



REAL ESTATE DEPARTMENT AND TAX APPEALS PRACTICE

ALERT

STEB GRANTS PHILADELPHIA TAXPAYERS' PETITION TO INTERVENE TO SERVE THE PUBLIC INTEREST

By Jeffrey M. Herskowitz, Elizabeth J. Hampton and Christopher C. Fallon, III

On March 2, 2012, Pennsylvania's State Tax Equalization Board (STEB) granted the Petition to Intervene filed by Fox Rothschild on behalf of more than 150 Philadelphia taxpayers, as noted in *The Philadelphia Inquirer*. The Petition was filed in response to an appeal launched by the City of Philadelphia to challenge the certified Common Level Ratio (CLR). The taxpayers sought intervention in the STEB proceeding to: (i) ensure full and complete disclosure of appropriate information, (ii) vigorously defend the certified 18.1 percent CLR for Philadelphia County promulgated by STEB and published in August of 2011 and (iii) foster transparency in the process of CLR determination.

Recognizing the impact of the City's appeal, specifically with regard to the effect it might have on the real estate tax liability of all Philadelphia taxpayers, STEB granted taxpayers' intervention to serve the public interest.

STEB has permitted limited intervention on the issue of whether it was legally proper and statistically sound for the City of Philadelphia's Office of Property Assessment (OPA) to have adjusted its assessed values based on Philadelphia Code § 19-1308.

Philadelphia Code § 19-1308, enacted on June 10, 2004 (2004 Ordinance) is the City's purported justification for the

artificially inflated data submitted on Jan. 13, 2012.

Specifically, the 2004 Ordinance directs the Philadelphia Board of Revision of Taxes (BRT) to refrain from amending the ratios used to calculate assessed value unless City Council adjusts real estate tax rates so such a change is revenue neutral, or unless City Council otherwise approves the change by ordinance.

The City is attempting to impose the same restrictions on STEB, which would require a state agency to obtain approval for the Philadelphia County CLR from local government. Taxpayers submit that such a result is not supported in the language of the 2004 Ordinance and is expressly prohibited by the doctrine of conflict preemption.

Having granted the taxpayers intervention on this issue, STEB will permit taxpayers to participate in a hearing to determine whether it is proper for STEB to modify or adjust its computation of the 2010 CLR for Philadelphia County.

If you have questions regarding this Alert, please contact Jeffrey M. Herskowitz at 215.299.2944 or jherskowitz@foxrothschild.com, Elizabeth J. Hampton at 609.895.6752 or ehampton@foxrothschild.com, or Christopher C. Fallon, III at 609.572.2270 or cfallon@foxrothschild.com or any member of Fox Rothschild's [Real Estate Department](#).

