

insidePOLICY

a product of the Pennsylvania Business Council



Chair

John T. Tighe, III
TMG Health

Secretary

Joanne H. Raphael
PPL

Treasurer

Gretchen R. Haggerty
United States Steel

Education Foundation Chair

T. William Boxx
McKenna Foundation

Political Action Committee Chair

Gary Veshecco
Erie Insurance Group

President & CEO

David W. Patti

President's Message

Harrisburg, our state capital, has a yearly debt obligation larger than its operating budget. The city could file for bankruptcy within the month. Scores of other Pennsylvania municipalities are playing a financial juggling game just to cover operating costs. There are a variety of reasons for the financial trouble. One culprit: federal and state mandates that require local governments to provide services without appropriating the necessary funds. The General Assembly is stepping in with legislative proposals that could help them lower local government costs and get a handle on pension issues. Other legislation would provide a framework to restructure municipal government. One very modest proposal, SB 1429, would ease the way for local governments and their citizens when they choose voluntarily to merge or consolidate with neighboring governments. The Senate cleared the bill with a 47-0 vote on September 29. It has the business community's full support. Other legislation -- not expected to move this year -- might push fiscally distressed municipalities into mergers. The solutions for rescuing our local governments are as complex as the reasons they got into financial trouble in the first place. In this issue, we explore some of the proposed solutions for putting our local governments on sound financial footing once again. As always, we invite your comments and views.

The Financial Woes of Local Governments and Why Businesses Are Taking Notice

Forty percent of Pennsylvanians live in municipalities that don't know where their next meals are coming from. The state's capital city, Harrisburg, is flat out broke. They are what the Pennsylvania Economy League (PEL), a bipartisan research group, characterizes as "financially distressed."

"Basically, revenues for a long period of time just haven't matched expenditures," said Gerry Cross, Executive Director, PEL Central. "And the municipalities are inhibited by their boundaries from reaching out to new revenue sources." (See Figure 1.)

Pennsylvania business leaders have united behind the recommendations of the 2006 State Planning Board to encourage local governments to reduce costs by consolidating services with other, neighboring municipalities. Led by Dennis Yablonsky, CEO of the Allegheny Conference of Community Development, business leaders recently appeared before the House Local Government Committee to push for approval of SB 1429, and other changes that will make it easier for local governments to merge entirely or consolidate their services.

Appearing with Dennis Yablonsky were Gene Barr, Vice President, Government and Public Affairs, PA Chamber of Business and Industry; David W. Patti, President & CEO, Pennsylvania Business Council; David Black, President & CEO, Harrisburg Regional Chamber; and Michelle Griffin Young, Executive Vice President, Public Policy, Greater Lehigh Valley Chamber of Commerce.

Yablonsky pointed out that the panel appearing with him was only a small representation of the coalition of organizations that "we've convened over the last few months."

"We now have over a dozen state and local chambers of commerce, public policy and research organizations, local government associations, and young professional organizations signed-on in support of the State Planning Board's proposed reforms," he said.

Below are the highlights of Yablonsky's testimony:

"As you know, many of our municipal laws are based on a 100 year-old model that has become dated, inflexible, and uncompetitive, preventing municipal leaders from approaching problems in innovative and better ways. These laws date to before interstate highways, broadcast TV, comput-

IN THIS ISSUE

- President's Message1
- The Financial Woes of Local Governments and Why Businesses Are Taking Notice.....1
- Business Groups in Third Class Cities Approving Local Government Agendas.....4
- Why Local Government Personnel Costs Are So Hard to Control.....4
- Why Sharing Services, Or Functional Consolidations, Are More Practical Than Structural Mergers.....5
- Local Governments Are Creatures of the State, Supreme Court Says.....6
- Local Government Costs, Inefficiencies Go Beyond Structural Issues8

continued on next page

continued from page 1

ers and the internet. Life has changed a lot since the early 1900's. It's clearly time for us to re-evaluate our way of approaching local government and the critical services that they deliver to citizens across the Commonwealth."

"Municipalities across Pennsylvania are facing real fiscal challenges. Four out of ten Pennsylvania residents live in a financially stressed municipality. An analysis by the Pennsylvania Economy League of Southwestern Pennsylvania has shown that this distress is not limited to the urban areas around Philadelphia and Pittsburgh, but rather spread quite evenly across the state (see Figure 1). The state-wide representation of the business groups sitting here with me today shows that all areas of our Commonwealth are concerned about the financial state of their municipalities. This is not a localized issue."

"Our benchmarking data suggests that municipalities that give municipalities a share of integrated functions spend less per capita on a range of core services than similarly sized communities with fragmented service delivery. In Mercer County, for example, a consolidation of three cities and two boroughs was proposed in 2004. Combined per capita spending of this fragmented group for core expenditures was 19% higher than in a comparable set of benchmark municipalities and 13% higher for total expenditures."

"Though we support all measures proposed by the Board, we believe SB 1429 is in the best position for movement by the Legislature right now."

Testimony of Pennsylvania Academics:

SB 1429 received the backing of some in the academic community as well. David Young Miller, PhD, Associate Professor, University of Pittsburgh, cited a list of "unintended consequences" follow from systems that have a relatively large number of local governments.

"Economic growth will tend to occur unevenly throughout the region. Some areas will be more attractive to capital investment and will grow, while other areas will stagnate or decline," Miller told committee members.

Miller added that Pennsylvania can claim the distinction of having more local government boundaries than any other state.

"Managing those boundaries and allowing them to breathe and adapt are critically important to a healthy system of local government," he said. "SB 1429 addresses the clunkiness of changing structure and boundary simultaneously."

Miller also spoke in support of SB 1357 which establishes a Boundary Review Commission that would investigate and propose, where appropriate, certain consolidations and other boundary changes.

But Penn State Professor of Public Policy and Administration, Beverly A. Cigler, cautioned members that no "silver bullet" exists for reducing costs and improving efficiencies in local governments.

"There's a big difference between consolidation and sharing services," Cigler said in phone interview. "Forcing local governments to consolidate is not necessarily the answer and politically nearly impossible to do."

In her testimony before the Local Government Committee, Cigler said that changing relationships among and between governments rather than changing the fundamental structure of local governments is increasingly emphasized in many other states.

"The research does not show that merger/consolidation yields cost efficiencies for service delivery, but provides evidence of improved economic development," she said.

Copies of all the testimony presented to the House Local Government Committee on August 17 & 18, 2010 can be found at <http://www.pahouse.com/Freeman/LocalGovernment.asp>.

What SB 1429 Does:

SB 1429 would amend the 1994 Merger Or Consolidation Act (Act 90) by making it easier for local governments to consolidate or merge.

The Senate Local Government Committee moved SB 1429 on September 21, 2010. Below is a summary of the legislation, provided by the Senate Local Government Committee.

SB 1429 incorporates the suggested State Planning Board amendments:

Municipalities have the ability to use different methods to agree on consolidation/merger:

- Enable a voluntary consolidation or merger using a joint agreement and ordinance of the affected municipalities to become effective upon approval by the electorate of the joint agreement.
- Allow municipalities to consolidate or merge voluntarily where one or more uses a joint agreement and one or more uses the initiative and referendum on petition of electors.

Municipalities can consolidate/merge and adopt home rule at the same time:

- Allow voters to consider approval of a home rule charter or optional plan at the same time that they consider approval of a voluntary consolidation or merger initiative and election of a study commission.

Merging municipalities may convene a "Transitional Committee" to guide the process:

- Allow for the appointment of a Transitional Committee by the governing bodies of the municipalities considering voluntary consolidation or merger to make studies and recommendations to the governing bodies regarding transitional plans and schedules, common administration and enforcement of ordinances, consolidation of department staffs and other matters of concern. The Committee shall continue in existence for six months after a voluntary consolidation or merger is approved to advise on merging budgets, staffing and operations.

The timeframe for post-referendum activity is accelerated:

- Upon favorable action by the electorate to pursue a merger and consolidation, ensure such approved measures transpire "within one year" (rather than a "reasonable time" as currently allowed in law).
- The agreement shall require full implementation of the consolidation or merger within four years following the date of certification.

Below are the main recommendations of the 2006 State Planning Board report:

- Stabilize and revitalize Pennsylvania's urban areas (cities, boroughs and developed areas of townships) and promote planned growth in suburban and rural areas.
- Provide incentives for more effective use of county and multi-municipal planning as the means for coordinating land use decisions about development and conservation among levels of government and public and private agencies and organizations.
- Give additional tools and authority to county and local governments for "right sizing" services such as police, fire, emergency services, infrastructure, and storm water management to enable them to provide cost effective, efficient services to their communities.
- Strengthen the legal and practical connection between planning and implementation.
- Provide clearer authority and incentives for tax base and revenue sharing.
- Remove legal impediments to voluntary consolidations, mergers or dissolutions.

The full report can be found at <http://www.psats.org/StatePlanningBd2006Report.pdf>

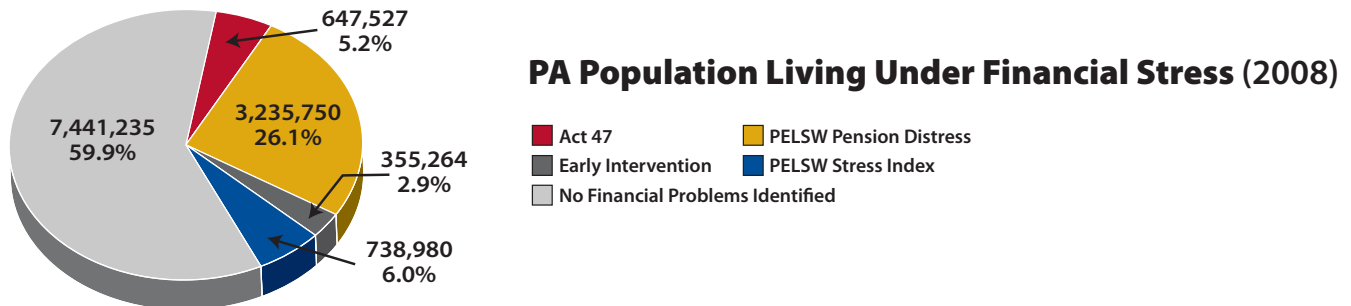
Pennsylvania Municipalities Need New Tools to Meet Ever-changing Challenges

- Fiscal stress and expanding service demands are top concerns
- Need changes to existing laws
- State Planning Board recommendations provide guidelines to help municipalities adapt to changing conditions

Pennsylvania municipalities face increasing challenges to deliver adequate public services. The recent global economic downturn, tax base losses and crushing legacy health care and pension liabilities strain the financial capacity of local governments. In the current climate, there are no easy answers.

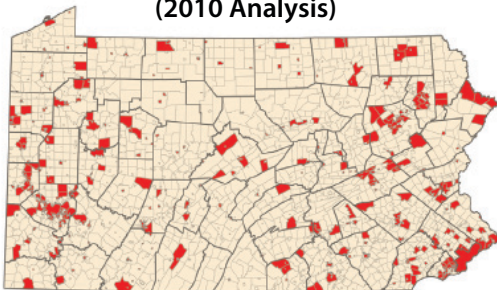
While the Commonwealth has established programs for municipalities in the most extreme stages of financial stress – such as Act 47 – new approaches are needed to help municipalities avert financial disaster.

4 out of 10 PA residents live in a financially stressed municipality



A growing number of municipalities across the Commonwealth show signs of financial stress

Financial Stress is Statewide (2010 Analysis)



Created by the Pennsylvania Economy League of Southwestern Pennsylvania, April 2010

The current laws governing municipalities are ***dated, inflexible and uncompetitive*** – more must be done to help our municipalities become effective, financially stable, sustainable governments.

Changes to state law are necessary to provide municipalities with appropriate tools to build stronger, united communities with sustainable futures.

The following organizations commend the State Planning Board and legislative leaders for leading the way:

- Allegheny Conference on Community Development • Economy League of Greater Philadelphia
- Greater Lehigh Valley Chamber of Commerce • Greater Pittsburgh Chamber of Commerce
- Greater Wilkes-Barre Chamber of Commerce • Harrisburg Regional Chamber & CREDC • Mon Valley Progress Council
- PA Futures • Pennsylvania Chamber of Business & Industry • Pennsylvania Department of Community & Economic Development
- Pennsylvania Economy League, Central PA Division • Pennsylvania Economy League of Southwestern Pennsylvania
- Pittsburgh Urban Magnet Project • TeamPA Foundation • Third Class Cities Alliance

Figure 1. Provided by the Pennsylvania Economy League

Business Groups in Third Class Cities Approving Local Government Agendas

The financial state of Pennsylvania's mid-sized cities has attracted the help of some power business forces to work with the General Assembly to find ways to cut municipal costs. The regional chambers of commerce in Easton, Lancaster, Reading, Bethlehem, and York are scheduled to approve agendas within the next month that will act as starting points for developing legislation to help cities trim their personnel costs, according to one chamber official.

"Some of the cities are in positions of taking money from other accounts, like water and sewer, just to cover administrative costs," said Ellen Horan, President & CEO of the Greater Reading Chamber of Commerce and Industry. "City officials are so busy running day-to-day government that we're stepping in to help."

Calling themselves the 'Metro Chambers for Sustainable Cities', the group hopes to pull in other local governments as well.

"Strained municipal finances are a problem across the state," Horan said.

She cites what she calls two "cost-drivers": Employee pension costs and binding arbitration.

"In the city of Reading, personnel costs rose \$12 million from 2003 to 2007 with no increase in the number of employees. Salaries rose 28 percent and pensions 176 percent -- way beyond cost increases in the private sector," she said. (See Figure 2 for a demonstration of municipal pension stress).

Why Local Government Personnel Costs Are So Hard to Control

Local government experts contacted by the Pennsylvania Business Council cited binding arbitration as a key cost driver for local governments.

In January, 2009, the Allegheny Conference on Community Development issued a report that said the law allowing binding arbitration, Act 111 of 1968, is riddled with flaws.

"Placing control over salary and benefits of public safety workers into the hands of arbitrators has proven to be a recipe for disaster as costs have climbed across the state," the report said.

The study found that binding arbitration for police and fire is far more likely to be present in states that are not Right to Work and those that have levels of public sector unionization of 50 percent or greater. In comparison with the laws in the neighboring states of New York and Ohio—which spell out specific conditions for arbitration to occur and set out criteria to be considered in settlements—Pennsylvania's statute is weak.

"There has not been a statewide, systematic evaluation of Pennsylvania's Act 111 since the late 1970s which produced a series of recommendations, none of which were adopted, showing that there is little legislative interest in taking on the statute's shortcomings," the study said.

The Pennsylvania Economy League report recommends the following changes:

State oversight: A pool of arbitrators would be housed in the state's Department of Labor and Industry and be classified as civil servants, free of political pressure. Panels of arbitrators would be appointed from the pool to hear cases around the state.

Neutrality: Arbitrators would have no interest or connection to the dispute. No arbitrator could participate in a case in the county where he or she resides.

Professionalism: Arbitrators would be certified by a professional organization/association and would be qualified to hear cases involving workplace matters for police and fire personnel and their employers.

Accountability: A review panel made up of disinterested senior arbitrators should oversee the arbitrators' decisions and have the final approval on awards.

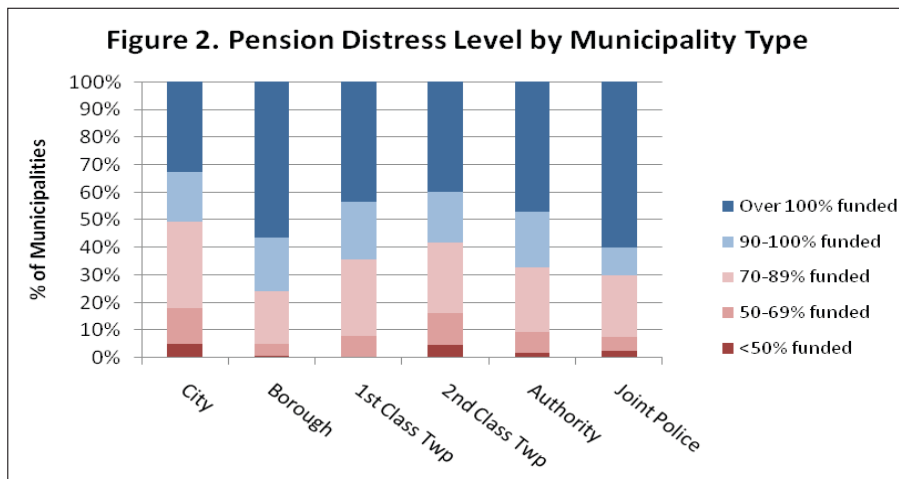


Figure 2. Pension Distress Level by Municipality Type Provided by the Pennsylvania Economy League

Why Sharing Services, Or Functional Consolidations, Are More Practical Than Structural Mergers

A Look at Police Department Consolidations by the Pennsylvania Economy League

All local government experts contacted by the Pennsylvania Business Council agree that encouraging local governments to share services rather than forcing structural consolidations is both politically and financially more practical. A recent study by the Pennsylvania Economy League demonstrates the improvement realized over the long run in creating regional police forces by combining municipal forces.

The PEL Analysis

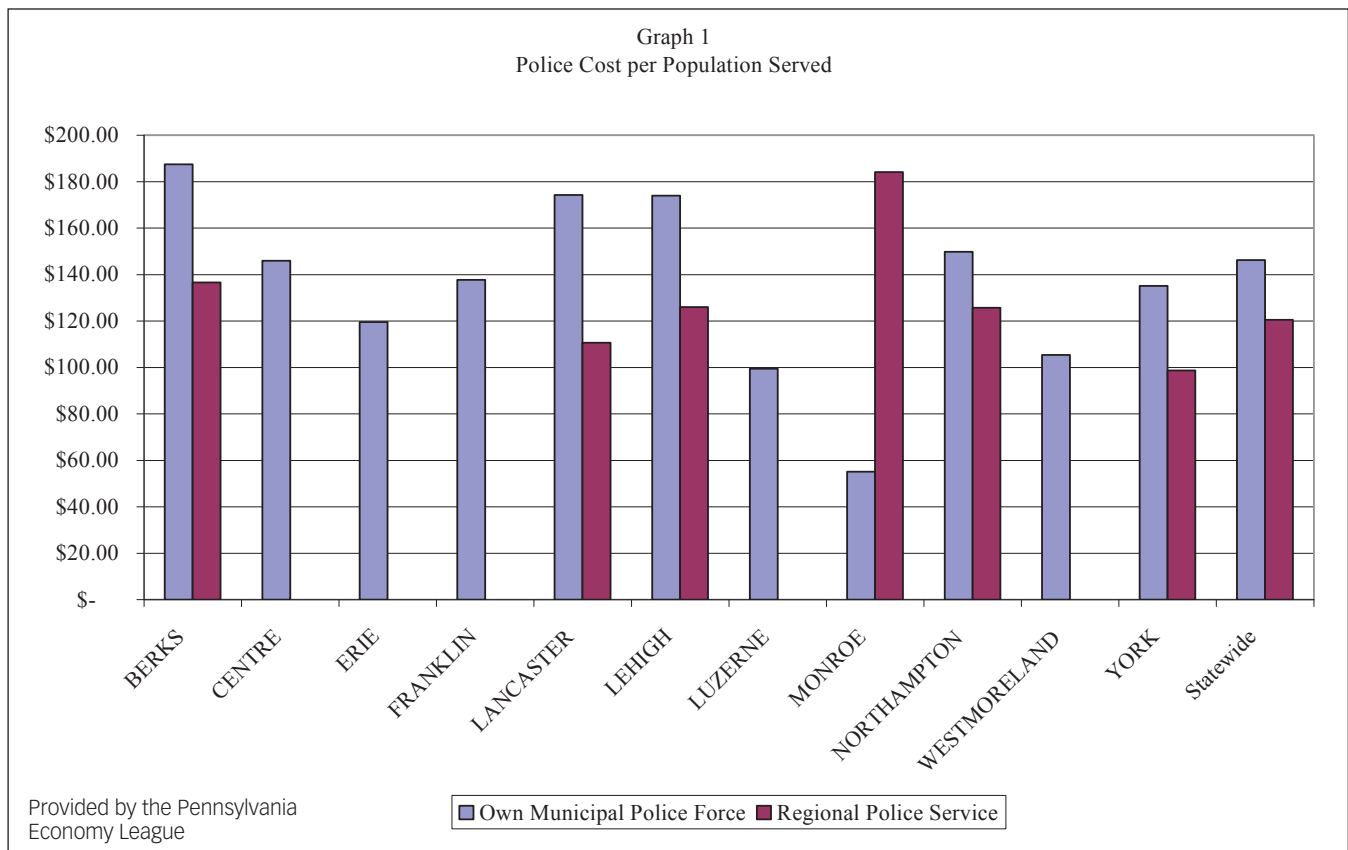
Structural consolidation/merger is a complex and time consuming process, with a high probability of failure based on the historical record. On the other hand, functional consolidation presents more realistic and significant opportunities to share services as opposed to structural consolidation. The requirements for boundary change are onerous and require majority consent in all municipalities affected by the proposed change. In relatively large metropolitan areas for example, consolidating or merging a wide variety of local governments into a single municipality is not a politically feasible solution. Multi-municipal consolidation/merger is thus not a viable alternative for promoting regional cooperation in the Commonwealth's major metropolitan areas.

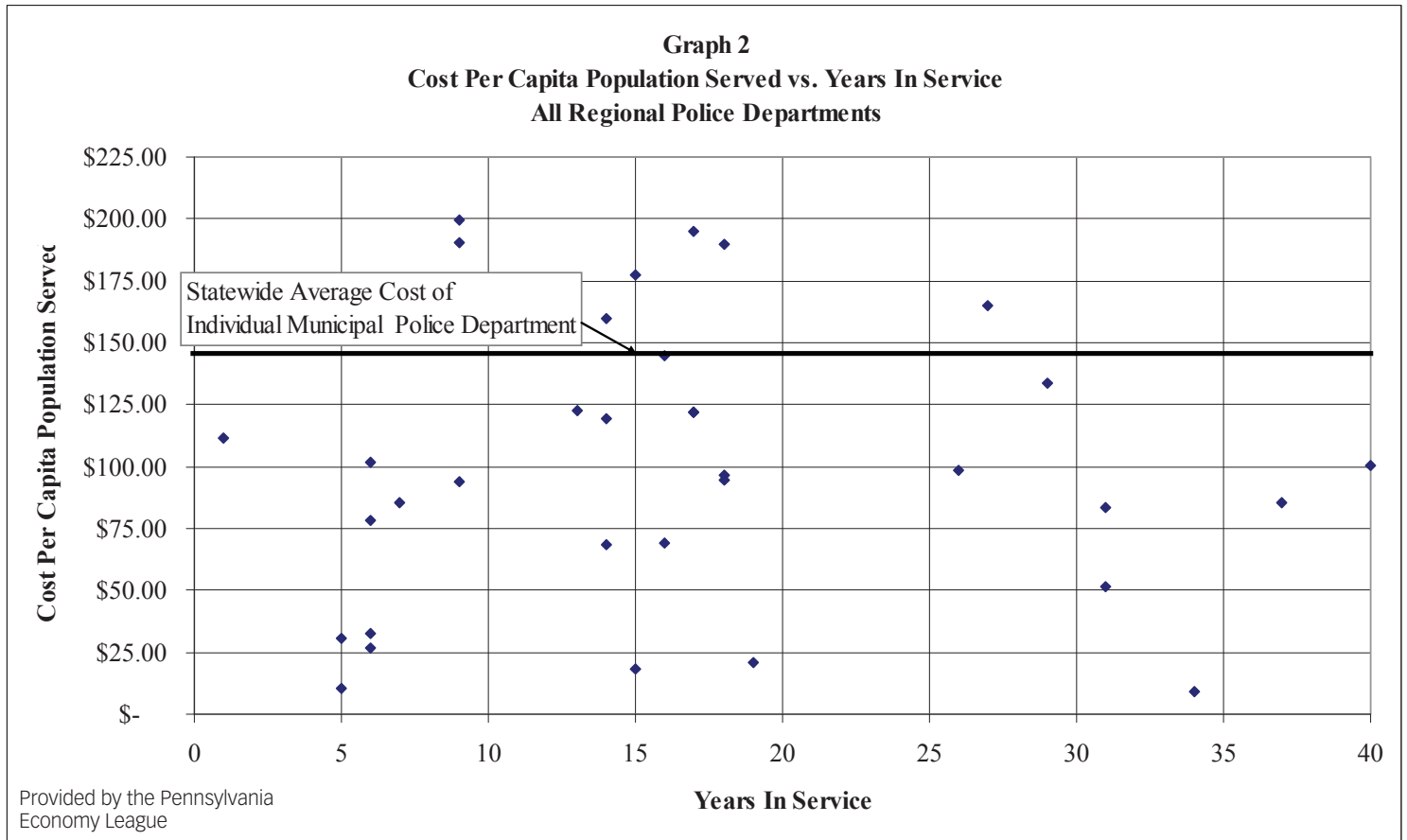
Functional consolidation, like structural consolidation/merger, may not automatically result in cost savings. Although both functional consolidation and structural consolidation may eliminate redundant municipal services and eliminate certain staff, the immediate necessity of bringing all existing collective bargaining agreements up to the level of the highest paying entity; the practical necessity of merging

pension plans and eliminating multiple plan administrators; the practical necessity of both maintaining a number of employees to provide existing service and to extend those employees to increase service activity into areas with no existing service often makes the initiation of shared services marginally less expensive. However, over time, a shared service provision maintains or improves the service by providing a higher and broader level of service at a cost that is collectively reduced for the amount of services provided.

Saving the service, or, perhaps more pointedly, providing and expanding the service to more citizens has been the experience of shared service activities in the Commonwealth. In regional police forces in such areas as Stroud Regional and Pocono Mountain Regional (Monroe County), and Berks/Lehigh Regional (Berks and Lehigh counties), the initial effort focused on providing efficient and effective policing in areas where the service was limited or non-existent. As the regional forces became operational, police service developed in quality and professionalism, and expanded to serve new municipalities. The costs to the original municipal members remained in line with what the expense of providing the separate police force would have been over time. In most cases, when new member municipalities join a regional police force, the overall initial expense was significantly less than the cost to start a new service from scratch in that municipality.

See Graphs 1 and 2 below for comparison of municipal police forces vs. regional police forces. 🌐





Local Governments Are Creatures of the State, Supreme Court Says

At a recent House hearing into local government consolidation and other solutions to reduce costs, debate arose over the General Assembly’s authority to mandate any change on the local government level. It appears the power sits with the General Assembly.

This concept of state supremacy is embodied in a fundamental precept of municipal law holding that municipalities are creatures of, and subject to the plenary power of, the state. This tenet is embodied in what is known as Dillon’s Rule.

For over a century, this general principle has explained the relationship between the state and its local governments. Judge John Dillon wrote in a now famous 1868 opinion that the powers of local governments must be sanctioned by the state:

It is a general and undisputed proposition that a municipal corporation possesses and can exercise the following powers, and no others: first, those granted in express words; second, those necessarily or fairly implied in or incident to the powers expressly granted; third, those essential to the accomplishment of the declared objects and purposes of the corporation—not simply convenient, but indispensable. Any fair, reasonable, substantial doubt concerning the existence of a power is resolved by the courts against a corporation, and the power is denied.

This doctrine was adopted by Pennsylvania in Philadelphia v. Fox, and it remains fundamental for the evaluation of local government powers.

PENNSYLVANIA LOCAL GOVERNMENT FACT SHEET
Governor's Center for Local Government Services
Department of Community and Economic Development
OCTOBER 2009

POPULATION OF THE STATE OF PENNSYLVANIA

Total Population - 12,281,054
Rural Municipalities – 1,655; **Rural Population** – 3,438,695 (28%)
Urban Municipalities – 907; **Urban Population** – 8,842,359 (72%)
48 of Pennsylvania's 67 Counties are considered Rural
 (Source – Center For Rural Pennsylvania)

MUNICIPALITIES BY TYPE		MUNICIPALITIES BY POPULATION		
# 1st Class Cities	1	(excludes counties)	NUMBER	%
# 2nd Class Cities	1	TOTAL NUMBER	<u>2,562</u>	<u>100.0</u>
# 2nd Class A Cities	1	Under 1,000	766	29.9
# 3rd Class Cities	53	1,000 - 2,499	743	29.0
# Boroughs	958	2,500 - 4,999	489	19.1
# 1st Class Townships	93	5,000 - 9,999	315	12.3
# 2nd Class Townships	1,454	10,000 - 14,999	109	4.3
# Towns	<u>1</u>	15,000 - 19,999	52	2.0
TOTAL NUMBER OF MUNICIPALITIES	2,562	20,000 + ABOVE	88	3.4
TOTAL NUMBER OF COUNTIES	67	<u>78.0% ARE UNDER 5,000 POPULATION</u>		
PLANNING COMMISSIONS IN PENNSYLVANIA (As of 2009)		FIRE DEPARTMENTS IN PENNSYLVANIA (As of 2009)		
TOTAL NUMBER	<u>1,528</u>	TOTAL NUMBER	<u>2,608</u>	
County	62	Paid	25	
Multi-County	10	Paid/Volunteer	108	
Municipal	1,456	Volunteer	2,475	
LOCAL PENSION PLANS (As of 1/1/2007)		MISCELLANEOUS (As of 2009)		
TOTAL NUMBER	<u>3,160</u>	# School Districts	500	
# Police	965	# COGS	155	
# Fire	79	# Municipal Managers	633	
# Non-Uniformed	2,116	# Home Rule Jurisdictions	71	
COUNTY & MUNICIPAL OFFICIALS (As of 2009)		COUNTY & MUNICIPAL EMPLOYEES (As of 2009)		
TOTAL NUMBER MUNICIPAL	<u>48,521</u>	TOTAL NUMBER-Full Time	<u>159,483</u>	
Elected	20,431	Part Time	65,911	
Appointed	28,090	County	56,160	9,751
TOTAL NUMBER COUNTY	<u>1,673</u>	City	40,963	2,133
Elected	1,006	Borough	10,145	9,351
Appointed	667	1st Class Twps.	6,065	2,665
		2nd Class Twps.	11,332	10,918
LOCAL AUTHORITIES IN PENNSYLVANIA (As of 2009)		POLICE DEPARTMENTS IN PENNSYLVANIA (As of 2009)		
TOTAL AUTHORITIES: Active & Inactive	2,398	TOTAL MUNICIPALITIES	<u>2,562</u>	
TOTAL INACTIVE AUTHORITIES	859	TOTAL POLICE DEPARTMENTS	<u>1,177</u>	
Active Authorities By Type:	<u>1,539</u>	Traditional	1,021	
Airport	42	Consolidated	32	
Business District Transit	26	Contractual	124	
Community Facility	25	State Police Exclusive	1,255	
Economic Development	9	Full-Time Officers	19,502	
Local Government Facilities	73	Part-Time Officers	4,517	
Multi-Purpose (Water & Sewer)	354	Full-Time Departments	884	
Non-Profit Institutions	75	Part-Time Departments	137	
Parking	31			
Recreation	62			
School	33			
Sewer	516			
Solid Waste	27			
Transit	34			

Local Government Costs, Inefficiencies Go Beyond Structural Issues

In 2008, Governor Rendell signed Act 32, which is saving businesses millions of dollars by streamlining the collection of the locally-imposed earned income tax. The General Assembly is now moving ahead on Pennsylvania's patchwork system of assessing property values.

The Legislative Budget and Finance Committee (LBFC) recently released a study aimed at finding ways to improve the state's fragmented method of reassessing property values.

House Finance Committee Chairman David Levdansky, D-Allegheny/Washington, introduced the resolution (H.R. 334) authorizing the study, which examined the methodology, financing, taxpayer protections and constitutional provisions that impact property tax assessment in Pennsylvania compared to other states.

"The impetus for the study was a court decision in which the state Supreme Court rejected an Allegheny County ruling and upheld that based-year assessments are constitutional," explained Levdansky. "That ruling raised serious questions about how counties implement their individual base years. Furthermore, counties are increasingly reluctant to implement a reassessment because they are costly and unpopular politically. So reassessments are only occurring when courts rule they are required. We need a statewide standard on when reassessments occur, a better way to fund them, and a requirement that limits property tax increases after a reassessment."

Lawmakers have become increasingly frustrated with Pennsylvania's county-based assessment system. Counties have total control over assessments, and face no time restrictions on when assessments must be performed. One of the lawmakers leading the charge for reform in Pennsylvania, John Yudichak, D-Luzerne, is from a county that has just reassessed its property for the first time in 40 years.

"We had some people paying \$80 a year in taxes on their homes, and of course their taxes went up after the reassessment," said an aide in Yudichak's district office. "People were irritated that they're taxes went up, but how do you tell them they have been under paying for decades because their properties haven't been reassessed."

Lawmakers are also reacting to a Su-

preme Court ruling ordering Allegheny County to reassess its properties. In the Allegheny County case, the court found that while the county's system has resulted in unfair assessments similar disparities will vary from county to county and should be addressed individually.

For their part, the counties say they are not tied to control. Executive Director of the County Commissioners Association of Pennsylvania, Doug Hill, said the counties wouldn't mind giving up control provided they were protected on other fronts. The counties bear the costs of administering the assessment process yet receive on average only 10 cents on the dollar of the property taxes collected based on the assessments.

The LBFC studied other state systems, especially the Maryland system. Under Maryland law, all real property must be physically reassessed once every three years. Any increase in value for an individual property would be phased in over the next three years, according to Gene L. Burner, who wrote and oversaw implementation of the law while Director of the State Department of Assessment & Taxation.

"For example, a group A property that increased in value upon reappraisal going from \$300,000 to \$420,000 would have a taxable assessment in the first year of \$340,000 (1/3 of the increase)," Burner wrote in an e-mail. "The taxable assessment for the second year would be \$380,000 and the taxable assessment for the third year would be \$420,000. The tax increases would be phased-in. But when property dropped in value, the tax would drop the full amount immediately after reassessment."

Levdansky said the current fragmented system allows counties to assess property values at varying time frames and methods, which can cause individual property values to rise dramatically between assessments and lead to disparate assessments on similar properties.

"Sometimes this system works to the advantage of the homeowner, but it's unfair to expect one homeowner to pay taxes based on an assessment in 2010, while their next-door neighbor could be paying based on an assessment from 20 years ago," Levdansky said. "Irregular assessments are also one reason people see huge jumps in

their property taxes for which they may not have budgeted.

"Homeowners often view reassessments as a tax increase, but for every tax increase, there generally is a decrease, especially now that the housing bubble has burst and many property values have declined," Levdansky continued. "Without a reassessment, people are paying higher taxes than they really should. Reassessments correct an unbalanced tax distribution."

The study found:

- Unlike many states, Pennsylvania obtains no revenue from property taxes.
- 22 counties have not completed on-site inspection of all properties since at least the mid-1980s.
- Counties differ in their property markets and assessment systems.
- Comprehensive countywide reassessment does not assure that statistical standards for assessments are met.
- The State Tax Equalization Board calculates certain statistical measures, but it is not designed to evaluate county systems or determine if a county should be required to reassess.
- State courts have a major role in Pennsylvania's property valuation and assessment system and have ordered counties to reassess.
- States differ in their real property valuation and assessment systems.

Levdansky said he will work to implement the LBFC recommendations for improving the current system:

- Authorizing a state agency to supervise county property valuation and assessment activities.
- Providing for state and local government financing of reassessments.
- Amending the state constitution to provide caps on individual property tax increases following reassessment; permit residential and commercial property to be treated as separate classes; permit partial or selective reassessments of certain geographic areas or property types (i.e. residential, commercial); and permit property to be valued based on its sales price. 🏠