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## SCHOOL DISTRICTS AND ASSESSMENT APPEALS

What rights does a school district have to file a tax assessment appeal? By statute, a school district has the same rights of appeal as the taxpayer. 53 Pa. C.S.A. § 8855. In fact, a school district is permitted to file an appeal even in the absence of some triggering event, such as a sale, an improvement in, or subdivision of the property. Filing an appeal based upon a financial and/or economic threshold premised on the perception that a property was undervalued does not constitute purposeful discrimination and thus, is not prohibited. *Vees v. Carbon Cnty. Bd. of Assessment*, 867 A.2d 742 (Pa. Cmwlth. 2005) (en banc) (policy to initiate an appeal where the purchase price exceeded the current assessed value by a specific amount, in that case, \$15,000, for the stated reason of correcting “economic valuation problems” was permissible). Finally, while the law permits the school district to file tax assessment appeals, it does not require the district to challenge every assessment.

As a practical matter, however, school districts that regularly file appeals will usually develop a sophisticated criterion to identify the properties that are ripe for appeal. The Pennsylvania Commonwealth Court recently addressed such a plan by a school district in *Weissenberger v. Chester County Board of Assessment Appeals*, 62 A.3d 501 (Pa. Cmwlth. 2013) (en banc). In that case, the school district was a member of a county-wide organization that retained an appraiser who reviewed the market values and assessments for the apartment complexes in the county to determine whether any of the complexes were underassessed. The appraiser identified five properties that were underassessed; but only recommended appeals for 2 of the properties. Based on the potential for increased tax revenues, the school district made a business decision to accept the recommendation and appeal these 2 assessments. The taxpayer challenged the appeal by arguing that the school district engaged in deliberate, purposeful discrimination by selectively targeting certain properties for appeal. The board of assessment increased the assessments, but the trial court on appeal returned the assessments to their original values finding the school district’s appeal violated Pennsylvania’s equal protection and uniformity clauses. The commonwealth court reversed and reinstated the board’s decision. The evidence in *Weissenberger* revealed that the school district was involved in a more comprehensive process which involved rotating evaluations of many classes of properties, one year looking at shopping centers, then apartment complexes, then other classes of properties. The commonwealth court determined that this process, which would systematically evaluate all the classes of property in the district over a reasonable period of time, was not discriminatory. It is possible that without the school district’s sophisticated plan the ruling might have been different.

In summary, any school district that chooses to file tax assessment appeals should be ready for challenges by adopting a methodology that narrows the class of properties evaluated for tax assessment appeals, based upon considerations such as financial and economic thresholds or by classifications of property, to successfully meet any challenge that the appeal may not be permitted by law.

Clients who have questions regarding issues discussed in this article, or any education law matter, should feel free to call us at 215-345-9111.

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