

K&L ALERT

Property Tax

JANUARY 2002

Allegheny County Tax Appeal Deadline: April 1, 2002

For the second time in two years, Allegheny County has engaged in a mass revaluation of property located in the County. This year, the County used data that had been collected for the 2001 assessment, combined with new sales information. However, the County also switched computer systems, from the "Feedback" program used by Sabre Systems & Service, to a multiple regression analysis developed by Cole Layer Trumble. This resulted in tax assessment increases averaging 11% County-wide.

The average assessment increase can be misleading, however, because some property owners may obtain reductions, while others may see increases far in excess of the 11% average. In general, properties in many of Pittsburgh's more affluent suburbs increased by more than the average, while properties in less affluent communities increased less or declined.

Historically, many commercial properties in Allegheny County have been overassessed in comparison to the assessments on residential properties. Commercial property owners that pursue tax appeals have often been able to achieve significant property tax refunds and future reductions.

Pursuant to Allegheny County Ordinance No. 16-01, the deadline for filing tax assessment appeals for 2002 is April 1, 2002. The County is again expecting a high volume of appeals, so filing early can be advantageous to obtain earlier reductions and refunds.

The cost of pursuing a tax reduction can be quite modest in comparison to the refunds and savings achievable. In most circumstances, Kirkpatrick & Lockhart LLP will assist existing clients to perform a free preliminary evaluation of the

potential for tax reduction and, where approved, will handle the appeal on a contingent-fee basis with no fee due unless or until an assessment reduction is achieved. Thus, prior to an assessment decision, the only significant out-of-pocket cost is typically the fee of a professional appraiser where the preliminary evaluation suggests that such an appraisal will be useful in pursuing the appeal.

Property owners that still have appeals pending for 2001 and did not have a hearing scheduled before January 1, 2002, generally need not file new appeals for 2002 because the pending appeal may cover all years until the appeal is decided at the Board of Property Assessment or Court of Common Pleas level. We would be glad to respond to any inquiries about the continuing effect of pending appeals.

K&L represents a wide range of property owners in pursuing real estate tax assessment appeals, including owners of property used for office buildings, department stores, industrial facilities, hotels, entertainment complexes, shopping malls, power plants, healthcare facilities, warehouses, and other properties. For additional information on the firm's tax assessment appeal practice, or to discuss a free preliminary evaluation, please contact David R. Cohen at 412.355.8682.

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