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Westmoreland must conduct property reassessment

By Colin McNickle

We often have opined about the deleterious effects of no regular property reassessments in Allegheny County for more than a decade. “Fairness” has become but a quaint notion. And the nose-thumbing to the state Constitution’s uniform taxation clause has been a breathtaking embarrassment.

But in neighboring Westmoreland County, where there has been no reassessment since 1972, the effects have been far worse. As a direct result of this clear dereliction of duty, county leaders have imposed a massive tax increase, the largest in 20 years.

And the need for the first property reassessment in 52 years now is critical, says a scholar at the Allegheny Institute for Public Policy.

“It's a matter of fairness rather than a tax grab,” says Frank Gamrat, executive director of the Pittsburgh think tank (in *Policy Brief Vol. 24, No. 6*).

“By law, any reassessment has to be *revenue-neutral* for the county,” the Ph.D. economist reminds, adding how that does *not* mean it will be *tax-neutral* for everyone. “For those underassessed, it will likely mean an increase and for those over-assessed, a decrease.

“But with frequent reassessments, every three years or so, it provides stability for all parties involved,” Gamrat stresses.

As 2023 closed, Westmoreland County commissioners voted to raise the millage rate from 21.49 to the state-imposed cap of 25 mills. The county also voted to levy an additional 3.48 mills to help retire county debt.

“The combined millages amount to a 32.5 percent increase,” Gamrat notes. “As expected, and typically, there was plenty of finger pointing and argument surrounding the increase.”

Gamrat explains that real estate revenues depend on the millages being applied and the total taxable assessed value of the properties. In terms of total taxable assessed value, Westmoreland has by far the lowest values of a peer group of counties.

“The primary reason Westmoreland has such low assessed values in comparison to the other counties of the third class is that the last countywide reassessment took place in 1972—over 50 years ago,” he says. In 2022, the assessed value was just over $4 billion.

“As a result of its assessed value being kept so low, Westmoreland has by far the highest tax rate in the group in 2022, at 21.49 mills,” Gamrat notes.

“Where it really stands out is in real estate revenues collected,” he adds. “Over the 10-year period, the growth of total real estate revenues was just under 7 percent. Much of that weak growth was owing to the very small 4.68 percent increase in total taxable assessed value, the lowest in the group.”

So, what’s to be done? A new reassessment and regular reassessments thereafter, Gamrat says.

As the Allegheny Institute previously noted (in *Policy Brief, Vol. 23, No. 35):*

“In a county that does not do regular reassessments, the lack of assessments for years means areas with small home value gains will see the ratio of assessment to home value stay largely unchanged. By the same token, more affluent areas with rising prices will see the ratio of assessments to value fall.”

Gamrat also notes that Westmoreland is the only county in the study group that lost population and is part of an MSA that struggles with job growth.

“The decision-makers at the county level need to advocate for more business-friendly policies to help growth, such as less fealty to labor unions (especially public-sector unions) and a regulatory and tax climate that is more welcoming to new and existing firms,” Gamrat emphasizes.

“One way to begin is with a more stable and fairer reassessment system, which means regular reassessments,” he reiterates.

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