

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Thursday, November 10, 2005

5:00 PM

Conference Room One

Special Committee on Property Assessments

Rich Fitzgerald, Chair; Committee of the Whole

I. Call to Order

Invited Guests:

Jim Flynn, County Manager or Designee
Tim Johnson, Director, Administrative Services
Deborah Bunn, Chief Assessment Officer
PAAR Board Members
Isobel Storch, PAAR Solicitor

Summary: *Invited Guests in attendance: Mr. Flynn, Mr. Johnson, Ms. Bunn, Ms. Storch, and Jerry Speer representing the Property Assessment Appeals and Review Board.*

Council Staff in attendance: Joe Catanese, John Mascio, Jennifer Liptak, and Jared Barker.

II. Roll Call

Roll Call: Present: Rich Fitzgerald, Joan Cleary, Brenda Frazier, Vince Gastgeb, Edward Kress, and William Robinson
Absent: John DeFazio, Dave Fawcett, Ron Francis, C.L. Jabbour, Chuck Martoni, Rich Nerone, Doug Price, Jan Rea, and Eileen Watt

III. Agenda Items

Discussion Topic:

Council Member Vince Gastgeb's proposed formulation of legislation to:

1. Repeal Section 5-210.04 of the Allegheny County Administrative Code.
2. Provide for the appointment and confirmation of the Chief Assessment Officer, who shall supervise and direct the county assessment system separate and apart from the executive and legislative branches of county government.
3. Amend Ordinance No. 29-02 to increase the Homestead and Farmstead Exemptions to \$20,000.00, effective January 1, 2006.

Summary: *All three discussion topics were withdrawn by the proposer.*

Resolutions

2145-05

Resolution of the County of Allegheny, Commonwealth of Pennsylvania, amending the New Home Construction/Improvement Program Resolution enacted May 23, 1996 by the Board of Commissioners of Allegheny County at Agenda Number 700-96, subsequently amended by Resolution No. 22-00 enacted December 15, 2000 by Allegheny County Council, amended by Resolution No. 6-01 enacted February 16, 2001, amended by Resolution No. 61-02 enacted November 13, 2002, and amended by Resolution No. 04-04 enacted March 11, 2004; providing for the continuation of the Allegheny County New Home Construction/Improvement Exemption Program.

Sponsors: Edward Kress

Summary:

Mr. Kress explained that the bill would extend the New Home Construction/Improvement (Act 202) Program and the Improvement of Deteriorated Properties Abatement (Act 42) Program through 2008. The bill would also increase the maximum amount of the exemptions available under the County's Act 42 program from its current level (\$36,009) to \$50,600, in order to offset the effects of inflation and other cost increases since the exemption was last altered in 1996.

Ms. Cleary asked him if he had any idea what impact this bill would have on the budget. Mr. Kress said he did not. The Chair asked Mr. Flynn what he thought the effect of this bill would have on the budget. Mr. Flynn said that he thought it would have a negative effect on the budget since the budget is tight as it is.

Mr. Kress said that he believes that the program for deteriorated property would bring in more money. Ms. Cleary reminded him that new home construction is important also. Mr. Kress said that Act 42 would give older people an incentive to remain in their homes. Ms. Frazier said that she believes there are already incentives offered at the city and state levels for home improvement. She said that this would be money taken out of our coffers. Mr. Flynn asked Mr. Kress what makes him think that people would use this at the 50 thousand dollar level when not many people are using it at the 36 thousand dollar level. He said that he does not believe that increasing it would create more incentive.

Ms. Storch talked about the abatement process. She said that many people do not know about abatements until it is too late. She said that the builder can file on behalf of the purchaser, but if the builder does not apply then the occupant is out of the time line. She said that builders believe that this is not their issue. She said that the window is problematic and the board needs to take that into consideration. She said that this needs to be addressed at the state level also. She said that there is a window that you need to file and that window is narrow.

Mr. Gastgeb again said that he believes they should separate Act 42 and 202. Ms. Cleary disagreed with him.

Mr. Robinson said that at some point council needs a report on what impact this would have on the budget.

Action:

Held in Committee

2194-05

A Resolution of the County of Allegheny, Commonwealth of Pennsylvania, amending the New Home Construction/Improvement Program Resolution enacted May 23, 1996 by the Board of Commissioners of Allegheny County at Agenda Number 700-96, subsequently amended by Resolutions Nos. 22-00, 6-01, 61-02, and 04-04-RE, by providing for the continuation of the Allegheny County New Home Construction/Improvement Exemption Program.

Sponsors: Joan Cleary

Summary:

Ms. Cleary indicated that the bill would extend the New Home Construction/Improvement (Act 202) Program and the Improvement of Deteriorated Properties Abatement (Act 42) Program through 2007. She also said that the bill would leave the maximum amount of the exemptions available under the County's Act 42 program at its current level (\$36,009).

Mr. Gastgeb asked if Act 42 and Act 202 were two separate programs. Ms. Cleary said they were. Mr. Gastgeb asked if there was any way to gauge the effectiveness of each program. Ms. Cleary said that she believed that the programs were effective and the Chair agreed with this. Mr. Gastgeb said that he would like to separate the deteriorated property from the new property. He would like to separate the programs. Ms. Cleary said that she would speak to the administration about this.

Mr. Gastgeb asked Mr. Flynn how the county knows if this is working if there are two distinct programs, one for deteriorated properties and one for new properties. Mr. Flynn said that he could not answer that at this time. He said that there is a report circulating that addresses this. He said that his feeling was that the program for new properties works better than the one for deteriorated properties. Mr. Gastgeb said that his only concern was that it is working. Mr. Flynn said that people are using the program and it is a good program for the county to offer. Mr. Gastgeb said that maybe for the next time the county should have two separate bills, one for deteriorate properties and one for new properties.

Mr. Kress and Mr. Gastgeb dissented on the bill being released from the committee.

Action:

Released from the Committee

Enactment No: 49-05-RE

Ordinances

1966-05

Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, providing that the next Countywide reassessment shall occur in 2034 or two years following the date upon which State law is amended to require revenue neutral budgeting following a reassessment or change in predetermined ratio.

Sponsors: Vince Gastgeb

Summary:

The bill was withdrawn at the request of the sponsor.

Action:

Withdrawn

2170-05

An Ordinance of the Allegheny County Council establishing a system of evaluating the property assessment system in use within the County before final establishment of the 2007 Assessment Roll.

Sponsors: William Russell Robinson, Jan Rea and Eileen Watt

Action:

Held in Committee

2187-05

An Ordinance of the Allegheny County Council providing for facilitated appeals of property valuations certified for the 2006 tax year.

Sponsors: Rich Fitzgerald and Brenda Frazier

Summary:

The Chair explained that the bill would require that the Board of Property Assessment Appeals and Review establish a policy of conducting as many appeal hearings as is practicable in locales outside of Downtown Pittsburgh no later than November 30, 2005. He also said that the bill would require that, in addition to the downtown location, the County establish regional appeal hearing locations on an as needed basis as determined by the Board of Property Assessment Appeals and Review and/or the Office of Property Assessments in at the County's Lexington office and each of the Kane Regional Centers.

Ms. Cleary added that the bill would also require that the Office of Property Assessment provide a separate written notice of the existence of and information regarding the regional hearings to all individuals who may have an interest in properties for which assessments were adjusted based upon recent sales prices as a result of appeal verdicts for tax years 2002, 2003, 2004 or 2005.

Ms. Cleary asked Mr. Speer if there were any evening hours for appeals. He said that they were having discussions about this. He said that there are some difficulties involved with having the appeals in different locations. He said they were costly and not well attended. He did agree, however, that it is a good idea to make them regional. The Chair asked if there was any down side to using the Kane Regional Centers and the Lexington facilities. Mr. Flynn said that they would be excellent place to have the appeals. Mr. Speer said that he is ok with that as long as people come.

The Chair asked Mr. Flynn if it is practical to notify people that they have a good chance of winning their appeals. Mr. Flynn said that a letter to this effect would be more informative when the Board of Property Assessment adopts a methodology.

A general discussion took place on the appeals process.

Action:

Released from the Committee

Enactment No: 51-05-OR

2190-05

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending portions of Article 207 to make the rules and regulations of the Board of Property Assessment Appeals and Review consistent with a base year valuation system of real property assessment.

Sponsors: Rich Fitzgerald and Brenda Frazier

Summary: *The Chair explained that the bill would amend §§5-207.06 and 5-207.08 in an effort to bring the rules employed in the assessment appeal process into conformity with the new base year valuation system.*

He said that the amendment would require that the Board of Property Assessment Appeals and Review adopt rules for appeal disposition that are "reasonably consistent" with the methodology used by the Office of Property Assessment in arriving at assessed values for properties. The bill would also require the Board to render all appeal decisions in terms of base year value only, without reference to "ratio." It is, however, unclear whether this is intended to mean established predetermined ratio, common level ratio, both, or some other concept. The bill also establishes that all appeals filed while the County is using the base year system shall be deemed to include an appeal of the base year value of the property, and that the Board will not be required to determine the current fair market value of any property so long as such system is in place.

The only amendment to §5-207.08 is the removal of the concept of "market value" from the text.

The Chair said that he only wants to make this consistent with the base year methodology. Ms. Storch said that since council passed the new assessment ordinance, the board does need to be consistent with the ordinance. She said that it would not make sense not to do that. She said that the process should be consistent and that this bill would do that. She said that the board would use this methodology. The Chair asked her if there was any language in the bill that she would feel should be added, deleted, or changed. Ms. Storch said that the board as an entity has not taken a position on this but that she does not see anything objectionable. Mr. Flynn said that he had the County Law Department Review this bill and they believed that it is consistent with the new law.

Mr. Flynn asked Ms. Storch if the 2002 value could be used as an appeal argument. She said that if they say that the 2002 value is the value they want, they need to present evidence to support that claim. Mr. Gastgeb asked what the appellants need to do to be successful in their appeals. Ms. Storch said that the board can not be instructed to give an outcome but they can be instructed on the methodology, and they must follow the mandate of the ordinance that Council passed. She said that the Board can not treat appellants differently. She said that everyone must get the same consideration based on the methodology that they use.

A general discussion took place regarding methodology.

Action: Released from the Committee

Enactment No: 52-05-OR

2191-05

Ordinance of the County of Allegheny establishing a limitation on Sheriff's sales of properties owned by senior citizens and on which property taxes have fallen delinquent.

Sponsors: Edward Kress

Summary: *Mr. Kress explained that the bill would prohibit the County from conveying any interest*

in any property or in any tax lien that qualifies as a homestead, is owned in whole or partially by an individual over the age of 65, and is owned by one or more individuals whose combined household income does not exceed \$40,000 (with "income" being defined as under the Senior Citizens Rebate and Assistance Act). The bill would also prohibit the County from subjecting any property meeting these criteria to Sheriff's sales.

Ms. Frazier said that she believed that lending institutions have more say in this than the Sheriff's Office. She said that utility bills and predatory lending is the main reason that people lose their homes. Mr. Kress said that he is concerned that a lot of low income people lose their homes to Sheriff's sales. Mr. Flynn said that the bill presents an operational concern. He said that the county has no information on the age or income of these people. He said that it would be virtually impossible to administer this program based on the information that they have. He also said that there are legal concerns since the county does not submit properties for Sheriff sales. He said that the Treasurer does this and he does not think that the county can direct the Treasurer to implement this.

Mr. Robinson said that he thinks that Mr. Kress's idea of keeping the elderly in their homes is correct. He said that he recalled former Treasurer Gene Coon refusing to conduct court ordered Sheriff sales until the courts said that he would be put in jail if he did not do this. He said that he spoke with Sheriff DeFazio and that he is aware of this problem. He said that the Sheriff does not sell the homes. He said that they could buy some time for these people based on the Sheriff's reluctance to do this.

The Chair said that he would like to hold the bill and have the Treasurer appear before the committee to comment on this. Mr. Kress said that maybe they should also invite representatives from the school districts.

Action: Held in Committee

IV. Adjournment

Summary: The meeting adjourned at 6:30 PM