

Legal Alert – New Pennsylvania Statute on Assessment Practices Signed into Law

April 19, 2013 – Yesterday Governor Corbett signed into law Pennsylvania Senate Bill 66, which makes some changes in Pennsylvania assessment practices.

The law moves the State Tax Equalization Board (“STEB”) to the purview of the Department of Community and Economic Development and also creates new duties for STEB. STEB is the agency that calculates the ratio for each Pennsylvania County every year. (The ratio is applied to a property’s assessment to determine the fair market value that the County has assigned to a property. Because the ratio changes every year, a property’s County-assigned market value likewise fluctuates yearly, which can create appeal opportunities for property owners.)

What’s the Same? Two important things remain unchanged:

1. STEB will continue to publish the ratio for each County by July 1 of each year
2. School District funding remains unchanged

What’s New? The new law also gives STEB some new responsibilities with the twin aims of providing transparency in its processes, and ensuring uniformity in methodology in assessing across the state. Specifically, STEB will publish the methodology by which it calculates the ratios, will write a training manual for assessors and will write standards of best practices for county-wide reassessments.

What’s Missing? Conspicuously absent from the new law is any requirement for Pennsylvania counties to reassess on a periodic basis. While frequent periodic reassessment would benefit property owners by changing assessments timely to match market cycles, most property owners believe otherwise. Reassessments are so infrequent in Pennsylvania (sometimes a decade or more passes between reassessments) that the values spike when a County eventually does reassess, which leads to public outcry and confusion.

The new law appears to be a small step in the right direction, but it remains to be seen whether larger change is attainable.

If you discuss your property’s assessment, please call us.

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