

Allegheny County Court Issues Injunction Lowering Common Level Ratio Impacting Tax Assessments Appeals

Articles, News September 2, 2022

Allegheny Court Judge Alan Hertzberg issued a preliminary injunction on September 1 lowering the common level ratio on real estate for 2020 sales of real property. Currently, the ratio in Allegheny County is 81.1. As a result of the injunction, assessment appeals in 2022 will be reviewed at a lower ratio of 63.53, resulting in potentially decreased assessments for those owners whose properties are the subject of tax appeal hearings.

The “common level ratio” is a factor based upon sales data that generally acts as a break on increased property assessments merely because property sale prices have gone up. The ratio is officially determined by the State Tax Equalization Board (“STEB”) for each county in the Commonwealth but is based on information that each county submits. In litigation before Judge Hertzberg, it was contended that Allegheny County had improperly categorized certain sales information, whose effect was to keep the common level ratio artificially high. What is noteworthy about the Judge’s decision is that it applies to 2020 sales of properties. But because in Allegheny County the common level ratio is applied to tax appeals two years in advance, the Judge’s decision may have an impact on tax appeals that are currently being heard. Moreover, any tax assessment reductions due to the change in ratio will impact school districts whose 2022 fiscal years have already commenced, perhaps leading to budget shortfalls.

It is unclear whether Allegheny County, a defendant in the case, or the City of Pittsburgh Public Schools, which intervened in the matter, will appeal this to the Commonwealth Court. Also, while Judge Herzberg’s order sets the ratio at 63.53, it is not entirely clear that the STEB will implement this finding without question.

For further information please, contact **John Vogel** at 412-594-5622.