

Project Title: Saucon Valley School District - Real Estate Assessment Program

Completion: September 30, 2006

Over the past decade SVSD budget increases have increased about 8% per year, far exceeding the growth in taxable real estate. Exacerbating this trend is the fact that Northampton County property values have not been reassessed since 1995 and homes are not reassessed when sold to reflect the current market value. As a result, a disproportionate share of the tax burden is carried by buyers of new homes and by older residents who chose not to move and live on limited incomes.

Objectives:

Create greater equity of real estate tax burden among Saucon Valley SD homeowners

Adopt a resolution to challenge property assessments within the SVSD, at the time of real estate transfer, if the assessed value is less than the market value

Define the criteria to initiate an assessment challenge, the costs involved, the net benefit, and provide the administration the resources required to implement the resolution.

Components:

(1) Historical analysis – Sep 2006. Determine the number of residences in each of the three categories (new home, existing home with new owner, existing home and owner) and the total assessment for each group for the last five years.

(2) Re-assessment analysis – Sep 2006. Determine the number of real estate transfers of existing homes that would have met the criteria for assessment challenge for the past five years. Calculate the net increase in tax revenue for these properties and the resulting millage change for the SVSD if transfer re-assessment were to take place.

(3) Parameters – Sep 2006. Develop the parameters that the SVSD Board of Directors will adopt to appeal the assessed value assigned to a property when it is transferred from the seller to the buyer.

(4) Process – Nov 2006. Define the process that the SVSD requires to implement the reassessment program in the business office and procure the funding and resources needed to ensure its' successful implementation.

(5) Adverse Impact – Nov 2006. Analyze the potential for adverse impact on selling price if the tax reassessment policy is adopted.

(6) Re-assessment. Identify and contract a reputable real estate assessment firm having a good reputation and relationship in the Northampton County Real Estate Appeals process.

Deliverable Result:

If this resolution is adopted, it will raise the assessment of existing homes purchased by new owners. It will raise the total assessment of the Saucon Valley SD and therefore reduce the number of mills required each year to cover school district expenses. New owners will bear a greater tax burden by virtue of the re-assessment of their property. Current homeowners will achieve a slightly lower tax burden by virtue of the lower district-wide millage. The most likely demographic group to benefit from this resolution will be senior citizens and long term residents.