

Final Report of the
House Resolution 343 Task Force on
Property Valuation and Reassessment

Date: April 10, 2012

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Introduction

The Pennsylvania House of Representatives adopted House Resolution 343 on June 27, 2011, by a vote of 199-0. This Resolution created a Task Force to study Pennsylvania's current property valuation and reassessment process and to address the following issues:

- Develop a set of uniform standards for county reassessment contracting;
- Develop standards for disclosing the county's system of property valuation and assessment;
- Develop a self-evaluation tool for counties to determine when a reassessment is warranted;
- Recommend a standard to be used for a Statewide mandatory reassessment time frame; and
- Present any other recommendations to improve the system of property tax reassessment in this Commonwealth.

The Resolution established the membership of the Task Force and was comprised of the following members:

- State Representative Chris Ross, as a member of the Local Government Commission.
- State Representative Steve Santarsiero, as a member of the Local Government Commission.
- State Representative Jesse White.
- State Representative Rick Saccone.
- Charles "JR" Hardester, CPE, Chief Assessor, Lawrence County, representing the Assessors' Association of Pennsylvania.
- Randy Waggoner, CPE, Chief Assessor, Perry County, representing the Assessors' Association of Pennsylvania.
- James A. Hercik, CPE, Chief Assessor, Fayette County, representing the County Commissioners Association of Pennsylvania.
- Joan Righter Price, Esq., Solicitor, Montgomery County Board of Assessment Appeals, representing the County Commissioners Association of Pennsylvania.
- Alan Shuckrow, School Director, North Allegheny School District, representing the Pennsylvania School Boards Association.
- Robert Junker, representing the Pennsylvania School Boards Association.

Also present at Task Force meetings were Renee Reynolds, Executive Director of the State Tax Equalization Board (STEB) and Greg Skotnicki, Assistant Director, Pennsylvania Department of Revenue, Bureau of Corporation Taxes.

The staff to the Task Force began its work of compiling relevant materials and visiting counties in order to better understand how county assessment offices operate. The staff reviewed existing standards in other states as well as the standards published by the International Association of Assessing Officers (IAAO).

The staff also relied heavily upon the work that was already underway by the Assessors' Association of Pennsylvania's Assessment Law Committee. This committee is working on a list of desired reforms relating to property valuation and reassessment, as well as issues pertinent to data collected and generated by the STEB. The committee is represented by members of Assessors' Association of Pennsylvania, County Commissioners Association of Pennsylvania, and staff of the Local Government Commission and the Legislative Budget and Finance Committee.

The Task Force organized and selected Representative Jerry Knowles as the Chair of the HR 343 and HR 344 Task Forces and immediately began to address the issues stated within the Resolutions. Several meetings were convened to gather input from the various groups involved in the assessment process. The Task Force exchanged many ideas, suggestions and recommendations on issues regarding the real estate assessment process in Pennsylvania.

This Task Force worked in conjunction with the House Resolution 344 Task Force which was tasked to study certain aspects of the STEB.

As the combined Task Force discussed the issues and possible solutions they were charged with by the Resolutions, concerns and questions surrounding the current data that the STEB generates continually surfaced. These concerns and issues will be discussed in more detail in the HR 344 Task Force report. However, they deserve a mention in this report since many of the issues and solutions addressed here rely upon accurate and reliable data collection and computation.

Many members of the Task Force believe that the STEB data is inadequate and inaccurate and should not be used as a statistical tool to determine if a county needs to conduct a reassessment. The STEB data has come under much scrutiny and evaluation and many problems have been identified. For instance, the Auditor General of Pennsylvania released the *Special Performance Audit of the Pennsylvania State Tax Equalization Board: Certification of Market Values*, in February 2011. This report raises many questions as to the practices and operations of the STEB. Furthermore, the Legislative Budget and Finance Committee's report, *Pennsylvania's System for Property Valuation and Reassessment* (issued pursuant to HR 334 of 2009) raised statistical and analytical concerns with the STEB data, as well uncovering other problems relating to the agency's computer system. Renee Reynolds, Executive Director, for STEB and Mr. Guydish pointed out that many of the statistical shortcomings and other concerns that have been raised are a result of a lack of resources and staff due to budget cuts. Until these issues of concern are corrected the data produced by STEB should not be utilized to determine any calculations regarding reassessments in this Commonwealth.

Background

The property tax is the only tax that can be levied by all local governments. School districts, counties, cities, townships, boroughs and incorporated towns all have the ability to impose this tax. Historically, the property tax has been the main source of revenue for school districts and counties in Pennsylvania. Municipalities also receive a significant portion of their revenue from the property tax.

In 2010, the General Assembly passed the Consolidated County Assessment Law,¹ Act 93 of 2010. The Assessors' Association of Pennsylvania – an affiliate of the County Commissioners Association of Pennsylvania – formed an Assessment Reform Committee in 2001. The Assessors' Association of Pennsylvania charged the committee with creating a legislative proposal that would consolidate the current assessment laws, pertaining to counties of the second class A through the eighth class, into one new uniform assessment law. The 12-member committee was made up of a wide array of real estate assessment personnel (assessors and administrators) from various counties throughout the Commonwealth.

Two staff persons from the Local Government Commission were appointed as the legislative staff to serve on the committee. Due to the technical nature of the work involved with consolidating the various assessment laws, a small subcommittee, including Commission staff, took on the tasks of preparing the initial draft of the consolidated assessment law and a section-by-section commentary of the legislation. Staff also prepared the disposition and derivation tables. CCAP requested that the members of the Local Government Commission sponsor the final legislative proposal, which was eventually signed into law as Act 93 of 2010.²

Counties have the statutory responsibility to maintain the property tax assessment rolls within each county. Each county assessment office is responsible for valuing property and annually revising the property tax roll. With the exception of Philadelphia County, each county has an appointed Chief Assessor who must be certified by the State Board of Real Estate Appraisers as a Certified Pennsylvania Evaluator. The Chief Assessor is responsible for certifying the values on all real property within the county.

A county is required to use the same approach to value real property. That is, in Pennsylvania, counties can choose whether to use a “base year”³ value or a “current market” value to arrive at an assessed value. Section 8842(a), (b) of the Consolidated County Assessment Law states:

. . . In arriving at actual value, the county may utilize the current market value or it may adopt a base-year market value. . . . (i) In arriving at actual value, the price at which any property may actually have been sold, either in the base year or in the current taxable year, shall be considered but shall not be controlling. (ii) The selling price shall be subject to revision by increase or decrease to accomplish equalization with other similar property within the county

¹ Title 53 of the Pennsylvania Consolidated Statutes (Municipalities Generally) at Section 8801 et seq.

² Local Government Commission, “The Consolidated County Assessment Law.” <<http://www.lgc.state.pa.us/ccal.shtml>> December 27, 2011.

³ “The year upon which real property market values are based for the most recent countywide revision of assessment of real property or other prior year upon which the market value of all real property of the county is based for assessment purposes. Real property market values shall be equalized within the county and any changes by the board shall be expressed in terms of base-year values.” 53 Pa.C.S. §8802.

Three approaches to value must be considered in conjunction with one another: cost (reproduction or replacement, as applicable, less depreciation and all forms of obsolescence), comparable sales, and income.

Pennsylvania has a constitutional requirement for uniformity of taxation.⁴ A uniform assessment rate means that all properties in the county, whether residential, commercial, or industrial, should be assessed at a common level of assessment. The main tool at the disposal of a county to correct overall property market changes is a countywide reassessment.

The process of conducting a countywide reassessment is a daunting task, especially for those counties that have not recently conducted a reassessment. There is a huge disparity in the length of time a county goes between reassessments. Some counties have gone through a reassessment on a regular basis and have just recently finalized this process. However, there are counties that have not undertaken a reassessment in the past 20 years. The reasons for not undertaking a reassessment are varied; however, a major concern of many counties is the cost associated with such an endeavor. As such, counties have relied on using a “base year”, which is essentially the year of their last reassessment, to set the value of their properties.

When property is no longer uniformly valued and assessed, a county risks violating the Uniformity Clause of the Pennsylvania Constitution. This can be seen in the 2009 Pennsylvania Supreme Court decision in *Clifton v Allegheny County*,⁵ where the court determined that the use of an “outdated” base year assessment to establish the tax liability for a property violates the Uniformity Clause of the Pennsylvania Constitution. The court did point out that a base year assessment is not a direct violation of the Pennsylvania Constitution’s Uniformity Clause and a county could utilize a base year method for a period of time without being in violation of the Pennsylvania Constitution. However, as market values change over time counties run the risk of violating the Uniformity Clause if their base year values are not adjusted for market changes.

The Supreme Court concluded the *Clifton* opinion by recognizing that it was not the court’s charge to determine what may be the best system of property assessment or to fix a point in time that triggered the need for a reassessment. Instead, the Court noted that that “the General Assembly is the appropriate place in the first instance to fashion a more comprehensive and soundly constitutional scheme.” The Court observed that Pennsylvania is the only state where legislation allows the use of a base year indefinitely, and the General Assembly has the experience of all other states as well as the IAAO standards to establish a uniform assessment system. The Court resisted suggestions that it act in the place of the General Assembly, but did make clear that “there may very well come a time when this Court will be obligated to fill a legislative void in this area,” and that “it is today’s decision that provides notice to the General Assembly to make any necessary amendments to the Commonwealth’s property assessment laws so as to ensure their constitutionality when applied in various counties.”

In order to address this issue, as well as others that counties face regarding reassessments, the Pennsylvania House of Representatives passed House Resolution 343 and formed a task force to address various topics mentioned earlier in this report.

⁴ “All taxes shall be uniform, upon the same class of subjects, within the territorial limits of the authority levying the tax, and shall be levied and collected under general laws.” Pa. Const. Art. VIII, § 1.

⁵ *Clifton v Allegheny County*, 600 Pa. 662, 969 A.2d 1197 (2009).

Topics of Study

The Resolution delineated the areas in which the Task Force was to study and provide recommendations. They include, develop a set of uniform standards for county reassessment contracting; develop standards for disclosing the county's system of property valuation and assessment; develop a self-evaluation tool for counties to determine when a reassessment is warranted; recommend a standard to be used for a Statewide mandatory reassessment time frame; and present any other recommendations to improve the system of property tax reassessment in this Commonwealth.

This section will now address each individual topic by summarizing major issues and points raised by the Task Force members and provide recommendations for each issue.

Develop a Set of Uniform Standards for County Reassessment Contracting

It has been recommended by several studies since the 1970s that counties could be better prepared to develop contracts with appraisal firms for countywide reassessments.⁶ The HR 343 Resolution asked the Task Force to develop a set of uniform standards for county reassessment contracting. The Task Force reviewed other state laws as well as the IAAO Standards on Contracting.

The Task Force discussed this issue in much detail. The consensus opinion reached by the Task Force included the need for a "model" contract that would help counties when drafting their contracts. It was suggested that several items should also be included in the contract, in addition to other provisions that would protect the counties and the taxpayers.

The Task Force also discussed the Legislative Budget and Finance Committee's work on this issue. The Legislative Budget and Finance Committee recommended that the Local Government Commission and the Assessors' Association of Pennsylvania, form a group to review specific standards in other states, develop and recommend a uniform set of standards to counties to use when contracting with private appraisal firms for reassessments.⁷ This process had begun before the Task Force was formed and during discussions it was apparent that this process should continue in order to form a thorough and all-inclusive list of standards.

The Legislative Budget and Finance Committee recommended that these standards include the following:

- Conflict of interest prohibitions.
- Bidding requirements, including the unbundling of hardware and software contracting from other reassessment components.
- To find "actual value" of a property must consider using all three methods (cost, comparable sales and income approaches) in conjunction with one another to arrive at the value for an individual property.
- Require those familiar with local property markets to designate neighborhoods for mass appraisal models.

⁶ *Pennsylvania's System for Property Valuation and Reassessment*, Legislative Budget and Finance Committee, July 2010, Page S-23.

⁷ *Pennsylvania's System for Property Valuation and Reassessment*, Page S-23.

- Public disclosure of the cost tables and methods used to value property by property type.
- Require use of valid and sufficient data to arrive at changes in value.
- Require ratio studies pre and post-implementation of new assessed values to test the level of assessment, uniformity and equity results of a mass appraisal.
- Provide for the transferability of databases for subsequent use by the county.
- Payment withholding provisions related to independent review of performance measures.

Through discussions of Task Force members, several of the above points were highlighted as necessary for inclusion in a model contract. The issue of unbundling hardware and software contracting was pointed to as being important to ensure that counties can retain the rights to the collected data, then used for future purposes and transferred into other databases. Such requirements are important for counties and property holders. When, for example, contracts do not “unbundle” computer hardware and software, counties may find themselves in the position of having to continue a contract with a vendor that has not performed to the county’s satisfaction. Alternatively, the county may be faced with having to expend scarce tax dollars to contract with a new vendor for new hardware and software for a new mass appraisal system.

In order for counties and the public to be aware of how these calculations are reached, disclosure of cost tables and methods used to value property by the contractors is important and must remain open to public scrutiny. Without requirements for public disclosure of the methods used to arrive at values, property holders, and public officials, are unable to determine how a property’s value was derived by the contractor, and public confidence in the reassessment is undermined. To ensure that accurate data is being provided to the State, counties must be able to know how an end result is reached. They must also ensure that raw data collected within the county is being compiled and manipulated in the same manner within each property type.

The Task Force discussed how the requirement to conduct pre- and post-implementation ratio studies in order to test the level of assessment, uniformity and equity, is important in proving that the reassessment performed reached a certain statistical goal. This third-party ratio study would provide counties with a mechanism to judge the effectiveness of the revaluation and determine whether the contractor met the required goals spelled out in the contract.

The IAAO develops *Standards on Contracting for Assessment Services* which are very comprehensive. The IAAO standards contain items that should be included in the contract, such as a detailed description of the work to be performed; the time frame, delivery date and other requirements of the project; performance standards; testing standards and procedures; and payment provisions.⁸

It was also discussed that there is a need for criteria, qualifications and training that is necessary for data collectors and to include these best practices or guidelines in the contract. It was felt that by requiring this of the initial data collectors the data being collected would become more consistent and comparable to other counties. This would go a long way in helping to make this data more reliable and equitable for the Commonwealth and the political subdivision’s purposes.

⁸ *Standard on Contracting for Assessment Services*, International Association of Assessing Officers, Approved February 2002 and revised December 2008, Page 7.

Recommendations

The Task Force recommends that its members continue to work with the Local Government Committee and Finance Committee of the House of Representatives as a work group to further refine the necessary components for contracting standards in order to develop a model contract or suggested RFP standards that counties can utilize. This includes developing criteria, qualifications and training necessary for data collectors.

This working group should consider recommendations contained in the Legislative Budget and Finance Committee Report,⁹ provisions contained in the IAAO's *Standards on Contracting for Assessment Services* and procedures, and policies of other states.

Develop Standards for Disclosing the County's System of Property Valuation and Assessment

As is the case with many issues the Task Force was asked to study, this issue overlaps other areas of study. Public disclosure of the cost tables and methods used to value property by the contractors was discussed in the previous section of this report. However, it should be further pointed out, as the Legislative Budget and Finance Committee did in their report¹⁰ that it is also important for counties to disclose how they arrive at fair market value by specifying whether they are using a "current market value" or "base year value." In order for a county to be able to do this, it must know how the contractor conducting the reassessment arrived at the values; therefore, it is important that this information be disclosed by the contractor to the county.

Recommendation

The Task Force recommends that members of the Task Force continue to work with the Local Government Committee and Finance Committee of the House of Representatives as a work group to further develop a standard for disclosing the county's system of property value and assessment.

Develop a Self-evaluation Tool for Counties to Determine when a Reassessment is Warranted

One of the biggest issues facing counties is how to determine when they should undergo a countywide reassessment. This differs from county to county based on many factors and is why it is important to provide counties with a method for evaluating current assessment levels and to determine whether a reassessment is warranted.

As discussed earlier in this report, the STEB data has come under much scrutiny and evaluation and many problems have been identified. The Task Force members then looked to other means by which counties could evaluate the need for a reassessment.

⁹ *Pennsylvania's System for Property Valuation and Reassessment*, Page S-23.

¹⁰ *Pennsylvania's System for Property Valuation and Reassessment*, Page S-24.

Several options were discussed and one issue that seemed to garner support by the members of the Task Force was that counties should use ratio studies to determine the present status of a county's current assessment rolls. The use of a stratified ratio seemed to garner the most support among the Task Force members. It was pointed out by members of the Assessors' Association of Pennsylvania that the Pennsylvania Supreme Court has ruled in *Keebler Co. v The Board of Revision of Taxes of Philadelphia*,¹¹ that a stratified ratio could be used by counties.

Further discussion revolved around refining the use of a stratified ratio as a trigger to signal a need for a reassessment. It was suggested that simply relying on one statistical number to trigger a reassessment may not give an adequate view of where a county stands in relation to the need for a reassessment. Members pointed out that since counties have different property inventories and makeup, it may make sense to take a closer look at stratified ratios and the ratios of each property type within the county.

It was also discussed that by utilizing a stratified ratio by property type each strata could be examined. When one of the ratios within a certain property type widens beyond a statistically accepted number then a county could simply conduct a reassessment of that particular property type. However, since the courts have historically ruled that all property must be considered as one class, this may be a violation of the Uniformity Clause in the Pennsylvania Constitution.

The Task Force raised several viable options, but did not reach a final conclusion on which standard should be met to signal a need for a county to reassess.

Recommendation

The Task Force recommends that its members continue to work with the Local Government Committee and Finance Committee of the House of Representatives as a work group to further develop a standard to signal a need for a county to reassess.

Recommend a Standard to be Used for a Statewide Mandatory Reassessment Time Frame

The Task Force was asked to recommend a standard to be used for a statewide mandatory reassessment time frame. This issue is very closely related with the issue of a self-evaluation tool for counties. As discussions progressed, it was clear that a solution to this, as well as the issue of developing a self-evaluation tool for counties, should be considered together since they are so closely related.

As was mentioned in the previous section, many different factors affect when a county would need to enter into a countywide reassessment. Each factor considered affects each county in different ways. Utilizing a mandatory time frame as a statewide standard is problematic due to each county's differing property inventories, geography and economic conditions.

¹¹ *Keebler Company v The Board of Revision of Taxes of Philadelphia*, 496 Pa. 140, 436 A.2d 583 (1981).

The Task Force discussed which statistical trigger should be utilized to determine the need for a reassessment. As was the case in the previous section, the use of a stratified ratio came to the forefront of discussion. It was suggested that counties could conduct ratio studies stratified by each property type within the county to get a complete picture of market values within that county. This would provide a much more complete view of where a county stands in relation to assessed values and actual value of property located within the county. Task Force members stressed that the use of any statistical trigger, including the results of a stratified ratio study, should not be utilized until data becomes more consistent and reliable.

Recommendation

The Task Force recommends that its members continue to work with the Local Government Committee and Finance Committee of the House of Representatives as a work group to further develop a standard to be used for a statewide mandatory reassessment time frame.

Present any other Recommendations to Improve the System of Property Tax Reassessment in this Commonwealth

During the course of discussions and reviewing other studies conducted on this issue, the Task Force proposed additional recommendations.

Representative Chris Ross pointed out that the current system by which different methods of calculating assessed values between the initial assessment and the appeal proceedings, cause an inherent inequity and should be addressed.

When the issue of reassessments is discussed, the matter of costs associated with such an endeavor should always be a concern of policymakers. The Legislative Budget and Finance Committee Report stated that in order to provide ongoing financial support for local property valuation and assessment duties of the counties other local government units and school districts should bear some responsibility and provide some funding.¹² Further, the LBFC report also stated that the Legislature should consider designating a percentage of the realty transfer taxes for this purpose.¹³ The County Commissioners Association of Pennsylvania also supports using a portion of the Realty Transfer Tax for this purpose.

Representative Jesse White suggested that as the General Assembly deals with these issues, any solutions adopted should ensure that school districts do not exceed the statutory limitations on revenue windfall from property taxation.¹⁴

Recognizing the inconsistent or incomplete data that currently exists partially due to variations in the county property record cards, the Task Force discussed the need for a uniform property record card to be used by all counties of the Commonwealth. A uniform property record card with standard definitions and codes will help to create greater consistency for counties during

¹² *Pennsylvania's System for Property Valuation and Reassessment*, Pages S-27 and S-28.

¹³ *Pennsylvania's System for Property Valuation and Reassessment*, Page S-28.

¹⁴ Section 327 of Act 1, Special Session 1, of 2006 sets forth anti-windfall provisions for school districts following a countywide reassessment.

the assessment process. The availability of more reliable data will provide a better and more accurate comparison of property values throughout the Commonwealth.

Recommendation

The Task Force recommends that the General Assembly keep the issue and suggestion included in this section, in mind when considering solutions to the problems associated with the Commonwealths property tax reassessment structure.

The Task Force further recommends that the House of Representatives develop legislation amending the various assessment laws to provide for a uniform property record card which would include standard definitions and codes.

Conclusion

It became clear that the issues the Task Force was working on were complex and intertwined. Often, the solution to one issue was affected by how one or more of the other issues were being handled. Although the Task Force was not able to offer many specific recommendations, it was able to narrow the issues to a point that will help guide future actions on these issues.

The six-month time frame did not allow a more in depth study of these very complicated issues; thus, was a driving factor in moving the Task Force toward their recommendation to continue to work as a working group with the House Local Government and Finance Committees. Task Force members encourage these legislative committees to continue to work on these issues, and further refine the solutions and recommendations discussed in this report. Members of the Task Force have expressed to both Chairs of the House Local Government and Finance Committee their willingness to continue on in this working group capacity.

It is the hope of Task Force members that this work group, in association with the committees, can produce several viable options in the months remaining in the current legislative session. Chairmen Tom Creighton and Robert Freeman have expressed their support for utilizing the House Local Government Committee to advance any legislative solutions and will continue to work with members of the Task Force and the House Finance Committee, in hopes of reaching a solution on many of these matters.

Appendices

A. House Resolution 343

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 343 Session of
2011

INTRODUCED BY WHITE, SACCONI AND NEUMAN, JUNE 21, 2011

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 21, 2011

A RESOLUTION

Establishing a task force to develop a set of uniform standards for county reassessment contracting, develop standards for disclosing the county's system of property valuation and assessment, develop a self-evaluation tool for counties to determine when a reassessment is warranted and recommend a standard to be used for a Statewide mandatory reassessment time frame.

WHEREAS, At the direction of the House of Representatives, through House Resolution No. 334 of 2009, the Legislative Budget and Finance Committee (LBFC) prepared a report on Pennsylvania's System for Property Valuation and Reassessment and issued it in 2010; and

WHEREAS, The report includes a number of recommendations to enhance the current system, including the development of uniform standards for reassessment contracts, standards for disclosing a county's system of property valuation and assessment and a self-evaluation tool to help counties determine the need for reassessment; and

WHEREAS, According to the LBFC report, concerns have been raised about the quality of reassessments since the 1970s, when the former Department of Justice and researchers from Carnegie Mellon University concluded that counties were ill-prepared to develop contracts with mass appraisal firms for countywide reassessments; and

WHEREAS, According to the LBFC report, transparent systems for property valuation and assessment are necessary in this Commonwealth; and

WHEREAS, Each county in this Commonwealth can choose the type of property valuation and assessment system to be implemented in the county, and a county can decide to assess on a "current market" basis or a "base year" basis, select the percent of fair market value to be assessed for tax purposes and select the criteria to be used to decide when to revalue all properties, in other words, to reassess; and

WHEREAS, In the 1980s, the General Assembly required counties to specify their predetermined ratios of market value to be assessed for tax purposes; and

WHEREAS, A county, however, is not required to inform taxpayers if it arrives at fair market values on a current market basis or a base year basis, or to routinely make available to the public the methods used to arrive at fair market values when the county reassesses or values property after the reassessment; and

WHEREAS, According to the LBFC report, with Pennsylvania's current system for property valuation and assessment, uniformity

does not require that assessments be in current market dollars, however, the system requires that uniform methods be used to derive market values for similar properties and that the same portion of fair market value in base year dollars be the basis of the assessment; and

WHEREAS, When most property in a county appreciates or depreciates at relatively the same rate and the county's property inventory does not undergo significant changes that alter the relative distribution of the tax burden, reassessment does not provide greater uniformity, rather, it simply results in the expression of market values and assessed values in current market dollars rather than the value of a dollar in the prior base year; therefore be it

RESOLVED, That the House of Representatives appoint a task force to develop a set of uniform standards for county reassessment contracting, develop standards for disclosing the county's system of property valuation and assessment, develop a self-evaluation tool for counties to determine when a reassessment is warranted and recommend a standard to be used for a Statewide mandatory reassessment time frame; and be it further

RESOLVED, That the membership of the task force be made up of:

(1) two representatives from the Pennsylvania Local Government Commission appointed by the Speaker of the House of Representatives from a list comprised of members of the House of Representatives appointed to the commission, one

each representing the majority and minority representation on the commission;

(2) two members of the House of Representatives or their designees, one appointed by the Majority Leader and one appointed by the Minority Leader; and

(3) two appointees from each of the memberships listed in this paragraph from a list submitted by each membership, one appointed by the Majority Leader and one appointed by the Minority Leader:

(i) the Assessors' Association of Pennsylvania;

(ii) the County Commissioners Association of Pennsylvania; and

(iii) the Pennsylvania School Boards Association;

and be it further

RESOLVED, That the task force utilize the staff of the Local Government Committee and the Finance Committee in consultation with and assistance from the Local Government Commission and the Legislative Budget and Finance Committee; and be it further

RESOLVED, That the task force be charged with the following:

(1) develop a set of uniform standards for county reassessment contracting;

(2) develop standards for disclosing the county's system of property valuation and assessment;

(3) develop a self-evaluation tool for counties to determine when a reassessment is warranted;

(4) recommend a standard to be used for a Statewide mandatory reassessment time frame; and

(5) present any other recommendations to improve the system of property tax reassessment in this Commonwealth; and be it further

RESOLVED, That the task force report its results and present its findings to the Chief Clerk of the House of Representatives no later than six months after the adoption of this resolution.

B. Relevant Legislation

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1463 Session of
2011

INTRODUCED BY NEUMAN, JUNE 6, 2011

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE, JUNE 6, 2011

AN ACT

Amending the act of April 16, 1992 (P.L.155, No.28), entitled "An act providing for the certification and recertification of assessors; establishing eligibility and training requirements; defining the powers and duties of the State Board of Certified Real Estate Appraisers relating to training, certification and recertification of assessors; and authorizing the board to establish fees," further providing for duties of board and for qualifications.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 4 of the act of April 16, 1992 (P.L.155, No.28), known as the Assessors Certification Act, is amended by adding a subsection to read:

Section 4. Duties of board.

* * *

(c.1) Training program.--The board shall establish and administer a training program for persons who apply to be assessors, which program shall include instruction on the

following topics:

(1) Historical and current Pennsylvania judicial decisions affecting property valuation, assessment and reassessment.

(2) The implications of Pennsylvania judicial decisions for permissible valuation and assessment practices in this Commonwealth.

(3) The manner in which an assessor's duties have been and are currently impacted or may be impacted in the future by Pennsylvania judicial decisions.

* * *

Section 2. Section 5(b) of the act is amended to read:

Section 5. Qualifications.

* * *

(b) Requirements.--An applicant shall meet the following requirements:

(1) The applicant shall have a high school diploma, or its equivalent, or two years of assessing experience.

(2) The applicant shall be at least 18 years of age.

(3) The applicant shall be a resident of this Commonwealth for at least six months.

(4) The applicant shall have successfully completed a minimum of 90 hours of the basic courses of study approved by the board covering the appraisal assessing profession or any other professional courses acceptable to the board. At the discretion of the county commissioners, the county may reimburse county assessors for the costs of completing the

courses of study required by this subsection.

(5) The applicant shall have successfully completed the training program established by the board under section 4(c.1).

Section 3. This act shall take effect in 60 days.

House Bill 1465: Creates a revolving loan fund to assist counties with the cost of conducting a reassessment.

PRINTER'S NO. 2019

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1465 Session of
2011

INTRODUCED BY NEUMAN, JUNE 6, 2011

REFERRED TO COMMITTEE ON APPROPRIATIONS, JUNE 6, 2011

AN ACT

Providing for a State revolving loan program to counties for the purpose of conducting countywide reassessments; imposing powers and duties on the Center for Local Government Services; and making an appropriation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the County Reassessment Revolving Loan Program Act.

Section 2. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Center." The Center for Local Government Services within the Department of Community and Economic Development of the

Commonwealth.

"Program." The County Reassessment Revolving Loan Program established under section 3.

Section 3. County Reassessment Revolving Loan Program.

(a) Establishment.--The County Reassessment Revolving Loan Program is established and shall be administered by the center.

(b) Purpose of loans.--The center shall provide loans to counties in order for counties to adequately perform countywide reassessments. Program funds may be used for reassessment purposes as determined by the center.

(c) Application.--The center shall develop and distribute a uniform application for applicants to submit for loans under the program.

(d) Review.--The center shall review applications submitted for loans under the program and shall approve them if they are complete and the applicant agrees to the terms and conditions for the loan as determined by the center.

(e) Loan repayment.--The center shall determine applicable methods regarding loan repayment procedures.

(f) Funding distribution.--If there are insufficient State funds appropriated for loans under this act in any year, the center shall distribute the funds as determined by the center.

Section 4. Rules and regulations.

The center shall adopt rules and regulations necessary to implement and administer the provisions of this act.

Section 5. Appropriation.

The sum of \$5,000,000 is hereby appropriated to the Center

for Local Government Services within the Department of Community and Economic Development for the purpose of providing loans under this act.

Section 6. Effective date.

This act shall take effect in 60 days.

House Bill 1696: Impose a moratorium on property reassessments in certain Fourth Class Counties. Vetoed by the Governor on July 8, 2011. (Similar Legislation – House Bill 166)

SENATE AMENDED

PRIOR PRINTER'S NO. 2141

PRINTER'S NO. 2260

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1696 Session of
2011

INTRODUCED BY SACCONI, WHITE, NEUMAN, TURZAI, EVANKOVICH,
MUSTIO, EMRICK, MURT, DUNBAR, GERGELY, D. COSTA, REESE,
ELLIS, GABLER, MATZIE, HORNAMAN, SIMMONS, TOOHIL, BLOOM,
MALONEY, CUTLER, CHRISTIANA, GOODMAN, SWANGER, KORTZ, MOUL
AND TALLMAN, JUNE 20, 2011

SENATOR CORMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JUNE 29, 2011

AN ACT

Providing for a temporary moratorium of court-ordered countywide
reassessments and for reforms based upon study.

The General Assembly of the Commonwealth of Pennsylvania
hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the Property Tax
Reassessment Moratorium Act.

Section 2. Findings and purpose.

The General Assembly finds and declares as follows:

(1) The method of property tax assessment in this
Commonwealth is fragmented and in need of reform.

(2) The current method provides for little uniformity between counties resulting in vast inequities of property assessments across this Commonwealth.

(3) Further, the tax assessment system provides little protection for homeowners who experience sudden and dramatic increases in their property assessments as a result of a countywide assessment.

(4) Failure to address the problem has led to the potential for devastating tax increases that would be harmful to the citizens and economic well-being of this Commonwealth.

(5) A study was conducted of the Commonwealth's property assessment system.

(6) The study addressed the proper policies and procedures necessary to ensure uniformity among counties and a comparative analysis of the property assessment systems in other states.

(7) The study concluded that changes are needed and the General Assembly should enact legislation to address issues raised by the study.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Local taxing authority." Any political subdivision authorized to impose real property taxes.

Section 4. Moratorium.

~~(a) Prohibition.--No local taxing authority may undertake,~~

~~on or after the effective date of this section, the process of a court-ordered countywide reassessment of real property for purposes of levying property taxes; however, counties currently conducting a court-ordered countywide reassessment as of the effective date of this section may, at the discretion of the county, continue the process.~~

~~(b) End of prohibition. The prohibition under subsection (a) shall remain in effect until the General Assembly has enacted legislation to address the declarations contained in section 2(1), (2), (3) and (4) or until November 30, 2012, whichever comes first.~~

NO COUNTY OF THE FOURTH CLASS HAVING A POPULATION, ACCORDING TO THE 2010 UNITED STATES CENSUS, GREATER THAN 185,000 BUT LESS THAN 210,000 MAY IMPLEMENT, EFFECTUATE OR UNDERTAKE THE PROCESS OF A COURT-ORDERED COUNTYWIDE REASSESSMENT OF REAL PROPERTY FOR PURPOSES OF LEVYING PROPERTY TAXES UNTIL THE LATER OF:

(1) THE GENERAL ASSEMBLY ADOPTS PROCEDURES NECESSARY TO ENSURE UNIFORMITY AMONG COUNTIES IN THEIR PROPERTY ASSESSMENT SYSTEMS; OR

(2) NOVEMBER 30, 2012.

Section 5. Effective date.

This act shall take effect immediately.

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1712 Session of
2011

INTRODUCED BY NEUMAN, JUNE 22, 2011

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE, JUNE 22, 2011

AN ACT

Amending the act of July 10, 1990 (P.L.404, No.98), entitled "An act providing for the certification of real estate appraisers; specifying requirements for certification; providing for sanctions and penalties; and making an appropriation," further providing for State Board of Certified Real Estate Appraisers.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 4(a) of the act of July 10, 1990 (P.L.404, No.98), known as the Real Estate Appraisers Certification Act, amended July 8, 2008 (P.L.833, No.59), is amended to read:

Section 4. State Board of Certified Real Estate Appraisers.

(a) Creation.--There is hereby created the State Board of Certified Real Estate Appraisers as a departmental administrative board in the Department of State. The board shall

consist of the following members:

- (1) The Secretary of the Commonwealth or a designee.
- (2) The Attorney General or a designee.
- (3) The Secretary of Banking or a designee.
- (4) Eight members who are citizens of the United States and who have been residents of this Commonwealth for a two-year period immediately prior to appointment, two of whom shall be public members [and], six of whom shall be persons who are State-certified real estate appraisers and two of whom shall be persons who are certified Pennsylvania evaluators as defined in section 2 of the act of April 16, 1992 (P.L.155, No.28), known as the Assessors Certification Act.

* * *

Section 2. This act shall take effect in 60 days.

House Bill 84: Would include Philadelphia County under the Assessors Certification Act.
(Similar Legislation -- Senate Bill 1314)

PRIOR PRINTER'S NO. 42

PRINTER'S NO. 1539

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 84 Session of
2011

INTRODUCED BY THOMAS, BISHOP, CALTAGIRONE, M. O'BRIEN AND
YOUNGBLOOD, JANUARY 19, 2011

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 13, 2011

AN ACT

Amending the act of April 16, 1992 (P.L.155, No.28), entitled "An act providing for the certification and recertification of assessors; establishing eligibility and training requirements; defining the powers and duties of the State Board of Certified Real Estate Appraisers relating to training, certification and recertification of assessors; and authorizing the board to establish fees," further providing for nonapplicability.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 11 of the act of April 16, 1992 (P.L.155, No.28), known as the Assessors Certification Act, amended November 19, 2004 (P.L.834, No.100), is repealed:

[Section 11. Nonapplicability.

This act shall not apply to counties of the first class.]

Section 2. An assessor who is employed by a county of the

first class on the effective date of this section shall have ~~three~~ FOUR years from the effective date of this section to become certified under the act.

Section 3. This act shall take effect in 60 days.

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2137 Session of
2012

INTRODUCED BY SACCONI, WHITE, NEUMAN, EVANKOVICH, BLOOM,
D. COSTA, P. COSTA, CUTLER, KORTZ, ROCK, SIMMONS AND SWANGER,
JANUARY 23, 2012

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JANUARY 23, 2012

AN ACT

Providing for a temporary moratorium of court-ordered countywide reassessments and for reforms based upon study.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the Property Tax Reassessment Moratorium Act.

Section 2. Findings and purpose.

The General Assembly finds and declares as follows:

(1) The method of property tax assessment in this Commonwealth is fragmented and in need of reform.

(2) The current method provides for little uniformity between counties resulting in vast inequities of property assessments across this Commonwealth.

(3) Further, the tax assessment system provides little protection for homeowners who experience sudden and dramatic increases in their property assessments as a result of a countywide assessment.

(4) Failure to address the problem has led to the potential for devastating tax increases that would be harmful to the citizens and economic well-being of this Commonwealth.

(5) A study was conducted of the Commonwealth's property assessment system.

(6) The study addressed the proper policies and procedures necessary to ensure uniformity among counties and a comparative analysis of the property assessment systems in other states.

(7) The study concluded that changes are needed and the General Assembly should enact legislation to address issues raised by the study.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Local taxing authority." Any political subdivision authorized to impose real property taxes.

Section 4. Moratorium.

(a) Prohibition.--No local taxing authority may undertake, on or after the effective date of this section, the process of a court-ordered countywide reassessment of real property for purposes of levying property taxes; however, counties currently

conducting a court-ordered countywide reassessment as of the effective date of this section may, at the discretion of the county, continue the process.

(b) End of prohibition.--The prohibition under subsection (a) shall remain in effect until the General Assembly has enacted legislation to address the declarations contained in section 2(1), (2), (3) and (4) or until December 31, 2013, whichever comes first.

Section 5. Effective date.

This act shall take effect immediately.

Senate Bill 1439: Auditor General shall conduct a procedural and performance audit of a county reassessment.

PRINTER'S NO. 2018

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **1439** Session of
2012

INTRODUCED BY PIPPY, MARCH 16, 2012

REFERRED TO FINANCE, MARCH 16, 2012

AN ACT

Providing for property reassessment audits.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the Property Reassessment Audit Act.

Section 2. Legislative findings and declaration of policy.

The General Assembly finds and declares that:

(1) Countywide reassessments, including court-ordered reassessments, have been justified and initiated on the basis of data derived from the State Tax Equalization Board. Both a special performance audit conducted by the Auditor General in February of 2011 and a report issued by the Legislative

Budget and Finance Committee in July of 2010 questioned the veracity of data generated by the State Tax Equalization Board.

(2) Reassessment valuation models that rely on the State Tax Equalization Board sales data may exclude sales considered valid by the International Association of Assessing Officers guidelines, contributing to inaccurate valuation during a reassessment.

(3) Inaccurate sales data, inappropriate modeling and inaccurate property inventory data in reassessments affect the uniformity of taxation mandated by section 1 of Article VIII of the Constitution of Pennsylvania by yielding unnecessarily inaccurate valuations and disproportionate tax burdens.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Board." The State Tax Equalization Board.

"Completion." The establishment of values for all properties in the county and released on an informal basis to the public.

"Contractor." A mass appraisal company or other contractors, subcontractors or vendors involved in constructing the property inventory database or other activities related to establishing property values.

"County." A county of the second class, second class A, third class, fourth class, fifth class, sixth class, seventh

class or eighth class.

Section 4. Powers and duties of Auditor General.

(a) Countywide reassessments.--The Auditor General shall conduct a procedural and performance audit of a county or contractor conducting a reassessment initiated after the effective date of this section. The Auditor General shall conduct an investigation, conduct the audits, issue remedial recommendations and take any additional action as provided in this act.

(b) Other reassessments.--The Auditor General may, or upon the request of the Governor or a member of the General Assembly shall, investigate any countywide reassessment being conducted on the effective date of this section in accordance with section 5, except that no investigation may be initiated if more than six months have elapsed since the certification of any valuations by the county.

(c) Prohibition.--No countywide reassessment may be certified by a county until the certificate under section 7(e) has been issued.

Section 5. Investigations.

(a) General.--The Auditor General shall investigate any countywide reassessment in accordance with this section.

(b) Procedure.--

(1) The Auditor General shall provide written notice to the governing body of the county and the county chief executive, if any, that an investigation has been initiated. County officials and employees shall cooperate with the

Auditor General or his designees and shall provide requested records within 30 days of a request.

(2) The Auditor General, or his designee, may issue subpoenas to compel the attendance of county officials, employees or contractors involved in the maintenance of the property inventory database and the production of any data or records in the possession of county officials, employees or contractors. If any person fails to comply with any subpoena under this paragraph or refuses to be sworn or testify as a witness, or if any person refuses to permit the Auditor General to inspect records, the Auditor General may, in addition to other remedies provided by law, petition the court of common pleas to order compliance. The court shall order compliance if it deems the testimony relevant to determining the accuracy of the valuations used in the reassessment. Nothing under this section shall authorize the disclosure of any information deemed proprietary by law or contract.

(c) Contracts.--Notwithstanding any provision of law, a contract for reassessment services executed after the effective date of this section shall include provisions providing for the mutual agreement of the parties to the contract that their officers, employees and agents shall cooperate with any investigation as provided in this section.

(d) Report.--For investigations initiated under section 4(b), the Auditor General shall, within 60 days of the written notice provided under subsection (b), issue a report to the

governing body and chief executive of the county setting forth the results of the investigation and whether there are sufficient grounds to warrant judicial action as provided under section 6.

Section 6. Judicial action.

(a) Petition.--If, after an investigation under section 5, the Auditor General determines that sufficient evidence of inaccurate valuations exists to warrant procedural and performance audits under section 7, the Auditor General shall petition the Commonwealth Court to stay further use of the new assessed values until the time as the Auditor General has conducted the audits and issued remedial recommendations. Notice of the petition shall be provided to the governing body and chief executive of the county and its contractors.

(b) Hearing.--Within 15 days of the petition under subsection (a), the Commonwealth Court shall hold a hearing and obtain evidence as may be necessary to issue an order.

(c) Order.--If the Commonwealth Court determines that sufficient evidence of inaccurate valuation of property exists, it shall issue an order staying further implementation of the reassessment, including, if necessary, staying any determinations of formal appeals, pending the issuance of the report provided under section 7. The order may contain additional direction to the county to ensure the continuity of operations of all taxing districts pending the issuance of the report.

(d) Extensions.--The Auditor General may petition the

Commonwealth Court for an extension of any deadlines provided for under this act if necessary to complete an audit or the implementation of recommendations.

Section 7. Audits.

(a) General.--If required by this act, the Auditor General shall conduct the following:

(1) A performance audit of the county and the contractor to determine whether the quantity or quality of work performed yields valuations of property of sufficient accuracy and fairness. Ratio studies between assessed values and market values, as determined through sales or appraisals, may be used.

(2) A procedural audit to examine whether the county and the contractor are following established or recommended procedures as set forth by the county or in accordance with law.

(b) Personnel.--The Auditor General shall have the same powers of investigation provided under section 5 and may employ accountants, assessors or statisticians who shall receive compensation as fixed by the Auditor General.

(c) Reports.--The Auditor General shall issue a written report setting forth the results of the audits and any remedial recommendations as provided under subsection (d), as follows:

(1) For audits required under section 4(a), the Auditor General shall issue the report to the governing body and chief executive of the county, not later than 90 days after the completion of the reassessment. The recommendations of

the Auditor General shall be implemented by the county within 90 days of the receipt of the report.

(2) For audits required under section 6(c), the Auditor General shall issue the report to the legislative body and chief executive of the county, if any, and the Commonwealth Court not later than 90 days after the date of the order. The recommendations of the Auditor General shall be implemented by the county within 90 days of the receipt of the report.

(d) Recommendations.--The report shall contain recommendations that the Auditor General believes may be necessary to better ensure the accuracy and fairness of the reassessment. The chief assessor of the county shall notify the Auditor General in writing when the recommendations have been fully implemented.

(e) Certificate.--The Auditor General or Commonwealth Court shall issue a written certificate to the county setting forth that either recommendations were not included in the audit or that all recommendations have been fully implemented by the county.

(f) Appointed liaison.--If the Auditor General deems it necessary to assist a county in the implementation of recommendations, the Auditor General may appoint a liaison to assist the county and report on the progress of the implementation. The liaison shall be an individual with at least five years' experience in reassessment practices and procedures, and shall receive compensation as determined by the Auditor General.

Section 8. Reassessment appeals.

Nothing in this act shall affect the progress of informal appeals or conferences conducted by a county to resolve disputes over valuation. Notwithstanding any other provision of law, for audits conducted as required under section 4(a), formal appeals shall not be conducted until after the certification of the reassessment by the county.

Section 9. Expiration.

This act shall expire December 31, 2015.

Section 20. Effective date.

This act shall take effect in 60 days.

C. Comments

JESSE WHITE, MEMBER
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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

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HUNGER
ITALIAN-AMERICAN
LUPUS
OIL & GAS
PROPERTY TAX RELIEF
SOUTHWEST DELEGATION
SPORTSMEN'S
STEEL

I want to thank the members of the Task Forces for their hard work and commitment to these issues. By bringing all the stakeholders together and engaging in focused, non-partisan analysis, we have finally developed a blueprint for real property tax reassessment reform.

These reports strengthen my belief that until we correct the fundamental flaws in the reassessment process, a moratorium on court-ordered reassessments is essential to prevent the system from being abused to exploit loopholes in the anti-windfall provisions to increase tax revenue outside the scope of Act 1 of 2006.

Any tool can become a weapon if placed in the wrong hands, and in my opinion, the reassessment process has been turned into a weapon to raise revenue instead of a tool for statistical measure to ensure equal and uniform taxation of properties. We must dramatically reduce this potential for abuse and restore the reassessment process to its rightful intent as an instrument to help taxpayers, not punish them.

The need for both technical and policy-based solutions are evident, and I hope these reports will help guide my colleagues as we begin the work of crafting, debating and ultimately implementing these solutions in the weeks and months ahead. The input of the task force members came from a uniquely qualified group of stakeholders who possessed a combination of the knowledge of the strengths and weaknesses of the current reassessment system, a comprehensive knowledge of the legal restrictions placed upon us by the Pennsylvania Constitution, and a firm commitment to change a status quo we all recognize to be fundamentally flawed in various ways.

I view these task force reports as the beginning of the conversation, not the end, and I look forward to working together to finally end decades of futility to reform the property tax reassessment process to protect and benefit the people of Pennsylvania.

A handwritten signature in black ink, appearing to read "Jesse White", written over a horizontal line.

Jesse White
46th Legislative District
Washington/Allegheny/Beaver Counties

Pennsylvania School Boards Association

The Pennsylvania School Boards Association joins the other Task Force members in the recognition that the Commonwealth's assessment laws are systemically flawed and in need of reform. PSBA encourages the General Assembly to move forward with the Task Force's recommendations as soon as possible to develop and implement legislation to ensure that Pennsylvania's property assessment system is fair to all taxpayers.

The inequity perpetuated by the current patchwork of reassessment schedules and methods used across the state results in nothing but continual controversy among local governments, school districts, and taxpayers. There are currently numerous proposals in the General Assembly that attempt to address a small or specific symptom of our broken assessment laws; however, none of the proposals provides the required comprehensive solution to the underlying problem. Only comprehensive assessment legislation that adds predictability to the system by setting standards for when and how a reassessment is to be conducted will accomplish the goals of the Task Force and meet the constitutionally-mandated uniformity of taxation.

One legislative proposal attempts to protect undervalued properties by prohibiting school districts and other taxing authorities from appealing the assessment of a property based on the sale of the property, undermining the goal of uniformity by increasing the discrepancy among taxable property and shifting the burden carrying undervalued properties to those taxpayers who are accurately assessed. Additionally, another proposal prohibits local taxing authorities from undertaking a court-ordered countywide reassessment of real property, which, again, does nothing to remedy the existing inequities in property assessments and denies certain property owners equal protection under the law. Other proposals attempt to impose additional anti-windfall provisions on school districts and taxing authorities following a reassessment, while some attempt to implement property tax reform with the goal of reducing or eliminating the burden of the property tax on local taxpayers altogether.

At the heart of all of these proposals is Pennsylvania's broken property assessment laws, which give rise to unconstitutional inequities that inevitably result from the prolonged use of old and outdated assessment values in areas where property values have changed at divergent rates. Implementing these current proposals would serve only as a temporary bandage, potentially mitigating a perceived issue in the short term, but ignoring the root of the problem and the need for a comprehensive solution. Without careful examination of the underlying problem with our assessment laws, these proposals will do nothing to reset the system and ensure that property owners who are fairly assessed and are paying their proportionate share of taxes are not burdened with carrying the weight of owners of under-assessed properties.

The development and implementation of the recommendations set forth by this Task Force have the ability to transform and modernize Pennsylvania's property assessment system and render the current proposals that address only a single symptom of this problem entirely moot. To ensure that property assessments are completed in a uniform and consistent manner, PSBA encourages the continued examination of our current assessment system and the adoption of solutions to ensure uniformity and fairness for all property owners. Only uniform assessment and appeal practices, accurate and timely property valuation, and increased transparency for the disclosure of how properties are valued and assessed will succeed in curing the problems with our current property assessment law.