

**Voiceover:**

This November, every citizen of Lackawanna County will be presented with a unique opportunity to vote on a referendum question that will decide whether the county should be authorized to borrow money, if necessary, to conduct a countywide reassessment. If approved, this would be the first time in nearly a half a century that all property assessments were revised to more accurately and equitably reflect each property's fair market value. That ballot question will state:

“Shall the Lackawanna County Commissioners incur debt not to exceed \$13 million (Thirteen Million) Dollars solely for the purpose of conducting a countywide revision of assessment so that all real estate within the county will be assessed at a predetermined ratio of 100 percent of a new base-year value?”

What does this mean?

Why would the County need to borrow money to conduct a reassessment?

Why is it important?

How might I be affected?

This video has only one purpose: to present you with the basic facts about reassessment so that you can consider them thoughtfully...using accurate information to help you make an informed decision. Then use your vote to decide whether Lackawanna County should borrow the funds necessary to undertake a countywide reassessment in the near future.

Your government. Your voice. Your decision.

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**Joan Righter Price:**

In Pennsylvania, the Uniformity Clause of the Pennsylvania Constitution is based upon the general principle that taxpayers should pay no more or less than their proportionate share of government and all property (commercial, industrial, and residential) must be assessed at the same percentage of market value.

The laws of the Commonwealth of Pennsylvania are complex in terms of how property assessments can be carried out. But, one of the most important parts of the law is quite simple... “spot assessment” is illegal. “Spot assessment” means picking properties out at random and changing their assessment without imposing the same standards on everyone.

And, that is why Pennsylvania courts will not condone it as a broad means of adjusting tax liability among citizens.

Our courts have also held that a county may not only reassess certain areas or certain types of property. All property is considered one class in Pennsylvania so that assessments may not be changed to current market value unless the entire county is revalued through the countywide reassessment process.

Generally speaking what this means to property owners is that their properties (both homes and businesses) must be evaluated using the same set of standards. This is protection for every property owner so that they cannot be singled out. For example, a property owner cannot be treated differently because they recently purchased their property as compared to owners of similar properties that have owned their property for years. Likewise, all properties in the County must be reassessed at the same time. A county may not limit a reassessment to only commercial properties or those that were recently purchased.

The Constitutional imperative of uniformity means that it becomes necessary to periodically step back and look at everyone's property in order to ensure that the burden of taxation is properly distributed and no one is paying more or less than their fair share of taxes. Property values change over time. Unless a county undertakes a countywide revision of assessment, the tax assessments remain static regardless of fluctuations in market value.

Reassessment is taking a fresh look at every property in Lackawanna County to adjust for changing demographics, shifting population centers, and fluidity appearing within commercial and residential areas. These factors spontaneously appear in all communities and have the potential to impact property values.

In order to fairly calculate assessments based on the current market values of property and use that information to help equalize tax responsibility of all property owners, a county needs an unbiased opinion. This is the function of a countywide reassessment. It is an unbiased evaluation of the current market value of every property within the county.

**Voiceover:**

So, why does it cost so much to do a reassessment? Why would Lackawanna County need to borrow money to pay for a countywide reassessment?

**Joan Righter Price:**

There are over 100,000 parcels of real property in Lackawanna County and the county has not completed a countywide reassessment since 1968. Many of the county records have not been updated for many years. This data collection process will be completed through a series of data mailers sent to property owners supplemented by in-person interviews during site visits by trained personnel.

The role of the data collector is to visit each property to make certain that each property is correctly described on county records in terms of the basic characteristics of each property. These basic characteristics include the exterior dimensions of each property, the number of buildings and the use of each building. In the case of homes, the characteristics will include the number of bedrooms and baths.

The data collection process is perhaps the most critical portion of a reassessment because the data collected is the data used to value each property. It is also one of the most costly elements of a countywide reassessment.

An explanation of the reassessment process will give you an idea of why it may be necessary for the county to borrow money to pay to complete a countywide reassessment. A reassessment can be very expensive. The County needs to know they are authorized to borrow money, only if necessary, in order to complete a reassessment.

**Voiceover:**

Reassessment employs the same set of directly observable criteria to calculate market value. Therefore, equity is a cornerstone inherent in the process. The process for reassessment follows a multi-step plan of action:

- 1) An independent company, from outside our area, is charged with valuing all of the properties in the county. These professionals are experienced in conducting reassessments in many different areas and are tasked with framing and executing the process as streamlined and efficiently as possible.
- 2) Trained data collectors will collect information from area property owners through a series of data mailers, site visits and in-person interviews. These data collectors may include people from our local area but they will be trained to only collect property information; they will not determine value. It is important that the county's records accurately describe each property because it is this information that appraisers will use in the valuation process.
- 3) All properties will be valued by appraisers with the help of computer-assisted mass appraisal software and systems that ensures all properties are valued using the same set of standards. Certified Pennsylvania Evaluators will review each result and adjust values as necessary in order to establish market consistency. A new computer-assisted mass appraisal system, called a CAMA system, will necessarily be part of the cost of reassessment.
- 4) Property owners will be notified by the county and given an opportunity for an informal review and correction of any data errors; and
- 5) Formal appeals to Lackawanna County Board of Assessment Appeals.

The approximate time for the entire reassessment process is two to three years from the beginning of the data collection process to implementation of the new assessments.

**Voiceover:**

There are generally two distinct questions about countywide reassessment:

- 1) What does it mean for the county?
- 2) What could it mean for me, the citizen?

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**Joan Righter Price:**

In terms of what reassessment means for a county, it is important to understand that by law the overall amount of money the county takes in from real estate tax collection will remain, essentially, the same.

This is referred to as being “revenue neutral” and Pennsylvania law requires taxing districts to adjust their tax rates (called the millage rate) so that they do not receive a windfall in taxes. In other words, the county and municipalities must change their tax rates so they do not collect more taxes than they collected in the year preceding a reassessment. Lackawanna’s countywide reassessment, if funded, will be revenue neutral. You, the voters are being asked to authorize the county to borrow money, only if necessary, to conduct a countywide reassessment. This is referred to as “electoral debt.”

To give you an example, let’s say a municipality collects \$600,000 in real estate taxes in the year before a reassessment is completed. That municipality must adjust their tax rate so it collects no more than \$600,000 in real estate taxes from that same list of properties in the year the reassessment is implemented.

Your individual real estate tax bills may go up, they may go down or they may stay roughly the same.

Reassessment will evaluate the current market condition of each property. Employing current market values will ensure that properties located in areas that have suffered changes that devalued properties will pay taxes reflecting their current status. Likewise, properties in other areas that have appreciated in value will pay taxes based on their current value. It is important to remember that the overall tax rates will be adjusted to reflect a change to 100% of current market value but the overall tax revenue to be collected by the county will be the same.

On its most fundamental and personal level, reassessment means that a change in tax responsibility will occur. Reassessment works toward establishing a “fair” tax burden...and that does not always mean that tax obligations stay at the pre-reassessment level. No one should assume that reassessment will result in across the board tax increases for everyone. Some tax bills may rise, some may fall and some may stay the same. The goal of a reassessment is that every property owner pay their fair share of real estate taxes.

**Voiceover:**

Reassessment.

While there are multiple steps to the process of reassessment, the purpose is remarkably simple: Reassessment seeks to equally distribute the costs of common governmental responsibilities among both the business and residential property owners within a given jurisdiction.

Reassessment seeks to use current market values to establish tax responsibility.

Reassessment seeks to align the reality of the shifting free market with the designated share of taxable burden.

Reassessment is an effort to apply objective criteria uniformly to all properties in order to insure that all property owners bear only their proportionate share of the financial obligation to fund governmental services.

This November, use the information you've gained from this video, from various media outlets, as well as what you've learned at informational town meetings scheduled throughout the County to make YOUR decision.

The responsibility of a citizen is to be engaged, to be part of the decision-making process, and to be an active participant in your government... These are the gifts bestowed on us by our Founding Fathers.

Take advantage and use your vote in the manner you believe to be correct when Election Day comes this November and the ballot referendum question asks ...

Shall Lackawanna County begin the process of reassessment which may include incurring debt, if necessary?

Your vote. Your voice. Your decision.