Fixing Allegheny County's Property Assessment System: A Call for Lasting Reform

Remarks before the July 1 Public Hearing of Allegheny County Committee on Assessments 5:30PM CCAC North Campus, Room 3002, 8701 Perry Highway, Pittsburgh, PA 15237.

Robert P Strauss[1]

Professor of Economics & Public Policy,

Heinz College, Carnegie Mellon

www.andrew.cmu.edu/user/rs9f rpstrauss@gmail.com

Thank you for the opportunity to share my views with you this evening.

Allegheny County's property tax assessment system is broken, and proposed Bill No. 13892-26, mandating a cyclical reassessment every three years, is a step in the right direction—but it doesn't quite get to the goal line. The County needs and deserves strong reforms to ensure *lasting* fairness, transparency, and accuracy in property assessments, ultimately restoring public trust and improving the local economy. In the word of politics, to get this right will entail "heavy lifting"-- it's long overdue and getting it right will be of immense value to the County and region.

As of 2026, Allegheny County counts nearly 585,000 parcels of property, with residential properties making up 99 percent of them by parcel count and 71% by dollar value.

The current property assessment system is failing taxpayers and taxing authorities alike. Authorities are not spending enough to maintain accurate data, leading to distorted property valuations and rising inequities.

One key symptom is the decline in assessed values relative to actual market prices. Since 2012, the median ratio of assessed value to sales price has dropped dramatically—from around 100 percent to nearly 50 percent today. This means property valuations are increasingly disconnected from reality, undermining fair taxation and forcing higher millage rates to compensate for shrinking tax bases. Moreover, the disparities within the county are glaring. Some school districts like Pittsburgh are assessed at the median of just 43 percent of market value, and all show wildly inconsistent valuations of like properties within the same school district.

Reassessments are politically sensitive, but even more worrisome is the growing decline in confidence in our public institutions to get things done on a fair and timely basis. Still, the alternative—increasingly outdated assessments that reward tax avoidance and encourage endless appeals—carries

1The views in this document are solely those of the author and do not represent the views of the Heinz College, Carnegie Mellon University, or its Board of Trustees. Appendix 1 contains my background and a selected list of my property tax papers and opinion pieces with associated hyperlinks.

greater economic and social costs. The 2012/2013 reassessment, despite criticism, broadened the tax base by 38 percent and lowered millage accordingly, benefiting most residents. A well-managed reassessment process can strike this balance again, and build trust in our capacity to govern.

The crux lies in *how* the cyclical reassessment is implemented. The International Association of Assessing Officers (IAAO) has long established best practices, including regular physical inspections, standardized data collection and classification, rigorous market analysis, and proactive public outreach.

This set of hearings is a big first step towards greater engagement and transparency and will need to be maintained.

To rebuild trust, Allegheny County must adopt a stronger, more operational framework for reassessment. This includes ensuring that the Office of Property Assessments (OPA) receives steady, adequate funding and in return *must* operate at national, best practice standards.

Moreover, transparency must be front and center. Taxpayers deserve clear, accessible information about their property valuations, how assessments are made, and the impact on their tax bills. Public communication strategies and stakeholder engagement should be mandatory parts of the reassessment cycle, helping to diffuse anxiety and reduce frivolous appeals.

The stakes are high. Property assessments influence school funding, local services, and community investment. They affect where families choose to live and businesses choose to operate. By enacting a robust cyclical reassessment system that follows proven standards, adequately funds the process, and genuinely engages the public, Allegheny County can transform its tax system from a source of frustration into a foundation of fairness and trust. It’s part of improving the value proposition between taxpayers and their government.

Parenthetically I should note one need only to look across at Philadelphia’s struggles to get their property assessments right.[2]

Failure to address these challenges will perpetuate the status quo: inaccurate assessments, uneven tax burdens, political blame games, and rising millage rates. Ultimately, jobs and people will move to assessing jurisdictions that are fair, timely, and trustworthy Allegheny County has the opportunity to lead Pennsylvania in real estate assessment tax reform, but this requires bold action beyond aspirations. It means investing the necessary resources and enacting clear accountability measures.

The proposed Bill No. 13892-26 is a start, but there’s room for improvement. Allegheny County’s residents deserve a property assessment system that works as hard as they do. The path forward is clear: follow best practices, fund the work properly, ensure transparency, and hold officials accountable. Only then can we fix what’s broken. If not, people and businesses will talk louder and louder with their feet.

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2 For an independent, albeit troubling look at what Philadelphia aspired to but failed to accomplish, see Strauss and Hou(2013).

Appendix 1.1 Educational Background

AB Economics (with Honors and Distinction), Department of Economics, University of Michigan, Ann Arbor, 1966. (Junior Year at London School of Economics).

Phd Economics., University of Wisconsin-Madison; fields in public finance and human resources, 1970.

Appendix 1.2 Employment Background

Assistant Professor of Economics, University of North Carolina-Chapel Hill, 1969-73
Associate Professor of Economics, University of North Carolina-Chapel Hill, 1973-79
Professor of Economics & Public Policy, SUPA/Heinz College, Carnegie Mellon, 1979-.

Visiting Professor of Economics and Public Policy, University of Rochester, 1992-3, 1993-4;
Senior Research Associate, Rochester Center for Economic Research, 1994-.

Visiting Professor of Economics, Spring 2014; Washington University, St. Louis

Appendix 1.3 Selected Public Service

Brookings Economic Policy Fellow, Assistant to the Assistant Secretary for Economic Policy, U.S. Treasury, 1970-1971.
Assistant to the Deputy Secretary, U.S. Treasury, 1971-1972.
Economist, Joint Committee on Taxation, U.S. Congress, 1975-1978.
Director of Research, Pennsylvania Tax Commission, 1979-1981.
Voting Member, Pennsylvania Local Tax Reform Commission, 1987
Member, Advisory Committee, Pennsylvania General Assembly, Joint State Government Commission, Committee on Government Efficiency, 1991-2.

Appendix 1.4 Selected Awards

Presidential Pen, President Richard M. Nixon,1972
Presidential Pen, President Gerald R. Ford, 1976
Exceptional Service Award (Gold Medal), U.S. Treasury, 1972
Steven D. Gold Award, Association for Public Policy and Management, National Conference of State Legislatures, and the National Tax Association, November, 2005
Fellow, National Academy of Public Administration, December, 2015.

Who's Who in the World
Who's Who in America

Appendix 1.5. Selected State and Local Finance Papers

August 26, 2021 “Property Taxes Are Going Up: What Can Homeowners do?,”
Interview, Realtors.com
https://www.realtor.com/news/trends/why-property-taxes-are-rising-and-what-homeow

June 2, 2019 “Hundreds of commercial property owners are challenging Philly’s assessments, with $63 million at stake,” Philadelphia Inquirer.
https://www.inquirer.com/news/assessment-commercial-property-lawsuit-uniformity-p

August 10, 2018, Philadelphia Inquirer, “165,000 Philly homeowners may be paying too much in property taxes. Is the city assessing property fairly?”

November 19, 2017, Philadelphia Inquirer, “Property tax likely here to stay in Pa. Here's why”
http://www.philly.com/philly/news/pennsylvania/property-tax-pennsylvania-amendmen

Strauss, Robert P (2017) . Pennsylvania House of Representatives Select Committee on Tax Modernization and Reform, ”Financing Pennsylvania’s Public Sector: Past as Prologue?” Prepeared Testimony presented to a Hearing, Ryan State Office Building, Harrisburg, PA, (November 15, 2017,)
https://cmu.box.com/s/sg8afkc3rz9g76ifarje1792rwfwprfx

Strauss, Robert P and Michael J. Suley,
“Pennsylvania is in dire need of assessment reform”
Robert P. Strauss and Michael J. Suley
February 26, 2015
Philadelphia Inquirer

Strauss, Robert P and Bingbing Hou(2013). A Sales Ratio Study of the City of Philadelphia’s 2013 Certified and 2014 Proposed Real Estate Assessments:
A Report to the Controller of the City of Philadelphia
https://www.andrew.cmu.edu/user/rs9f/phila_cod.pdf

Strauss, Robert P. and Elaine Wei (2013), “Predicting the Frequency and Depreciation of Real Assessment Quality in Pennsylvania,” A Paper Presented at the 105th Annual Research Conference of the National Tax Association November 17, 2013
https://www.andrew.cmu.edu/user/rs9f/rps_ew_nta_2013.pdf

"Real Estate Re-Re-Re-Re Assessment in Allegheny County: II December 2, 2005
Department of Civil nd Environmental Engineering, CMU
Update of November 9, 2005 ISRI Seminar
School of Computer Science
CMU

"KDKA Talk Radio Fred Hornsberger Interview: Assessments"
Pittsburgh, PA
2PM Wednesday October 5, 2005

"Real Estate Re-Re-Assessment in Allegheny County"
A Presentation to the Men's Club
(with a statistical appendix)
Northmont United Presbyterian Church
8169 Perry Highway
Pittsburgh, PA
9AM Tuesday October 4, 2005

"Talk Radio Interview on Allegheny County Assessments"
Pittsburgh, PA
Sunday, September 17, 2005

"KDKA The Editors: Allegheny County Assessments"
County Executive Dan Onorato and Professor Robert Straus
April 2, 2005
Requires MP4 Reader such as Apple Quicktime

"Is Assessment 2005 Going to be Reform or
Allegheny County's Version of "Ground Hog Day?"
Prepared Remarks before the Allegheny County Council
Gold Room
Allegheny County Courthouse
March 15, 2005

Residential Real Estate Assessment Fairness in Four Urban Areas"
with David A. Strauss,
State Tax Notes, 31, 10 (March 8, 2004), 815-820.
(Reprinted from (forthcoming) Proceedings of the National Tax Association
, 96th Annual Research Conference, Chicago, Illinois).

Two topics need action before tax is raised
Real estate-assessment reform and school board accountability will help schools get fairly funded.
Philadelphia Enquirer, Sunday 1/12/03
Reprinted in Pittsburgh Tribune-Review, Thursday, January 16, 2003
Harrisburg Patriot-News, Friday, January 17, 2003.

"Restoring the Public Trust in Allegheny County's Real Estate Assessments"
A Presentation to the League of Women Voters of Greater Pittsburgh
May 15, 2002
Pittsburgh, Pennsylvania

Mirror, Mirror on the Wall, Which Pennsylvania County has the Fairest Real Estate Assessments of them All? (Hint: Not Allegheny)
The Voter , Newsletter of the Allegheny League of Women Voters
May, 2002

"Reassessment 2000: Do you feel lucky?"
Opinion and Commentary, Pittsburgh Tribune-Review, May 28, 2000

"Distributional and Economic Effects of Pennsylvania's Local Property Taxes"
Testimony before the Pennsylvania Senate Education Committee,
Harrisburg, Pennsylvania,
Room 8EB, Capitol East Wing, 1-5PM
March 22, 2000

"What's Next? CMU prof offers exacting framework for county's future,"
Opinion and Commentary, Pittsburgh Tribune-Review, November 14, 1999, J1, J

Home Rule tax reform? Think again, says CMU prof
Tribune-Review. Commentary. Friday, Sept. 17, 1999. A7.

Strauss, Robert P and Shawn Sullivan (1998),"The Political Economy of the Property Tax: Assessor Authority and Assessment Uniformity," *Proceedings*, *91st Annual Conference on Taxation,* National Tax Association-Tax Institute of America, Austin, Texas (November, 1998), 254-66. (Reprinted in *Tax Notes*, 82, 1 January 4, 1999; and in *State Tax Notes*, 16, 5 (December 21, 1998), 327-338)

https://www.andrew.cmu.edu/user/rs9f/nta982n.pdf

The Assessment of Residential Property in Allegheny County: Report 2: : Sources of State Variation in Assessment Quality A Report to the Allegheny Board of County Commissioners, October 15, 1995.

The Assessment of Residential Property in Allegheny County: Report 1: Sources and Quality of Data . A Report to the Allegheny Board of County Commissioners, September 28, 1995.

"The Final Report and Recommendations of the Pennsylvania Local Tax Reform Commission "
October 30, 1987

Final Report of the 1981 Pennsylvania Tax Commission

http://www.andrew.cmu.edu/user/rs9f/final_report_pa_tax_commission_March_1981.pdf