



Research Summary

Pennsylvania Economy League

CENTRAL DIVISION

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Lehigh County

COUNTY AND MUNICIPAL REAL ESTATE TAX LEVIES FOR 2001 RISE BY 1.7 PERCENT SINCE LAST YEAR AND BY 9.8 PERCENT IN THE PAST FIVE YEARS

The gross real estate tax levy for 2001 for Lehigh County, Allentown City, and the county's boroughs and townships totals \$96,042,235, which is \$1,622,720 or 1.7 percent higher than in 2000. (The gross real estate tax levy is the potential tax yield based on millages and certified taxable valuations; it is not necessarily the amount of real estate tax revenues budgeted by jurisdictions or the amount which they expect to receive.)

Lehigh County's real estate tax levy increased by \$1,258,799 or 2.3 percent between 2000 and 2001 to \$55,850,455. Real estate tax levies also rose in 21 of the county's 24 municipalities. The largest dollar increase occurred in Upper Saucon Township (\$86,878); the largest proportionate growth was recorded in Upper Macungie Township (8.2 percent). Three municipalities experienced decreases in their real estate tax levies in 2001—Allentown City (\$7,958 or less than 0.1 percent) and the boroughs of Coopersburg (\$2,021 or 0.4 percent) and Slatington (\$7,059 or 1.3 percent). (See Exhibit I.)

For the five-year period beginning in 1996, the combined tax levy of the county and its 24 municipalities rose by \$8,601,605 or 9.8 percent. Lehigh County's real estate tax levy increased by \$5,049,396 or 9.9 percent during this period. Levies also rose in 22 municipalities; they decreased in two—the boroughs of Emmaus (\$41,078 or 2.1 percent) and Fountain Hill (\$475 or 0.1 percent). The largest dollar increases in tax levy during the five-year period were recorded in Allentown City (\$1,639,889) and Whitehall Township (\$689,812). The largest proportionate increases occurred in the townships of North Whitehall (73.2 percent) and Upper Macungie (42.9 percent).

In addition to new construction activities, demolitions, and the natural appreciation and depreciation of properties which can influence the change in the assessed valuation of a county and its municipalities from year to year, assessed valuations in Lehigh County during the period 1996 to 2001 (and, in conjunction with the real estate tax millages, perhaps the gross tax levies as well) have been influenced by several significant events: the deregulation of public utilities in the Commonwealth (and the resulting shift in their properties from tax-exempt to taxable status); changes in Pennsylvania's "Clean and Green" legislation (which expands the eligibility for preferential assessment to include farm property previously excluded from consideration for tax

exemption); and the implementation of Pennsylvania's Keystone Opportunity Zone (KOZ) and Keystone Opportunity Expansion Zone (KOEZ) programs (which are designed to encourage businesses and individuals to remain in or to move into these designated areas by providing tax incentives including exemption from real estate taxation).

The deregulation of utilities is believed to have increased the assessed valuation countywide and in some municipalities, but, as a byproduct of deregulation, all jurisdictions will experience a loss in revenue from the state as part of the Public Utility Realty Tax (PURTA) program. Conversely, the change in the "Clean and Green" legislation and the implementation of the KOZ and KOEZ programs result in reduced assessed valuations for selected properties in some municipalities and the county as a whole. While the specific impacts of these factors differ from jurisdiction to jurisdiction, combined, it is believed that they have had a noticeable effect on the total value of taxable property in Lehigh County during the five-year period under review.

Real estate tax levies for 2001 in Lehigh County's boroughs total \$5,068,784 and range from \$192,250 in Macungie to \$1,874,456 in Emmaus; the levies in the townships total \$13,588,568 and range from \$51,661 in Upper Milford to \$4,551,968 in Whitehall. The 2001 tax levies in the boroughs rose by \$12,233 or 0.2 percent from 2000 and by \$127,101 or 2.6 percent over 1996. Levies in the townships during these two periods of time increased by \$359,646 or 2.7 percent and \$1,785,220 or 15.1 percent, respectively. Allentown City's 2001 real estate tax levy is \$21,524,428—\$7,958 or less than 0.1 percent lower than in 2000 but \$1,639,889 or 8.2 percent higher than in 1996.

Real estate tax millages for general purposes (and for special purposes if levied throughout the jurisdiction) remained unchanged in 22 county municipalities in 2001 and decreased by 0.10 mill or 5.0 percent in Weisenberg Township. In Allentown City, which unlike the county's other municipalities levies separate tax rates on the land and improvements value of each property, the 2001 millage on land increased 4.72 mills or 14.4 percent over last year, and the millage on improvements decreased by 1.07 mills or 11.8 percent. For purposes of comparison, Allentown's separate 2001 millages on land and improvements convert to a single millage equivalent of 13.19 mills, which is down by 0.05 mill or 0.4 percent from 2000. (See Exhibit I.)

Lehigh County's millage remained unchanged from last year at 7.31 mills.

For the five-year period beginning in 1996, general purpose real estate tax millages increased in eight county municipalities; decreased in two—Emmaus Borough (0.27 mills or 3.6 percent) and Weisenberg (0.10 mill or 5.0 percent); and were unchanged in the remaining 14. The largest millage increases were recorded in the boroughs of Alburtis (1.0 mill), Coopersburg (0.50 mills), and Coplay (0.40 mill) and in Whitehall Township (0.50 mill). The largest proportionate increase in real estate millage during the five-year period was in North Whitehall Township—50.0 percent.

For purposes of comparison, Allentown City's single millage equivalent rose by 0.97 mill or 7.9 percent over its 1996 rate; Lehigh County's tax rate was the same in 2001 as it was in 1996.

Millage rates in Lehigh County's boroughs now range from 2.95 in Macungie to 10.63 in Slatington; millages in the townships range from 0.25 in Upper Milford to 7.15 in Whitehall.

Allentown's 2001 real estate tax rates are 37.49 mills on land and 7.98 mills on improvements; the single millage equivalent is 13.19 mills. (See Exhibit I.)

In addition to the general purpose and municipal-wide special purpose real estate taxes mentioned above, some municipalities may levy special purpose real estate taxes only in selected areas of the jurisdiction for such services as street lighting and fire hydrants. These are not included in this study, nor are service fees which may be charged for garbage collection, sewage collection and treatment, and so forth. For example, eight Lehigh County municipalities report annual garbage collection fees in 2001 ranging from \$132 to \$228 per household. Also, various nonproperty taxes, particularly those levied under Act 511, are widely used by Lehigh County's municipalities (and school districts, as well). Included are earned income, per capita, occupational privilege, real estate transfer, amusement, mercantile, and business privilege taxes. **During the period under review, some jurisdictions may have imposed for the first time or may have increased nonproperty tax rates, service fees, or special purpose real estate taxes.**

The certified assessed valuation of taxable property in Lehigh County for 2001 totals \$7,640,281,100, an increase of \$172,202,300 or 2.3 percent over 2000. Assessed valuations increased in 22 of the county's 24 municipalities since last year ranging from \$58,150 or 0.1 percent in Coplay Borough to \$64,408,700 or 8.2 in Upper Macungie Township. Decreases in assessed valuations since last year were recorded in the boroughs of Coopersburg (\$252,600 or 0.4 percent) and Slatington (\$664,100 or 1.3 percent).

Allentown City's total assessed valuation for 2001 increased by \$5,900,400 or 0.4 percent to \$1,632,560,000; the assessment on land is \$288,261,550 (up by \$693,400 or 0.2 percent from last year), and the assessment on improvements is \$1,344,298,450 (up by \$5,207,000 or 0.4 percent).

For the five-year period beginning in 1996, Lehigh County's assessed valuation rose by \$690,751,750 or 9.9 percent. Assessed valuations increased in 22 of the county's municipalities between 1996 and 2001. The largest increase occurred in Upper Macungie Township (\$255,033,250 or 42.9 percent). Decreases were recorded in the boroughs of Fountain Hill (\$46,300 or 0.1 percent) and Slatington (\$737,350 or 1.4 percent). (See Exhibit II.)

The 2001 assessed valuations in Lehigh County's eight boroughs range from \$33,671,250 in Alburtis to \$258,545,650 in Emmaus, while the range in the 15 townships is from \$61,818,400 in Lowhill to \$849,406,750 in Upper Macungie. Allentown City's 2001 assessed valuation is \$1,632,560,000.

The county's predetermined assessment ratio for 1996, 2000, and 2001 is 50 percent of market value. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 52.9 percent in 1996 and 48.6 percent in 1999 (the most recent figure available). The county most recently reassessed in 1991.

The foregoing narrative and exhibits which follow are designed primarily to identify changes since last year and during the most recent five-year period in the real estate tax levies, tax

rates, and assessed valuations of the county government and each municipality in the county. No valid comparison of tax burden among the municipalities can be made without a detailed analysis of the quantity and quality of services provided and the role of nonproperty taxes, special fees, and charges, and any municipal-operated utilities, such as sewer and water.

The Pennsylvania Economy League was incorporated in 1936 as a statewide, nonprofit, nonpartisan, citizen-supported research organization. It provides critical information, perspective, and policy analysis to the business, civic, and governmental leadership of our communities and our state to support their efforts to make Pennsylvania a better place to live, work, and do business. PEL serves as a catalyst for moving ideas into action by working in partnership with governmental, business, and civic groups to develop consensus and action on public policies, programs, and solutions that will increase the effectiveness and efficiency of state government, improve the economic climate and competitiveness, and raise the quality of life in the state. At the local level PEL engages in a variety of research projects and related activities designed to bring about the sound financing and most cost-effective delivery of necessary public services. PEL's program of professional and unbiased research is made possible by the voluntary tax-deductible memberships of more than 1,000 individuals, businesses, institutions, and associations in Lehigh County and throughout Pennsylvania.

EXHIBIT I

Lehigh County
County and Municipal Real Estate Tax Rates and Levies ^{1/}
 2001

	2001		Change 2000 to 2001				Change 1996 to 2001				
	Tax Millage	Gross Tax Levy ^{2/}	Tax Rate		Gross Tax Levy		Tax Rate		Gross Tax Levy		
			Mills	%	\$	%	Mills	%	\$	%	
COUNTY:											
Lehigh ^{HR/}	7.31	\$55,850,455	—	—	1,258,799	2.3	—	—	5,049,396	9.9	
CITIES:											
Allentown—Total ^{HR/ 3/}	13.19	21,524,428	-0.05	-0.4	-7,958	<-0.1	0.97	7.9	1,639,889	8.2	
Land	37.49	10,806,926	4.72	14.4	1,383,318	14.7	NA	NA	NA	NA	
Improvements	7.98	10,727,502	-1.07	-11.8	-1,391,276	-11.5	NA	NA	NA	NA	
BOROUGHES:											
Alburtis	7.40	249,167	—	—	1,017	0.4	1.00	15.6	48,538	24.2	
Catasauqua	7.00	679,096	—	—	1,713	0.3	—	—	16,019	2.4	
Coopersburg	8.00	450,325	—	—	-2,021	-0.4	0.50	6.7	33,851	8.1	
Coplay	5.40	292,318	—	—	314	0.1	0.40	8.0	29,764	11.3	
Emmaus	7.25	1,874,456	—	—	14,671	0.8	-0.27	-3.6	-41,078	-2.1	
Fountain Hill	10.25	774,380	—	—	974	0.1	—	—	-475	-0.1	
Macungie	2.95	192,250	—	—	2,624	1.4	0.18	6.5	35,041	22.3	
Slatington	10.63	556,792	—	—	-7,059	-1.3	0.25	2.4	5,441	1.0	
TOWNSHIPS:											
Hanover ^{HR/}	0.50	67,717	—	—	380	0.6	—	—	2,567	3.9	
Heidelberg	1.40	94,265	—	—	1,262	1.4	—	—	4,082	4.5	
Lower Macungie	0.50	320,115	—	—	12,760	4.2	—	—	46,508	17.0	
Lower Milford	2.00	213,465	—	—	6,124	3.0	—	—	20,627	10.7	
Lowhill	2.00	123,637	—	—	5,300	4.5	—	—	17,125	16.1	
Lynn	1.30	108,304	—	—	1,858	1.7	—	—	7,506	7.4	
North Whitehall	0.75	280,949	—	—	7,864	2.9	0.25	50.0	118,714	73.2	
Salisbury ❖	4.18	1,728,625	—	—	23,139	1.4	—	—	73,357	4.4	
South Whitehall ❖	4.90	3,198,390	—	—	68,068	2.2	—	—	158,306	5.2	
Upper Macungie	1.00	849,407	—	—	64,409	8.2	—	—	255,034	42.9	
Upper Milford	0.25	51,661	—	—	984	1.9	—	—	5,511	11.9	
Upper Saucon	4.20	1,671,668	—	—	86,878	5.5	—	—	332,949	24.9	
Washington	0.70	89,828	—	—	1,173	1.3	—	—	4,121	4.8	
Weisenberg	1.90	238,569	-0.10	-5.0	4,710	2.0	-0.10	-5.0	49,002	25.8	
Whitehall ❖ ^{HR/}	7.15	4,551,968	—	—	74,737	1.7	0.50	7.5	689,812	17.9	

^{HR/} Home Rule Charter municipality.

❖ First Class Township.

NA = Not Applicable

^{1/} Tax rates and levies for 1996, 2000, and 2001 are based on certified municipal assessments at a predetermined 50 percent assessment ratio. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 52.9 percent in 1996 and 48.6 percent in 1999 (the most recent figure available).

^{2/} The gross real estate tax levy is the potential tax yield based on the millage and the certified taxable valuation; it is not necessarily the amount of real estate tax revenue budgeted by a jurisdiction or the amount which it expects to receive.

^{3/} Figures represent the single millage equivalent of the city's split tax rate on land and improvements (which was initiated in 1997) and the resulting combined tax levy.

EXHIBIT II

Lehigh County
Assessed Valuations ^{1/}
 2001

	2001 Assessed Valuation	Change 2000 to 2001		Change 1996 to 2001	
		\$	%	\$	%
COUNTY:					
Lehigh ^{HR/}	\$7,640,281,100	172,202,300	2.3	690,751,750	9.9
CITIES:					
Allentown—Total ^{HR/}	1,632,560,000	5,900,400	0.4	4,529,000	0.3
Land	288,261,550	693,400	0.2	NA	NA
Improvements	1,344,298,450	5,207,000	0.4	NA	NA
Bethlehem ^{2/}	1,586,173,300	-857,650	-0.1	-20,089,500	-1.3
BOROUGHS:					
Alburtis	33,671,250	137,400	0.4	2,322,950	7.4
Catasauqua	97,013,700	244,750	0.3	2,288,450	2.4
Coopersburg	56,290,600	-252,600	-0.4	760,700	1.4
Coplay	54,132,900	58,150	0.1	1,622,000	3.1
Emmaus	258,545,650	2,023,550	0.8	3,820,450	1.5
Fountain Hill	75,549,300	95,100	0.1	-46,300	-0.1
Macungie	65,169,500	889,600	1.4	8,415,150	14.8
Slatington	52,379,300	-664,100	-1.3	-737,350	-1.4
TOWNSHIPS:					
Hanover ^{HR/}	135,434,600	760,450	0.6	5,134,450	3.9
Heidelberg	67,332,250	901,750	1.4	2,915,450	4.5
Lower Macungie	640,229,450	25,519,450	4.2	93,015,850	17.0
Lower Milford	106,732,600	3,061,950	3.0	10,313,750	10.7
Lowhill	61,818,400	2,650,050	4.5	8,562,400	16.1
Lynn	83,310,650	1,429,050	1.7	5,773,850	7.4
North Whitehall	374,598,750	10,484,800	2.9	50,128,600	15.4
Salisbury ❖	413,546,600	5,535,600	1.4	17,549,500	4.4
South Whitehall ❖	652,732,650	13,891,350	2.2	32,307,400	5.2
Upper Macungie	849,406,750	64,408,700	8.2	255,033,250	42.9
Upper Milford	206,645,050	3,938,100	1.9	22,043,200	11.9
Upper Saucon	398,016,100	20,685,050	5.5	79,273,500	24.9
Washington	128,325,800	1,676,050	1.3	5,886,900	4.8
Weisenberg	125,562,400	8,632,950	7.4	30,778,800	32.5
Whitehall ❖ ^{HR/}	636,638,950	10,452,850	1.7	55,863,550	9.6

^{HR/} Home Rule Charter municipality.

❖ First Class Township.

NA = Not Available

^{1/} Valuations for 1996, 2000, and 2001 are based on certified municipal assessments at a predetermined 50 percent assessment ratio. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 52.9 percent in 1996 and 49.3 percent in 1999 (the most recent figure available).

^{2/} Represents only the portion of Bethlehem City located in Lehigh County.

SOURCE: Lehigh County Assessment Office.

PEL:CD March 2001