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SPOT APPEALS HURT APARTMENT COMMUNITIES AND RENTERS

Many Pennsylvania school districts are going overboard with appeals of property tax assessments. They are cherry picking the properties they appeal, mostly large properties like apartment communities. They can demand tax increases from one property, give other properties a pass, and answer to no one about their reasons. The practice is known as spot appeals, and many school districts in Pennsylvania are using them unfairly. Spot appeals kill apartment values and hurt Pennsylvania renters. Spot appeals also kill incentive to develop much needed rental housing.

Legislative action is necessary to restore uniformity and fairness to property tax assessment appeals.

Spot appeals destroy balance and uniformity in a taxing district.

- School districts target properties for spot appeals. This cherry picking creates a patchwork taxing district that distorts uniformity. The targeted properties bear the burden of tax increases while others pay less than their fair share. Some districts pay commissions to firms who pick and choose properties to appeal. Some have demanded tax increases of more than 200 percent.
- Similarly situated taxpayers should not be treated differently. All taxpayers in a district must be treated equally and uniformly.

Spot appeals hurt Pennsylvanians who rent their homes.

- Even before spot appeals, property taxes account for hundreds of dollars of an average rent.
- Demands for unreasonable tax increases from some apartment communities, and not from others, create significant upward pressure on rents in the targeted property. Those Pennsylvania renters deserve better.
- Spot appeals of apartment communities hurt many who can least afford it. A substantial number of Pennsylvania renters are under 30 years of age and make less

than \$35,000 a year. These Pennsylvanians should not have to face such harmful financial upheaval.

The Pennsylvania Constitution and the United States Constitution apply to all government entities, including school boards.

- By law, in the interest of uniformity and fairness, county boards of assessment cannot conduct spot reassessments (53 Pa.C.S. 8843). But taxing districts, such as school districts, are allowed to appeal assessments (53 Pa.C.S. 8855). The result: one government entity cannot treat similarly situated people differently, but another government entity can.
- No reasonable explanation exists to justify placing any government entity above constitutional mandates for uniformity and equal protection of all citizens. No government entity is above the constitution. School districts should not be allowed to get away with what amounts to spot reassessments.

PLEASE SUPPORT SB 877 TO REIGN IN SPOT APPEALS.