

A Tale of Two Counties – Chapter 2

Author: Dusty Elias Kirk, Partner, Pittsburgh

Author: Jeffrey G. Willhelm, Associate, Pittsburgh

Author: Peter H. Schnore, Associate, Pittsburgh

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Allegheny County and Washington County are both under court orders to complete countywide reassessments. Because of an unexpected Independence Day gift from the Pennsylvania state legislature, however, Washington County is no longer required to reassess. Over the July 4 holiday weekend, the legislature passed a limited moratorium on reassessments. The moratorium as it was originally drafted was intended to remain in place temporarily while the legislature considered property tax reform for the entire state. Instead, at the final hour, the legislature limited the moratorium to Washington County alone. From the standpoint of elected officials in these counties who are concerned about how property owners will react to the reassessments, it was the best of times, it was the worst of times: Washington County officials are ecstatic and Allegheny County officials are dismayed and upset.

Meanwhile, in Allegheny County, on July 5, 2011, Judge R. Stanton Wettick, Jr. met with county officials concerning the status of the reassessment. Both the county and its consultant, CLT, have finished about 30 percent of the work needed to complete the proposed 2012 reassessment. The county is working on the residential properties and has valued 154,000 of the approximately 500,000 residential properties. Although specific numbers were not discussed, CLT, which is working on the commercial properties in the county, also reported valuing approximately 30 percent of the commercial properties. CLT claims to be on track to complete valuing the commercial properties by September/October 2011. However, CLT's valuations are currently subject to a peer review process and independent verification process by the county. To expedite the process, the county placed an advertisement to retain additional property valuers; however, the advertisement met with limited success as the county received only four résumés in response. The county also rejected a proposal by CLT to assist the county with the valuation of 200,000 residential properties because the \$450,000 price tag is not budgeted.

The county is projecting that preliminary notices will go out toward the end of January and would like to send all of the preliminary notices out around the same time. Based on the projected preliminary notice timeframe, the county conceded that the tax roll may not be certified until the May/June 2012 timeframe in the worst case scenario.

As it currently stands, each taxpayer is to have an informal opportunity to appeal a preliminary notice to a hearing officer. In light of the delay, whether to streamline or eliminate this step was the subject of extensive discussion.

Judge Wettick expressed some concern that the county would leave taxpayers with only six months to pay the difference in taxes that results from the reassessment. The bottom line is that the reassessment process appears to be behind schedule and Judge Wettick has expressed concern with the delay. Unless the county is willing to expend more resources, Judge Wettick may be persuaded to streamline the process by eliminating peer review or shortening protections afforded taxpayers through the informal appeal process. The next hearing is scheduled for Thursday, July 21 at 10 a.m.

In *Clifton vs. Allegheny County*, 969 A.2d 1197 (Pa. 2009), the Supreme Court decision that started the reassessment process in Allegheny County, the Pennsylvania Supreme Court urged the state legislature to enact comprehensive property tax assessment reform. It is clear from the *Clifton* opinion that a one-county moratorium is not what that court had in mind. Allegheny County believes



that the legislature now has produced direct evidence showing how Allegheny County residents are being treated differently from those in the rest of the state. Allegheny County Council is considering how to react to the legislature's latest action.

We will continue to monitor and provide updates regarding this fluid situation as the reassessment saga continues to unfold.

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