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SPOT APPEALS HURT APARTMENT COMMUNITIES AND RENTERS

Many Pennsylvania school districts are abusing their power to appeal property tax assessments (spot appeals). They are cherry picking the properties for appeal, ignoring other under assessed properties, and demanding exorbitant tax increases from the ones they single out. Spot appeals kill apartment values and hurt Pennsylvania renters. Spot appeals also kill incentive to develop much needed rental housing.

While courts have ruled spot appeals are permissible under current law, they have not addressed the unintended consequences and serious harm spot appeals routinely cause.

Spot appeals hurt Pennsylvanians who rent their homes.

- Even before spot appeals, property taxes account for hundreds of dollars of an average monthly rent.
- Demands for unreasonable tax increases present enormous financial challenges for the apartment community. They force tough choices affecting capital improvements and operating budgets. They place significant upward pressure on rents. Pennsylvania renters deserve better.
- The supply of quality multifamily housing is affected, as more and more professional multi-family property owners become reluctant to operate properties in Pennsylvania.
- Spot appeals of apartment communities hurt many who can least afford it. A substantial number of Pennsylvania renters are under 30 years of age and make less than \$35,000 a year. These Pennsylvanians should not have to face such harmful financial upheaval.

Spot appeals waste taxpayer dollars and destroy uniformity in a taxing district.

- School districts are hiring third party consultants – paying them huge sums of tax dollars- to suggest which properties to appeal. Many contracts call for the consultant to receive 30% of the tax increases for a minimum of 3 years. The consultants' profit motive must certainly influence their selections of properties. And the high contingency fees are an inexcusable misuse of property tax dollars that are supposed to fund education.
- This cherry picking creates a patchwork taxing district that is anything but uniform. The targeted properties bear the burden of tax increases while others pay less than their fair share. Similarly situated taxpayers should not be treated differently. All taxpayers in a district must be treated equally and uniformly.

Please support legislation to stop the destructive practice of spot appeals.