



*Senate of Pennsylvania*

# *Senator Larry Farnese*

## *1st Senatorial District*

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### *MEMO*

***Date:*** *May 18, 2012*  
***To:*** *All Senators*  
***From:*** *Senator Lawrence M. Farnese, Jr. LMF*  
***Subject:*** *Co-sponsorship Memo – State Tax Equalization Board  
Relief For City and School District in City of the First Class*

In the near future, I plan to introduce legislation that will provide needed relief to the City and School District of Philadelphia.

A determination by the State Tax Equalization Board (STEB) relating to the city's 2010 Common Level Ratio (CLR) has already negatively affected Philadelphia, as taxpayers appealing the more than 15% allowable deviance between the city's Established Predetermined Ratio (EPR) and the STEB-ruled CLR has created a loss of over \$40 M.

Philadelphia, with the help of the General Assembly, is moving towards its property tax assessment reform measure, called the Actual Value Initiative (AVI), which would fully reassess all of the City's 577,000 properties and bring the city's EPR to 100%. However, the reassessment values will not be completed until the fall, leaving the city to enact tax rates with a target revenue number in mind rather than based upon actual property values.

Concern has been expressed by members of City Council with regards to moving to AVI before the new assessed values are available. Council must, however, vote on tax rates and target revenues as they are required to do with the budget by July 1. Without actual assessed values being available at that time, some would like to see AVI implementation delayed a year. However, without relief from the STEB mandates, delay may create an even larger loss of property taxes to the city from anticipated spikes in appeals.

My plan would be two-fold: 1) increase the maximum allowable deviation from the city's EPR to a STEB-ruled CLR from the current 15% up to 25% before appeals rights are triggered; and 2) give city government the ability to change their property tax millage rates after the July 1 mandated deadline.

If you are interested in co-sponsoring these initiatives, please contact Brandie Pifer via email at [bpifer@pasenate.com](mailto:bpifer@pasenate.com) or by phone at 7-5662.