

The Inequities of Property Taxes in Pennsylvania

by
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The unfortunate reassessment process in Armstrong County has pitted neighbor against neighbor and almost everyone against the Commissioners. While the reassessment has many residents incensed about property valuations, the real issue is the inequities in any form of property tax which is intrinsically detrimental to economic development.

The Armstrong County Commissioners need to do three things: they should suspend any action on the reassessment for one year, they should rally constituents to call on Harrisburg for the abolition of school property taxes and they should adopt Allegheny County's ComPAC 21 as their own. By doing so, they embrace popular sentiment, they channel anger where it really belongs and they embrace a sleek, productive county government.

The reassessment should not be suspended because it isn't fair but simply because too many people in Armstrong County are economically strapped. Even if this valuation could be proven to be more accurate than the old valuation, it doesn't change the fact that unemployment is high and many are struggling. A time out needs to be called. If these values are to be used, a gradual implementation needs to be developed.

Next, there is nothing more discriminatory in the state of Pennsylvania than the money allocated for students in public education. Public education in Pennsylvania is far from equal. It is evident when you compare the per student expenditure of almost any school in Armstrong County to Upper St. Clair. The children of the less affluent are getting the short end of the stick and this disparity will increase as technology begins to drive education. Those that can afford the best computer systems will unfortunately, but inevitably, have the best education.

This inequality is the consequence of school property taxes with varying tax bases. There is a pending suit filed by the Pennsylvania Association of Rural and Small Schools that has been ignored until recently. It is very possible that the courts could rule in favor of the Association. This would likely cause a restructuring of the public system of financing. Pennsylvania would then have little alternative but to increase the state income tax to compensate for the loss of property tax revenues.

The Armstrong County Commissioners can almost look visionary by urging the Governor to reform public school financing before the courts order it to happen. They can point to the economic development barriers as well. When residential and business units pay far more in property taxes with comparable Westmoreland County properties for example, there is a strong incentive to stay outside the Armstrong County line.

Finally, ComPAC 21 should be adapted for Armstrong County. The ComPAC 21 Committee lead by Duquesne President Dr. Murray produced a report to prepare Allegheny County for the 21st century. It is a brilliant work. It has a series of recommendations that are excellent for any county.

The highlights of ComPAC 21 calls for a strategic downsizing of government and makes economic development a priority of the county. For example, it advocates having one executive running the county and only two administrative row offices. In essence, county government takes on the look of a successful business structure.

Interestingly, one of the recommendations calls for a reduction in the reliance on the property tax. The committee visited six other counties across the nation. While these counties all had a county property tax, they also used either a sales tax or income tax to help fund county government.

After much fanfare, ComPAC 21 doesn't look like its going to be implemented by Allegheny County any time soon. Its getting lost in the political shuffle. If the Armstrong County Commissioners were inclined, they could draw rave reviews by adopting it as their own. Why not make Armstrong County the model for county government in Pennsylvania? Why not embrace ComPAC 21 and invite Dr. Murray and his staff to a forum in Kittanning? Just the progressive exposure would be a tremendous shot in the arm for the county and would send a message of leadership throughout the commonwealth.

By following this strategy the Commissioners can turn disaster into opportunity and most importantly unite the residents of the county.



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