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BOARD OF ASSESSMENT REVISION

Courthouse Annex 118 Main Street Wellsboro PA 16901

March 21, 2023

Re: Press Release – Tioga County Reassessment Project Update 3/21/2023

As we move through the final valuation phases of the Tioga County Reassessment Project, we want to provide Tioga County Property Owners with an update of what to expect over the next several of months.

Before doing so, we **need** to discuss some important information regarding the new assessments. Something every property owner **needs** to keep in mind as we move forward through this process is, just because an individual property value increases after the reassessment, does not automatically mean that the taxes will increase, or that taxes will change proportionately with the change in assessed value. There is a legally required millage equalization process, described in more detail below, that **must** occur after the certification of values **is completed** on or before **November 15, 2023**.

The Consolidated County Assessment Law requires new millage rates (tax rates) for the 2024 tax year to be reduced – based on the changes that will occur to the total tax base. **The taxing authorities (County, Townships, Boroughs, and School Districts) cannot** multiply your new assessment by the current millage rate **in calculating** what your taxes will be for the 2024 tax year. The results of this calculation will be incorrect, drastically overstated, and in violation of 53 Pa C.S. §8823. For example, in 2001 the County millage rate was reduced from 13 mills, to 3.779 mills for the 2002 tax year; following the completion and implementation of the 2001 reassessment. **Note: 1 mill equates to \$1 tax per \$1,000 assessed property value. The County millage rate is 6.75.**

Example: \$100,000 Home x .00675 = \$675 County Tax. It is important to remember that the Municipalities and School Districts determine their own millage rate and is in addition to the County Tax.

There are two goals of the current reassessment.

- 1. Reestablish a fair and equitable tax base.**
- 2. Address uniformity and equity issues that are present in our current tax base.**

This will bring Tioga County back into compliance with the requirements of Article VIII, Section 1 of the Pennsylvania Constitution. When talking about uniformity issues, we're referring to properties that might have similar values today, however, the base year values from the last reassessment in 2001 were different, resulting in these properties that have similar values today, paying different, and sometimes drastically different tax bills. Equity issues refer to differences between high value, and low value properties. **Currently**, Tioga County's tax base is **regressive**; meaning, lower value property owners, are on average assessed at a greater percentage of the current **market value of the property**, than higher value property owners. A regressive assessment system results in these taxpayers, the lower value property owners, paying more than their fair share of the tax burden.

More information about the Tioga County Reassessment can be found on the county's website:

<https://www.tiogacountypa.us/departments/assessment/news/countywide-reassessment>

2023 Reassessment Schedule:

March – April 2023 – Final valuation review phase of the project continues across the county. Each property is currently being reviewed by assessors to make a final determination of each property's value. Preliminary Value notices will be mailed to property owners in April 2023. If you haven't returned your data verification mailer, we request that you please do so as soon as possible. This additional mailing was an added step for this reassessment project **as an extra effort** to ensure **the highest level of data accuracy as possible**, and to give property owners a chance to participate in the process if they weren't available during the onsite data collection visits. Accurate property data is critical to the assessment and appraisal process.

April – June 2023 – Informal Reviews. After the Preliminary Value notices are mailed in April, property owners will have the option to schedule an Informal Review hearing to discuss their new assessment, ask questions about the reassessment process, and provide additional information they believe should be taken into consideration. The new assessed values will reflect 100% of the current fair market value of each property as of January 1, 2023. If your property is enrolled in the Clean & Green program, the notices will include both the new fair market value of your property, and the new Clean & Green value of your property. If your property is not currently enrolled in Clean & Green and is eligible, you will have until October 15th this year to enroll your property for the 2024 tax year. More information about the Clean & Green program is available in the Assessment Office, or on the Assessment Office Website:

<https://www.tiogacountypa.us/departments/assessment>

June 2023 – Property records will be updated to reflect changes from Informal Review hearings with property owners.

July 1, 2023 – On or before July 1st, Final value notices will be mailed to property owners. Pursuant to 53 Pa C.S. §8848, all property owners and affected taxing districts will have the right to appeal to the Board of Assessment Revision, any new assessment within forty (40) days of the mailing date on the notice.

July – October 31, 2023 – Formal Appeals. Property owners who are in disagreement with their new assessment, will have the right to file a formal appeal to the Board. At the hearing, property owners can provide evidence regarding the fair market value of their property. This evidence can include for example; recent sales of comparable properties, construction cost estimates, or a recent appraisal report. For commercial properties, income and expense data may be submitted as well. There are three recognized approaches to value, and all three approaches are required to be considered under Pennsylvania Law. These approaches include: The Cost Approach, Income Approach, and the Market Approach, also known as the Comparable Sales Approach. Property owners can access assessment records and sales data in the Assessment Office, or through our Online Assessment Database. Full access to our Online Assessment Database will be available after preliminary value notices are mailed to property owners in April, and will remain open for the duration of the informal and formal appeals processes. Please visit the Tioga County Reassessment Website for more information on preparing for an appeal: <https://gis.vgsi.com/tiogapa/>

November 15, 2023 – Certification of Values. On or before **November 15, 2023** the new assessment rolls will be certified to all Tioga County taxing districts pursuant to 53 Pa C.S. §8848(c)(4).

Following the Certification of Values on November 15, 2023, each taxing district, which includes the County, Townships, Boroughs, and School Districts, **must** equalize their millage rates (tax rates) and reduce the rates if necessary, in accordance with 53 Pa C.S. §8823. This reduction is done so that the total taxes levied against the revised assessments for the next tax year, does not exceed the total amount that was levied against properties the prior tax year. Taxing districts were notified of this requirement on August 26, 2022, a copy of this letter with

examples can be accessed here: <https://www.tiogacountypa.us/departments/assessment/news/countywide-reassessment>

Reassessment is revenue neutral to the taxing districts, and in the simplest of terms results in the redistribution of the current tax burden, based on the current fair market value of each property. For each property owner that sees an increase through this process, another property owner by law will have to see a decrease. The increase or decrease to a properties tax is the result of a property that is currently over assessed, or under assessed. So please remember, just because your assessment changes, and almost every property assessment will change, doesn't mean your taxes will change significantly, or that your taxes will change in proportion to the change in assessed value.

While there won't be a tax estimate available at the time the preliminary value notices are mailed; you will be able to compare how your property value changes on a percentage basis, relative to the overall change for each taxing district. Because of the millage equalization process, the change in an individual property's taxes will ultimately be determined by a property's change in value compared to the overall change in value in each taxing district. If your property value change is in line with the average change in your municipality, the impact to your annual taxes will be relatively minimal. If your property value changes less than the average change in your taxing district, your taxes will most likely decrease, and if your property value changes more than the average change in your taxing district, than your taxes will most likely increase.

Example: Property A increases from a 2001 assessed value of \$50,000, to a 2023 assessed value of \$100,000, this would represent 100% increase the assessed value. If the average change in this district was 100%, due to the required millage equalization, the taxes for this property will remain about the same.

Property B increases from a 2001 assessed value of \$50,000, to a 2023 assessed value of \$75,000 this would represent 50% increase in the assessed value. If the average change in this district was 100%, due to the required millage equalization, the taxes for this property will decrease.

Property C increases from a 2001 assessed value of \$50,000, to a 2023 assessed value of \$125,000 this would represent 150% increase in the assessed value. If the average change in this district was 100%, due to the required millage equalization, the taxes for this property will increase.

To put the anticipated changes into perspective, Tioga County's current Common Level Ratio published by the State Tax Equalization Board is 51.6%, which means that since 2001, our base year assessments when compared to recent sales have increased 1.94 times or 94% ($1 \div .516$) over the last 20 years. Due to the high rate of dispersion in our sales data, some properties are currently assessed at a higher rate, closer to 70% or 80% of their current market value, while others are assessed at a lower rate, and are closer to 30% or 40% of their current fair market value. The same is true when you look at each individual taxing district, not all taxing districts have changed at the same rate over the last 20 years resulting in a variance in the level of assessment between districts. The percentage change data will be published when the preliminary value notices are mailed out in April. This will give property owners the opportunity to compare their change in value, with the average change in their taxing district.

If any property owners have any questions as we move forward through this process, please don't hesitate to contact the Assessment Office at 570-724-9117.

Sincerely,

Joshua S. Zeyn, CPE
Tioga County Chief Assessor