



On the Ground: Land Tax and the Officials who Use It

Interview: Anthony Spossey

Background: Since 1980, Mayor Anthony “Sonny” Spossey was been Mayor of Washington, Pa, the county seat of Washington County, PA. Mr. Spossey also served as Treasurer from 2002 to 2006. On his watch, in 1985, Washington enacted LVT. The tax rate on land is 100.63 and 3.5 mills on buildings, after yet another expansion suggested by Mr. Spossey.

IT dropped into Mr. Spossey’s office in 2007 and asked a few questions...

Q. Has LVT worked for Washington?

A. It’s been a good thing. We brought it in after a reassessment, as we saw LVT as the only way to help poor and elderly taxpayers to be relieved of what would have been an added burden.

LVT still helps reduce taxes for our most vulnerable citizens. We have an aging demographic, like the county, region and the state. Taxpayers everywhere are less able to keep up with taxes, and that hurts revenue. LVT helps us mitigate the impact both to them and the city. It’s a win/win.

Q. Who has complained?

A. Really, we've had very few complaints. Most came in 1985 when we announced the shift. Those that did come to city hall were shown that they actually would save. One major property owner who was appealing his old assessments backed off when he saw that the new structure would untax his buildings. In fact, since most assessment appeals are on buildings, we've had far fewer, because most property owners don't dispute the land portion of their assessment.

Q. How are assessments in Washington County? Are they accurate? Is there a good relationship between city and county?

A. Assessments are outdated. It is a problem. The Commissioners simply don't want to open that can of worms. Yet, the assessment staff works with us. Last year, when we found some "lost" land value in condo valuations, we worked with the solicitor to get that land back on the rolls.

Q. The biggest property tax levy is for schools, rather than the city. Would the School district enact LVT?

A. If they could, I am sure they would. The city collects school taxes, and we have a good relationship with them. All we need is state legislation to permit it.

Q. Are tax-exempt properties an issue?

A. Definitely. Some help out with expenses and cost of services to the city, but we can only ask them nicely. We thought that the local college would put its new housing on the tax rolls, but then they backed out. The local college is a good thing overall to have, but it's still a stretch for our budget.

Q. Many Pennsylvania cities are losing revenue from Act 511 taxes [per capita, occupational privilege, occupation, realty transfer, mechanical devices, amusement, business gross receipts and earned income] as businesses and population decline. How is Washington faring?

A. Actually, Act 511 receipts have stayed fairly stable. Even though more property is becoming tax-exempt because of hospital and college expansions, we have held our own. We're also enthusiastic about the reconstruction of the Central Business District infrastructure. What that's complete, we expect more businesses to open. Washington faces some problems that we are powerless to correct. But we've got options that make me pleased with our progress and optimistic about our future.

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