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Settle the assessments lawsuit, Allegheny Co.

By Colin McNickle

The long-threatened lawsuit by Pittsburgh Public Schools to force Allegheny County to conduct a comprehensive property reassessment came to pass on April 8.

And a scholar at the Allegheny Institute for Public Policy says the county should settle the matter without a court order.

“The best course is for Allegheny County to move forward and avoid fighting the lawsuit by agreeing to a reassessment,” says Eric Montarti, the Pittsburgh think tank’s research director (in *Policy Brief Vol. 24, No. 15*).

“It then can go one step better by enacting a regular reassessment cycle for the county,” he adds. “We suggest every three years.”

School District of Pittsburgh v. Allegheny County and Sara Innamorato, in her official capacity as the County Executive, was filed in Allegheny County Common Pleas Court.

It seeks two declaratory judgments and an action in mandamus alleging violations of the Pennsylvania Constitution’s Uniformity Clause (*Article VIII, Section 1*) and the U.S. Constitution’s Equal Protection Clause (*14th Amendment*) from Allegheny County’s use of a 2012 base year with a predetermined ratio (the ratio of assessed to market value set by county government) of 100 percent to assess property.

The lawsuit seeks the immediate commencement of a countywide reassessment; a court-mandated timetable for implementing it; court jurisdiction of the matter to conclusion and other “appropriate relief.”

“The lawsuit’s 13 factual allegations relate mainly to Pennsylvania allowing counties to use a base year to assess property, which ‘is a snapshot in time which essentially ignores any appreciation or depreciation a property may experience after the base year,’ is ‘inherently regressive and inequitable in nature,’” Montarti says.

Unless the state changes the law or a court intervenes, reassessments rarely happen. The last one happened 12 years ago; it was court-ordered.

Montarti notes that in a statement in reaction to the lawsuit, the county executive's spokesperson stated that "ideally reassessments would be state-mandated, mundane, regular occurrences and not once per decade shocks to the system." The statement also said that "any reassessment must be revenue neutral and not a backdoor tax hike for the people of Allegheny County"

But the county, of its own volition, has the power to order such regular reassessments.

"State law has permitted base-year assessments since 1982 and is out of step with most other states on reassessment frequency," Montarti stresses.

State law also requires counties and municipalities to adjust millage rates to be revenue-neutral following a reassessment, he adds, reminding that a separate vote must be taken to raise millage rates on a reassessment; school districts must stay within the previous year's Act 1 index when new values are adopted.

"Could the lawsuit jolt the county into action in order to avoid litigation?" asks Montarti. He notes how two counties -- Lackawanna and Schuylkill -- were sued but decided to conduct a reassessment before any court order.

Those respective courts will oversee each reassessment and new values should be in place by 2026. Ending the lawsuit by agreeing to a reassessment could certainly happen in Allegheny County, the think tank scholar says.

Or the matter could proceed through the courts, Montarti says.

"The state Supreme Court has ruled against Allegheny County (lawsuit in 2005 and reassessed values effective 2013), Washington County (lawsuit in 2008 and reassessed values effective 2017) and Beaver County (lawsuit in 2015 and reassessed values effective 2024)," he says.

And then there's a chance that the lower courts might rule in Allegheny County's favor which could encourage the county to fight the matter all the way to the Supreme Court. But if the county loses in the lower courts, it is likely to fight all the way to the Supreme Court, Montarti says.

Montarti recounts that when the school board passed the resolution authorizing the lawsuit, an Allegheny County state senator said he would propose legislation for a statewide reassessment cycle.

But, "This type of proposal has not surfaced since 2019 and that one never made it past the status of a co-sponsorship memorandum," he reminds. All that said, once any reassessment is begun, "it will take some time to assess 583,000-plus parcels," Montarti stresses.

Again, settling the lawsuit and commencing with a reassessment would be the prudent course, he says.

“This would be a definitive break from the dubious ‘standard’ that has been in place for the past two decades,” Montarti stresses.

“It would reduce appeal activity, eliminate the sticker shock that many taxpayers experience when a long period of time passes between reassessments and make conducting subsequent reassessments much less cumbersome,” he concludes.

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