on newly sold properties based on their higher sales prices. It has come to be known, derisively, as the "newcomer's tax."

"Absent a change in state law to mandate a reassessment cycle, it will take an action of Allegheny County's elected officials or a court ruling for a countywide reassessment to happen," Montarti reminds. "There is no desire in Harrisburg to mandate a cycle and the decision to reassess should not be left up to the courts.

"Keeping assessed values up to date and as close to market value is good public policy," he stresses. "Thus, it is vitally important that properties be frequently assessed to ensure fairness."

That's why it is recommended that the next chief executive propose an ordinance to County Council to conduct a reassessment in Allegheny County once every three years.

"This would be a definitive break from the standard that has been in place for the past two decades," the think tank scholar concludes.

"It would cut down on appeal activity, eliminate the sticker shock that many taxpayers experience when a long period of time passes between reassessments and make carrying out subsequent reassessments much less cumbersome," Montarti says in citing a compelling case.

"Allegheny County should follow the lead of most states where reassessments are carried out regularly.

"Being intransigent on this issue is a flagrant violation of the state Constitution and a strong negative in the county's desirability as a place to attract businesses or residents," Montarti concludes.

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