

# Washington County property reassessment: Why was it ordered?

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*This is the first of three columns written by Washington County attorney James McCune explaining the ongoing countywide real estate tax reassessment.*

As most Washington County landowners know, Washington County is in the middle of a court-ordered, countywide real estate tax reassessment. All 121,000 separately assessed parcels of real property in the county will be given a new tax assessment, effective in 2017.

County and municipal taxes will be calculated using numbers from the new reassessment starting Jan. 1, 2017, with school tax calculated beginning July 1, 2017.

*Jim McCune*

The current reassessment, the first since 1981, was the result of a lawsuit filed by the McGuffey and Washington school districts in 2008. These school boards believed many properties, particularly commercial and industrial properties, were underassessed and, therefore, paying too little in real estate taxes. Because the uniformity clause in the Pennsylvania Constitution requires all classes of taxpayers to be treated “uniformly,” any reassessment ordered by the court has to be countywide and include all real property.

The reassessment cannot apply only to certain classes of real property, such as commercial property.

The county commissioners opposed the reassessment, objecting to the high cost. After a lengthy legal battle, however, the courts ordered the commissioners to proceed with the reassessment.

Statistics on real estate assessments in Pennsylvania’s 67 counties are compiled by a state agency known as the Tax Equalization Division, formerly the State Tax Equalization Board. This agency examines all real estate transactions in Pennsylvania on an ongoing basis, and compares the sale prices in residential and commercial real estate transactions with the current assessments for the same properties.

Because the last county-wide reassessment in Washington County was effective Jan. 1, 1981 – some 35 years ago – statistics compiled by the TED board show that the assessments do not accurately reflect the actual value of the properties. Too many properties are overassessed, and too many properties are underassessed.

The TED board publishes a “common level ratio” every year for each Pennsylvania county. This statistic compares actual values of real property to current assessments, and ranks the counties on how well their assessments relate to actual property values. Because its last county-wide reassessment was completed 35 years ago, it should come as no surprise that Washington County fares poorly in this analysis. Simply stated, the present system of assessing real property in Washington County is unfair and inaccurate.

The county commissioners awarded the reassessment contract to Tyler Technologies, an experienced reassessment firm. The field work for the reassessment began in fall 2013, and was completed in 2015. Preliminary assessments (an “impact notice”) should be mailed in early 2016. After a six-month period to correct mistakes and gather additional information, final assessments will be mailed on or about July 1, 2016. It is from this determination that appeals must be filed by land owners. The new assessments will be effective Jan. 1, 2017. Not surprisingly, the reassessment is expected to generate many appeals. These appeals are first heard by a Board of Assessment Appeals. Any aggrieved party may appeal the board’s decision to Common Pleas Court.

In the next article, we will discuss the appeal procedure, and the use of appraisals in tax assessment litigation.

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