

Reason #4) To adhere to best practices outlined by Pennsylvania's Property Assessment Reform Task Force.

In response to recent assessment-related litigation, and reports of inconsistencies in Pennsylvania's property assessment system, the Pennsylvania Local Government Commission formed the Property Assessment Reform Task Force in 2016. One of the Task Force accomplishments was a guide titled "Pennsylvania Property Assessment: A Self-Evaluation Guide for County Officials." This document was subsequently adopted as best practices by the County Commissioners Association of Pennsylvania, and the Assessors Association of Pennsylvania in 2018.

The self-evaluation guide provides steps a county can follow when periodically reviewing the status of their assessments, and the importance of regularly doing so. The guide also provides suggested guidelines for completing a ratio study, recommended ratio standards, and suggested standards on the frequency that counties should perform reassessments, all of which follow the standards established by the IAAO.

HOW FAR OFF THE MARK HAVE CURRENT ASSESSMENTS FOR PROPERTIES IN TIOGA COUNTY STRAYED FROM CURRENT MARKET VALUE?

CLR (Common Level Ratio)

Since 2002, Tioga County's Common Level Ratio (CLR), which is a ratio that measures how a county's Base Year assessments compare with current real estate market valuations or sales, has declined from 94.8% in 2002, to 60.1% in 2020.

The State Tax Equalization Board publishes the CLR annually for each county in Pennsylvania, and the preliminary figures for Tioga County for 2021 show a proposed decrease from 60.1% to 58.3%.

Currently, the median assessment to sales ratio for all property sales is 60.1%, with some assessment to sales ratios falling above and below the median ratio.

As an example, if a property in Tioga County sells for \$125,000 in 2021, and the 2001 Base Year assessment is \$75,000, the assessment to sales ratio would only be 60%.

COD (Coefficient of Dispersion)

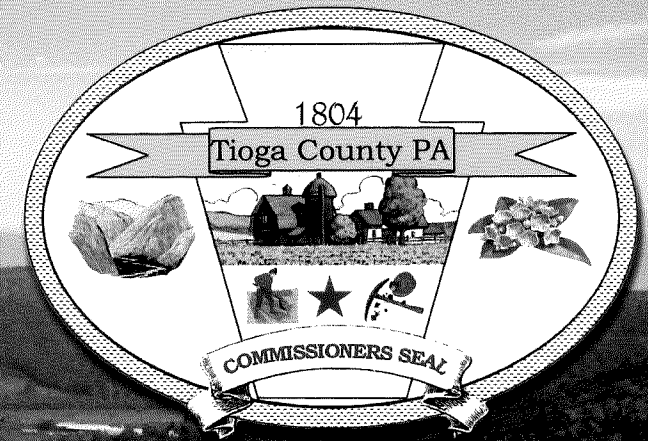
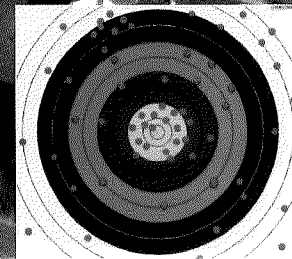
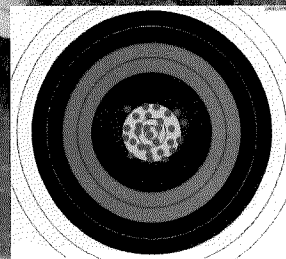
Another statistic that is used to evaluate the overall uniformity of assessments is the Coefficient of Dispersion (COD). The COD in the simplest of terms measures the overall accuracy of the property assessments based on the sale prices.

The COD measures the average percentage deviation of the assessment to sales ratio of each property sale to the overall median ratio. This ratio is basically a measure of the spread, or how wide is the range of the individual assessment to sale price ratios from the overall median ratio.

Based on a recent review of 997 residential sales that occurred from 1/1/2017 through 12/31/2020, the Tioga County Assessment Office concluded that the COD of these residential sales was 32.96. Based on the IAAO Ratio Study Standards, Tioga County currently falls outside of the generally accepted industry standards.

In general, acceptable COD's are 20 or less, with Residential Properties at 15 or less, and newer homogeneous areas at 10 or less. While the State Tax Equalization Board does not certify this statistic, based on their preliminary calculations for 2021, they calculated an overall COD for Tioga County of 35.15 based on just the 2020 sales.

This figure was in line with the numbers calculated by the Assessment Office. To illustrate this concept and understand what this statistic represents, consider the images below. Looking at the target on the left, if the center of the target represents the overall level of assessment, or percentage of assessed value to market value, a lower COD would indicate that there is less dispersion in the assessments from the recorded sale prices, and that the assessments and taxes are more accurate and uniform. A higher COD indicates more dispersion in the assessments from recorded sale prices, and that the assessments and taxes are less accurate and uniform, this can be seen on the target on the right.



TIOGA COUNTY COUNTYWIDE REASSESSMENT

TIOGA COUNTY WILL BE UNDERGOING A COUNTYWIDE REASSESSMENT TO EQUALIZE PROPERTY VALUES, EFFECTIVE JANUARY 1, 2024.

The purpose of a reassessment is not to raise taxes. The purpose is to create an equitable distribution of the tax load. Reassessments are required under the Consolidated County Assessment Law 53 Pa C.S. § 8823 to be revenue neutral. This means that the total taxes levied by a taxing district cannot automatically increase the year after a reassessment, and the tax rates are required to be adjusted so that the total taxes levied do not exceed the total taxes levied in the preceding tax year.

Historically, based on data that's been published on other countywide reassessments, 1/3rd of the property owners will see a decrease in their taxes, 1/3rd will stay about the same, and 1/3rd will see an increase.

Tioga County Assessment Office
(570) 724-9117 | Mon thru Fri 9:00 am - 4:30 pm

For more information, please visit
www.vgsi.com/tioga-county-reassessment

WHAT IS A REASSESSMENT?

A reassessment is the process of performing all of the necessary Market Analysis and Valuation steps to determine accurate and equitable values for all properties within the County. The equalization of the values within the County creates a fair distribution of the tax burden. The purpose of a reassessment is not to raise taxes. The purpose is to create an equitable distribution of the tax load.

1) Collect Required Physical Data

During this phase, Listers, otherwise known as data collectors, go to each property and physically inspect the exterior of each building.

They note the building's location, size, age, and quality of construction, improvements, topography, utilities, zoning restrictions, if any, and numerous other characteristics visible from outside.

If the property recently sold, the lister will inquire about the terms of the sale. If the property is a potential income producing property (apartment, office building, etc.) the lister may inquire about rental information.

If you are unsure about a stranger approaching your property, listers will be carrying proper identification and will have their information on file at the police department and the Assessment Office.

2) Quality Control Procedures

As data is being collected, managers from Vision Government Solutions as well as the County often revisit a property to double-check the data collection process. Property owners who are not at home during the exterior inspection will have an opportunity to review and correct the information collected once they receive a data verification mailer.

3) Collect/Verify Specific Market Data

During this time, Data Mailers will be sent in order to gain further insight on residential properties. Income & Expense forms will be sent to commercial/industrial properties to gain further insight on lease information.

4) Analysis

A variety of resources are used to analyze the real estate market. While the physical data is being collected by Listers, experienced appraisers will be analyzing recent sales as well as lease information to determine which market factors influenced property values.

Once all the data is collected and reviewed for accuracy, the appraisers will begin to set values using information gathered from past market activity.

Valuation is done using one of the three widely accepted valuation methods which are the market, cost or income approach.

5) Field/Office Review and Value Correlation

Field/Office Review is the method of checking and re-checking both the values that have been determined and the data that has been collected. During this review, properties are viewed by experienced appraisers who double-check uniformity and accuracy of information.

6) Informal Hearings

Once the Field Review is completed, a Notice of New Values will be mailed to each property owner in Spring 2023. At this time, anyone with questions concerning their value, the reassessment process or about the data collected on their property has an opportunity to meet with someone to discuss their property value.

7) Project Complete

During this phase, Vision Government Solutions has made all final changes resulting from the steps outlined above. In order for the project to be complete, the County must formally accept all values.

Final Value notices will be mailed on or before July 1, 2023. Property owners will then have 40 days to file a formal appeal with the Board of Assessment Revision. Following the conclusion of formal appeals, values will be certified by November 15, 2023, with new values going into effect for the 2024 tax year.

WHY ARE WE PERFORMING A COUNTYWIDE REASSESSMENT NOW?

Reason #1) To bring Tioga County's property assessments in line with market value.

Since 1970, Tioga County has completed a reassessment, or countywide revision of assessments every 10 years with changes occurring in 1970, 1981, 1990, and 2001.

At this time, Tioga County property owners are paying their County, Municipal, and School Taxes based on the assessed values established during the last countywide reassessment that was completed in 2001 and implemented for the 2002 tax year.

Reason #2) To deliver accurate, fair and equitable assessments according to standards set by the IAAO.

The IAAO (International Association of Assessing Officers) recommends that properties should be revalued at least every 4 to 6 years to account for changes in property values, and to maintain uniform and equitable assessments.

Based on a study that was completed for the State Tax Equalization Board in 2014, titled "Review of Calculations of Common Level Ratios in Pennsylvania," Pennsylvania is one of 8 states that doesn't require a current market value standard for property assessments, or a specified reassessment cycle.

Instead, the decision to reassess is left up to each county with some counties not reassessing property assessments since the 1960's.

Reason #3) To further align with the guidance provided by industry experts in Pennsylvania.

Similar recommendations have been made by the Pennsylvania Association of Realtors®, most recently in their Policy Statement on Property Tax Assessment Reform that was approved by their Board of Directors in January 2019.