

MEMORANDUM

TO: ALL SCHOOL DISTRICTS

FROM: Alfred C. Maiello, Esquire

DATE: March 2, 2010

RE: Allegheny County Reassessment Plan Update

As you are aware, the Pennsylvania Supreme Court ordered that Allegheny County perform a County-wide reassessment. The Supreme Court remanded the matter to the Court of Common Pleas to work out the specifics of the reassessment. On December 4, 2009 Allegheny County presented to the Court a comprehensive quarter-by-quarter plan (the "Plan") of its intended actions in moving forward for a 2012 reassessment. The Court approved the Plan on December 10, 2009. A copy of the Plan is attached hereto for your reference.

Recently, Jennifer Cerce attended a meeting where Robert Junker, Esquire who represents James Clifton, one of the plaintiffs in the case and Michael Wojcik, Esquire, Solicitor for Allegheny County discussed the County's progress. The following is an update on the County's reassessment efforts.

1. Mr. Wojcik stated the County was "on track" for the reassessment. The County met with CLT, the mass appraisal company, to develop a scope of services. A draft of the scope should be completed by the end of March. As of right now the County is seeking short-term, front-end services from CLT; however, it is expected that CLT will also be the successful bidder for the entire reassessment.

2. The County is sending Property Data Verification mailers to all residential, commercial and industrial properties. The purpose of the mailers is to gather

information on incorrect property data and make the necessary corrections to the assessment records. The County is expecting a 20% return of the mailers. In correcting the County records, CLT is estimating that it, or the mass appraisal company retained by the County, will do field reviews of between 300,000 and 340,000 parcels. It is our belief that only those individuals and/or entities that have errors which, if corrected, would result in a potential reduction of assessed value will return the mailers. This will, of course, create a situation where properties whose assessed values would be increased because of corrected errors will not be increased or properly assessed. Additionally, in conjunction with the Department of Real Estate, the County is implementing a new recording system whereby a document would require certification that the grantor/grantee information is correct and that the legal description is accurate prior to recordation. Again, it is the County's hope that this will assist in correcting any errors in the assessment records and to prevent future errors from occurring.

3. A cut-off date for sales for reassessment purposes has not yet been decided, but as of right now the County is looking at a June 2010 date. All property sales through June 2007 have been validated. Once the cut-off date has been established and all sales up to that particular point established by the County have been validated, the County will perform a baseline sales ratio study. This would be similar to establishing a common level ratio and will help to establish accurate assessed values.

4. The County is in the processes of reviewing and correcting the sketches or "footprints" of structures and making any necessary adjustments to the grade and/or condition of the structures. This should be completed by the second quarter of 2010. The County also will, at some point in the future, review the neighborhood boundaries (for assessment purposes) and make any necessary adjustments.

5. Technologically speaking, the County is reviewing information on a pictometry system which would allow the County to identify structures and to make

measurements of those structures based on aerial views. Further, the County is reviewing information on obtaining an upgraded version of its IAS System which is used to track assessment information by the Office of Property Assessment.

6. The County is estimating that it will have preliminary assessed values by mid-2011. It wants to provide these values to property owners prior to 2012 and to conduct informal hearings similar to the hearings conducted in 2001 by Sabre Systems.

7. Mr. Wojcik indicated that while no decisions have been made he expects that the County will take the necessary actions to force a “zero move” or no additional taxes by reducing millage rates. It has been County Executive Dan Onorato’s mission to reduce the taxes paid to School Districts. It would come as no surprise if Mr. Onorato orchestrates a legal action(s) to force both the Municipalities and the School District to adhere to a zero move and force reduced millage rates.

The next status conference is to be held on March 10, 2010 at 10:00 a.m. We will keep you apprised of any updates as the reassessment moves forward. Should you have any questions, please do not hesitate to contact Jennifer Cerce at jlc@mbm-law.net or 412.242.4400.