

POLICY BRIEF

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Assessment Fiasco Gets New Life

At the October 19th hearing to determine how and when to conduct a reassessment of Allegheny County—a hearing necessitated by the April Supreme Court decision nullifying the County’s base year plan—the County’s Solicitor told Judge Wettick that “at this point the County’s position is that when we’re told what we need to get done, we’ll get it done”. The Judge noted in his November 10th decision that he was assuming when the Solicitor said that it meant “the County will either complete a comprehensive reassessment for use in 2012 or that the County will meet the timetables set forth in [the Judge’s] plan...”

Obviously the Solicitor’s comment should have been viewed more skeptically by the Judge. Just this past week the County Executive called the Judge’s plan “a crazy way to do reassessments” and said he will appeal the case to Commonwealth Court. It certainly makes the Solicitor’s pledge ring hollow.

Certainly, the Executive is correct in pointing out that the Judge’s order leaves a lot to be desired. The County would have been split into four assessment districts with sequential valuations from 2010 through 2014, a messy and confusing process. But there is no reason to be confident that the County would have followed a court decision giving the County its desired two years to complete the process. And in light of all that has happened before, what assurances could there be that a ruling allowing two years would not be appealed by the County?

The Executive’s double-barrel approach of pushing the General Assembly for a two-year moratorium on court ordered reassessments and the appeal of this ruling confirms that, in case there was any doubt left, the County does not want to undertake a reassessment and would not comply readily or in a timely fashion. Judge Wettick pointed out in his ruling that the County “never offered any testimony from its Chief Assessment Officer or any other person employed by the County...as to the County’s progress in executing a comprehensive reassessment and as to a realistic timeframe for its completion”. This despite instructions in previous rulings in 2005 and 2007 by Judge Wettick that the County should be prepared to do the job.

Meanwhile, the state Legislature must realize that enacting a moratorium on court ordered assessments in the face of a Supreme Court ruling affecting Allegheny County would have serious ramifications. The highest Court in its ruling—based on a Constitutional question—is saying “fix the problem” while a moratorium would say, “ignore the Court and we will fix the problem.” Therein lies a Constitutional crisis and would make a mockery of the separation of powers that is the foundation of our government.

The Executive even mentioned that “any attempt to overhaul the property system at the state level...ought to consider the fundamental issue of whether school districts should be funded by property taxes in the first place”. What does that have to do with correcting the inequities in

Allegheny County in the coming years? It is little more than a call for more delay in dealing with the problem.

What is needed now is for the public to once and for all realize that a reassessment does not amount to a tax increase, no matter how many times the Executive claims it does.

It is disingenuous to claim that a reassessment will cause “back door” tax increases. There are anti-windfall provisions in place that ensure a taxing body cannot take more than 105 percent of the revenue they received prior to the reassessment—that can easily be modified to a zero windfall. To be sure there may well be a tax increase for people whose properties are substantially under-assessed at present, but by the same token there could be tax reductions for homes that are currently over assessed or correctly assessed. The simple overarching fact is that a reassessment does not automatically equal a tax increase for everyone; it merely causes everyone to pay their legally required fair share.

Consider that properties in Allegheny County have not been reassessed since 2002. In 2009, according to data from the Treasurer’s office, 92 municipalities and 39 school districts in the County have higher millage rates than they had in 2003. Those were presumably clear as day, sun shining in, and duly advertised tax increases of the “front door” variety. Clearly, an assessment freeze does not ensure that taxes will not increase. Instead, a freeze makes existing inequities in tax burdens caused by bad assessments worse when millage rates go up.

Also consider that Allegheny County, with its 2002 base year, took \$0.81 cents per dollar of the County’s personal income in 2007. Beaver County, with a 1982 reassessment year, took \$0.95 cents. Fayette County, with a 2003 reassessment date, collected \$0.62 cents. Thus, whether assessments are more or less up to date does not correlate with overall tax burden in this sample.

The Supreme Court of Pennsylvania cannot let the appeal of their order drag on—after all, we already know from their April opinion that the base year in Allegheny County violates the uniformity clause. What are they going to say differently if the appeal of their order comes up from Commonwealth Court on further appeal? The Supreme Court should intercede and hear the appeal immediately. And they need to rule quickly saying “fix the system without further delay and have it done in twelve months.” Moreover, the Court should announce that if there are any additional dilatory tactics, the Court will, on the grounds the County system is unconstitutional, relieve taxpayers in Allegheny County from paying school, municipal, or County property taxes until the reassessment is done and meets acceptable assessment standards.

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