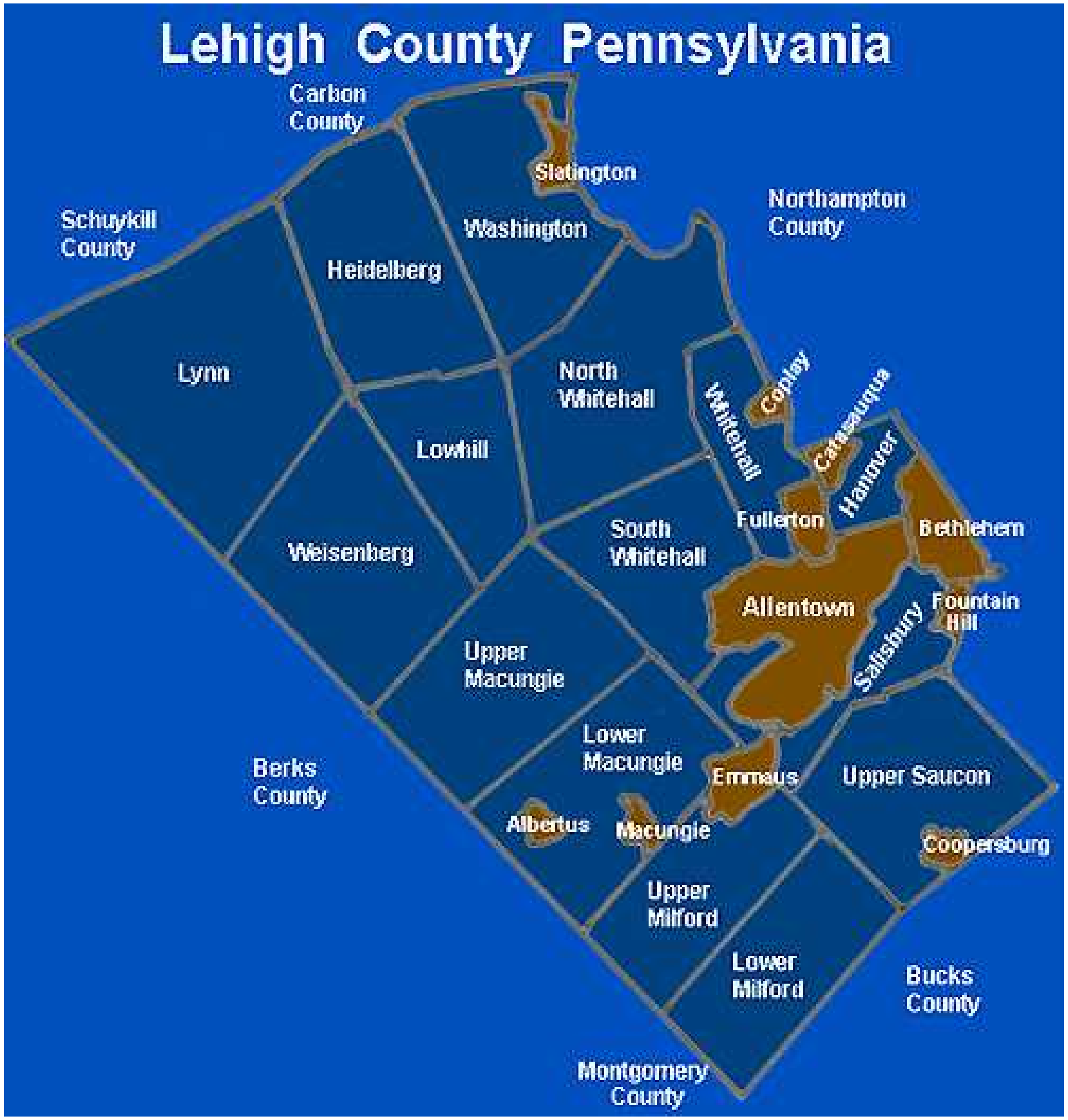
Lehigh County Reassessment



What is a County-Wide Reassessment?

Redistribution of current tax dollars to correct inequities caused by years of unequal market value changes

The vehicle is a Computer-Aided Mass Appraisal (CAMA) of every property in the County resulting in new values as of a fixed point in time.

Each taxing body (County/Municipal/School District) ***must*** adjust tax rates (millage) to arrive at a **“revenue neutral”** tax result.

Reassessment is not a general tax increase for any of the three real estate taxing bodies— County, Municipal or School District!

Taxes could be increased by any of the three taxing bodies as part of their normal budget process, but there are limits to such increases during the year the new values are applied.

Why Reassess?

- The PA Constitution requires that all property be taxed uniformly.

- Over time, property values change and changes do not occur uniformly, resulting in taxing inequity.

- The County's property "picture" has changed dramatically in 20 years.

  > Since 1991 …

  …. Over 21,500 new residential homes have been built

  …. Over 1,600 new commercial/industrial buildings have been built

  > Since 2002 …

  …. 11,500 acres of vacant land have become new construction

How is the Reassessment Done?

- Every property in the County must be revalued from the existing (1991) value to a value at a fixed point in time.

- State-certified assessors evaluate every property using data meeting International Association of Assessment Officer (IAAO) standards and personal visits as needed.

- Models meeting IAAO guidelines are applied to arrive at a current assessed value.

What Influences An Assessment Valuation?

- Market sales (aka “Comps”)
- Location of lot
- Lot size
- Type of property (single, multi-family, duplex, etc.)
- Mobile or permanent home
- Total square feet of living area
- Style of home (ranch, bi-level, etc.)
- Exterior construction
- Zoning of lot
- Construction date
- Garage type (number)
- Basement
- Central air conditioning
- In ground pools
- Number of fireplaces
- Number of full baths
- Number of half baths

What Influences Market Value But Not An Assessment Value?

- Number of rooms
- Number of bedrooms
- Landscaping
- New kitchen
- Finished basement
- New electric
- New plumbing
- Deck or patio
- New windows
- New roof
- Remodeled bathroom
- Interior wall condition
- New furnace
- New appliances
- Flooring upgrades
- Fence

Similarly-valued homes for tax assessment purposes may not sell on the market for similar prices!

2011 Revaluation Status

- Values have been established for all taxable properties effective January 1, 2012.
  > 109,908 residential
  > 6,885 commercial
  > 8,796 vacant land

- The County's State-certified assessors were aided by state-of-the-art technology:
  > **Aerial Photography**: Provided 5 aerial views of every property
  > **"Change-Finder" Software**: Identified all property changes since the last flyover
  > **Street Views**: Provided over 2½ million high resolution photos with the ability to zoom in for close-up examination

- The models have been "locked" with sales data through 2011.

Revaluation Results

- Overall values have increased 55% since 1991.
  > Residential values have increased 48%.

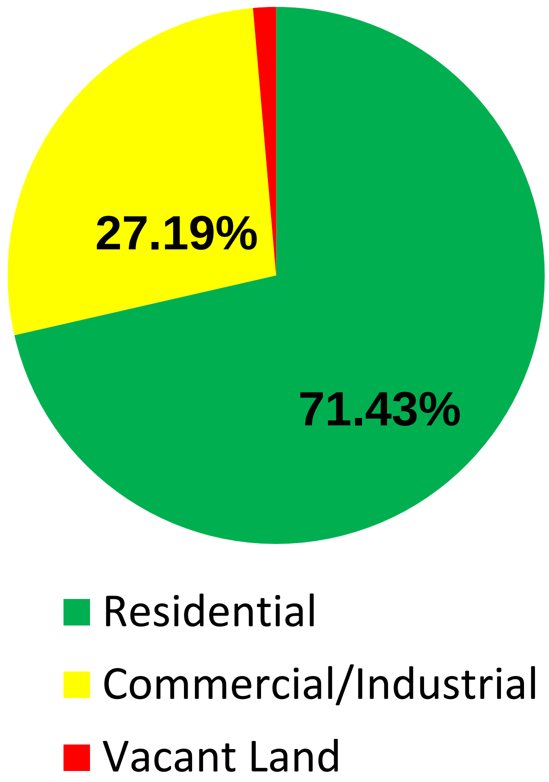
- The commercial share of values has increased from 27.19% to 29.97%.

- The projected revenue-neutral millage rate is 3.83.

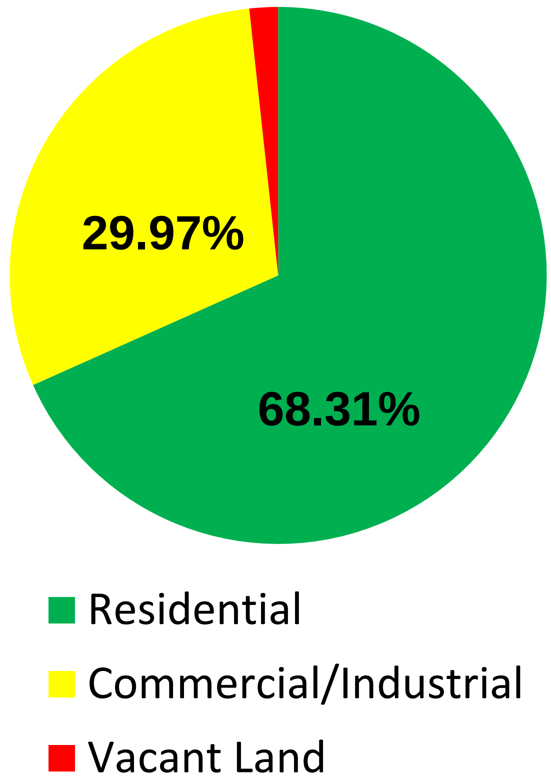
- County-wide, the average breakout for total real estate taxes is:
  > County = 18.52%
  > Municipality = 10.06%
  > School District = 71.42%

Share of Total County Taxes by Property Class

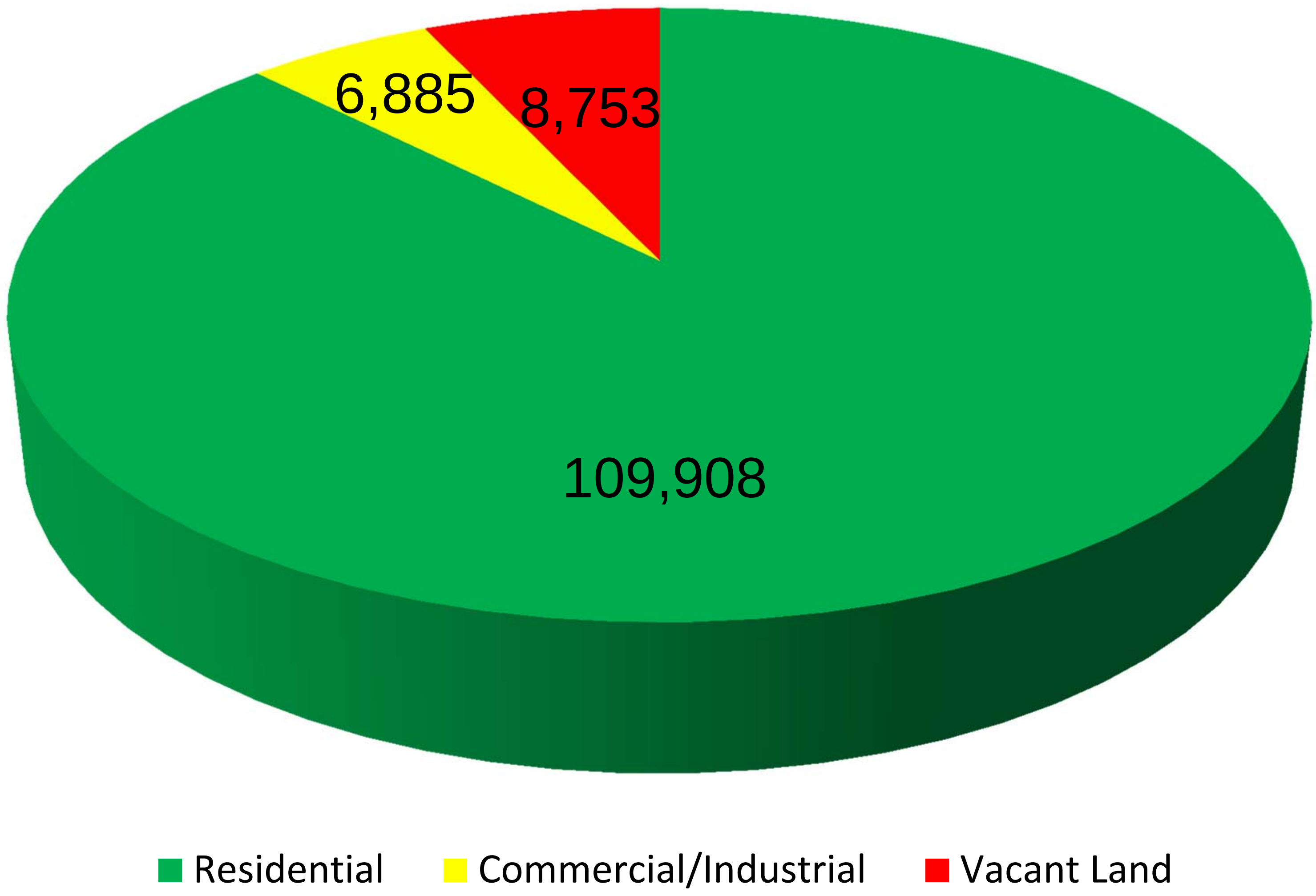
1991 Share



2012 Share

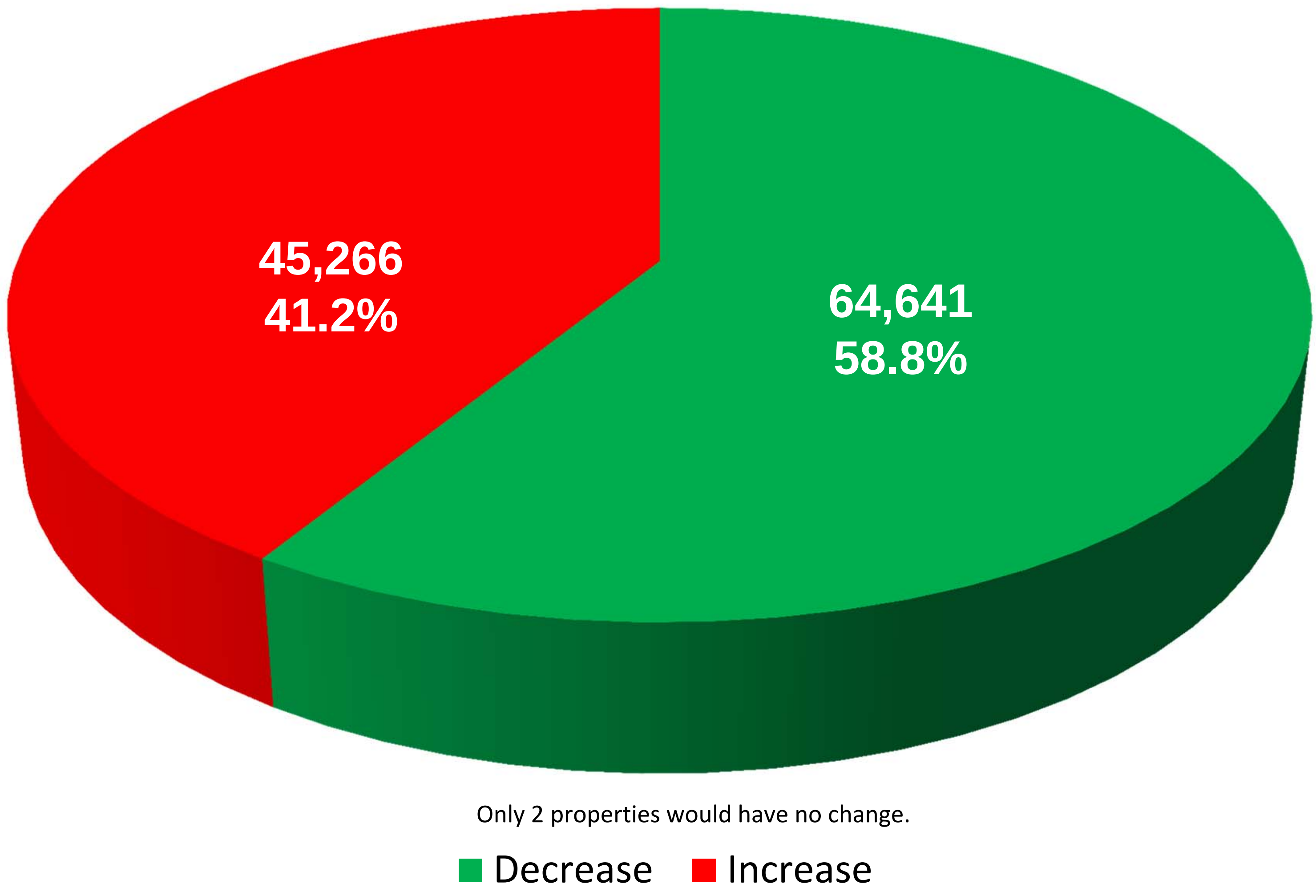


County Property Split–-Number of Taxable Parcels



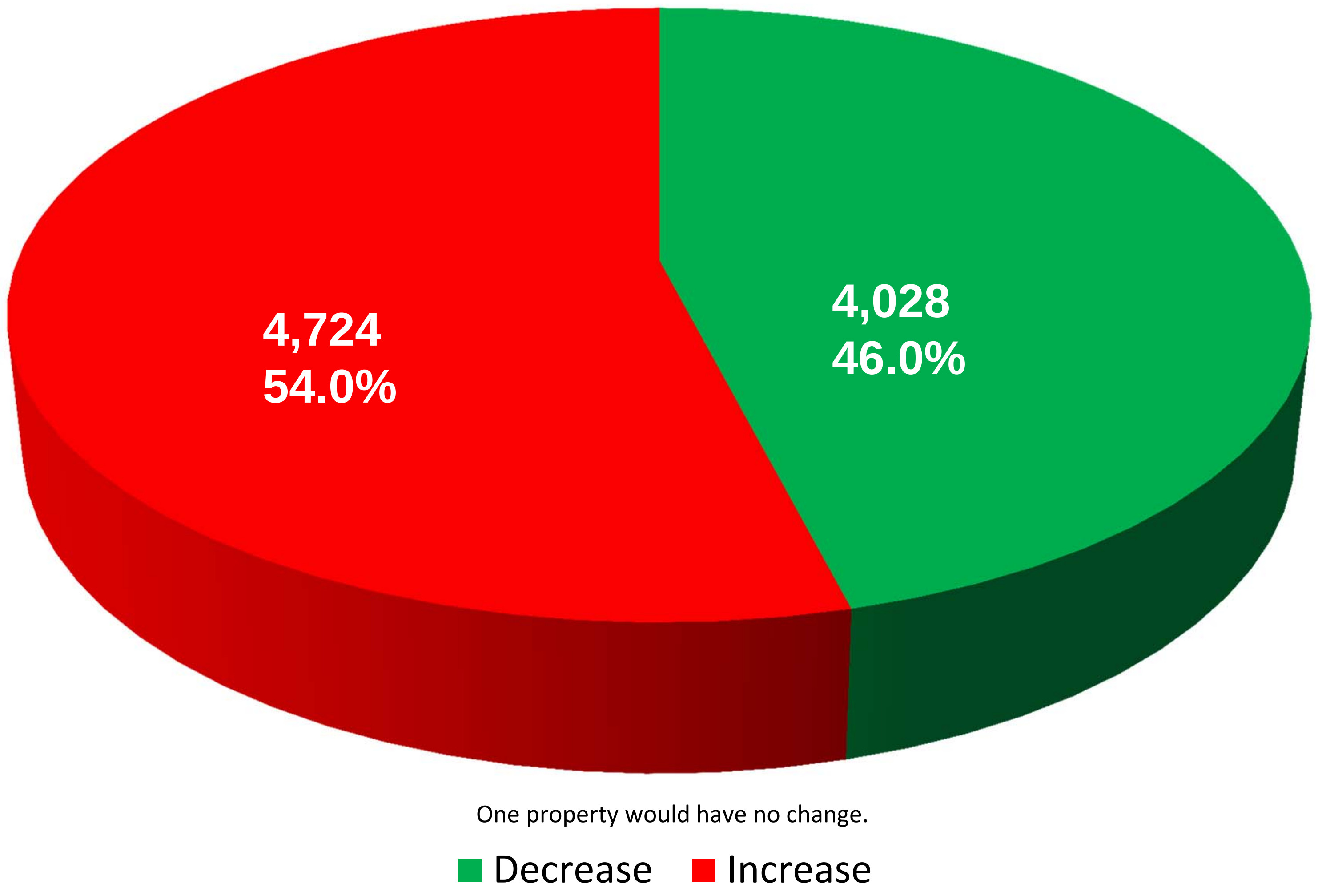
Projected Total Tax Impact—Residential

(Number of Properties)



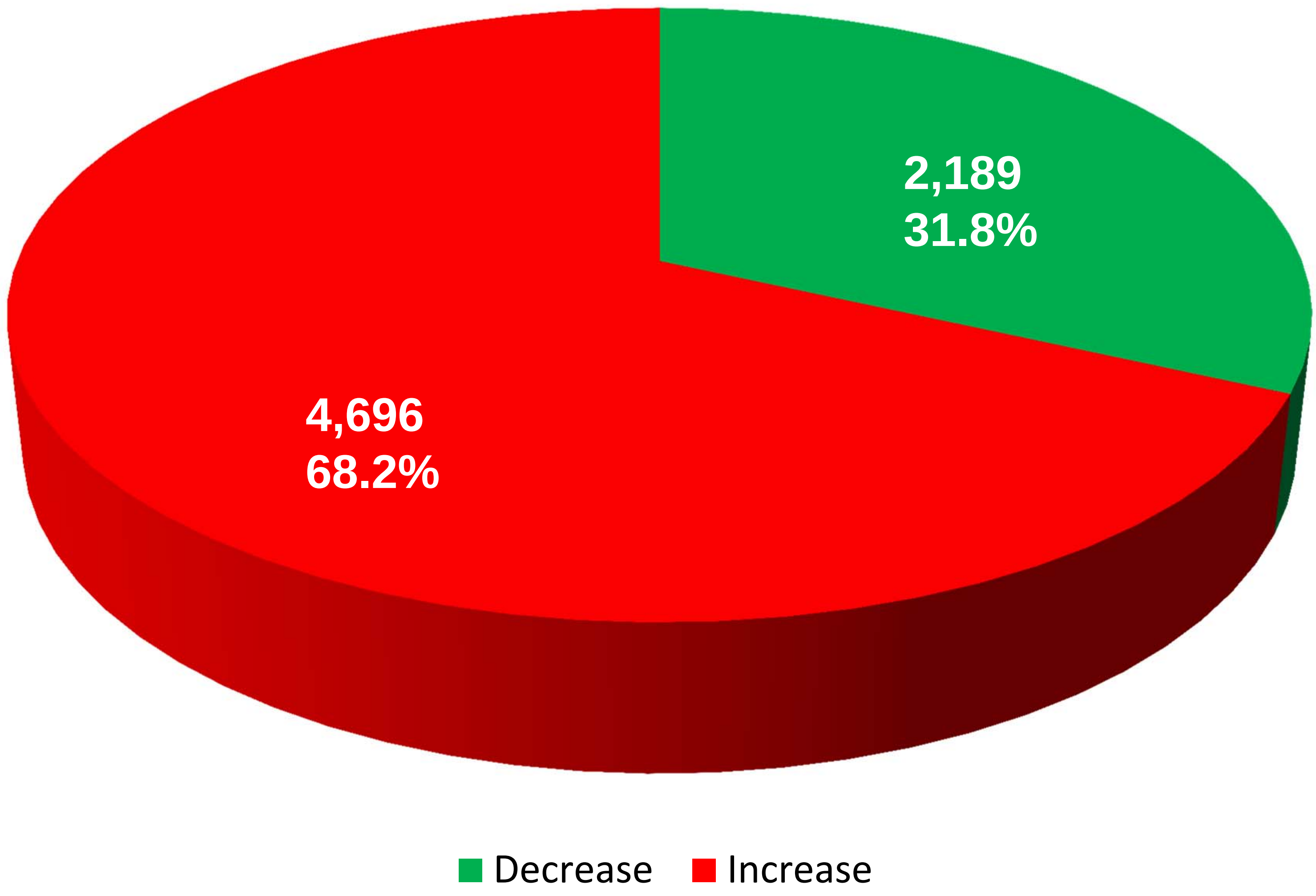
Projected Total Tax Impact—Vacant Land

(Number of Properties)



Projected Total Tax Impact—Commercial/Industrial

(Number of Properties)



Next Steps

- "Preliminary" assessment notices will be mailed on February 23rd to all property owners.
  - > Notices will indicate if their taxes are projected to go up or down.
  - > Tax specifics for their property plus general reassessment info will be available at www.mylehighcountyproperty.com

- If they have questions about their assessment, they must request an informal review by March 16th.
  - > Satellite sites will be established for reviews
  - > Informal reviews will be scheduled through mid-June

- A "Final" assessment notice will be mailed on or before July 1st.

- Property owners wishing to file a formal appeal may do so after receiving their "Final" assessment notice.

Worth Noting

- The new assessment values will be effective for the 2013 tax year.

- ***Both millage and tax projections are subject to change until all formal reviews are completed and values are formally certified by the Assessment Office in November, 2012.***