

## **PA Court Issues Decision Reinforcing Confidentiality of Client Information**

Siegel Jennings recently scored a win for taxpayer rights in Pennsylvania in two back-to-back decisions from two separate trial judges in Lehigh County, Pennsylvania. The judges issued nearly identical decisions requiring that the taxpayer's confidential business information be kept confidential in real estate assessment appeals filed by local school districts.

Pennsylvania is one of a handful of states in which school districts have an annual right to file assessment appeals seeking to *increase* its own taxpayers' assessments. While it has been fairly common practice for school districts to file appeals chasing recent sale prices, increasingly – especially in eastern Pennsylvania – school districts have been targeting commercial taxpayers with perceived deep pockets and national branding for increase appeals. Behind this trend is a realty consultant firm from which has been approaching school districts and offering to select cases for districts on a contingent fee basis.

The consulting firm moved into Lehigh County last year and coordinated with a local school district to file 35 increase appeals, then immediately filed discovery of the commercial taxpayers' leases and other confidential financial information. The school district refused to sign confidentiality agreements. Siegel Jennings led the effort to coordinate all property tax counsel in defending against the attack. Siegel Jennings successfully argued that any information disclosed ought to be held as confidentiality and – critically – ought not to be shared with the behind-the-scenes consultant which has been using such information to build a database, which it then uses to solicit other school districts and uses against the property owner in new appeals. Essentially, the consultant has been using property owner's own confidential information to fund its business model and to initiate new litigation against the property owner.

The 35 cases were divided between two trial judges, who determined that they would coordinate the motions and arguments surrounding the issue of confidentiality so that there was a uniform standard in the county. Recently, both trial judges issued decisions requiring that information produced be kept confidential and expressly prohibiting the information from being disclosed to the consultant.

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