



Research Summary

Pennsylvania Economy league

CENTRAL DIVISION

September 1999

Lehigh County

SCHOOL REAL ESTATE TAX LEVIES FOR 1999 RISE BY 5.3 PERCENT SINCE LAST YEAR AND BY 27.5 PERCENT IN THE PAST FIVE YEARS

Real estate tax levies for 1999 (the potential tax yields based on millages and taxable valuations) for Lehigh County's nine school districts total \$194,931,266, which is \$9,733,074 or 5.3 percent higher than in 1998.

Real estate tax levies rose in seven of the county's districts between 1998 and 1999 because of increases in millage rates and/or higher assessed valuations; decreases occurred in two districts. The largest dollar and proportionate increases occurred in East Penn (\$2,899,526 or 8.8 percent), Parkland (\$3,899,010 or 9.5 percent), and Southern Lehigh (\$1,404,316 or 12.4 percent). The decreases in the real estate tax levy occurred in Allentown City (\$243,137 or 0.5 percent) and Catasauqua Area (\$1,612 or less than 0.1 percent).

For the five-year period beginning in 1994, the real estate tax levies of Lehigh's school districts rose by \$42,072,224 or 27.5 percent. Levies increased in eight of the county's districts during this period. Increases ranged from \$346,064 (3.4 percent) in Salisbury Township to \$17,501,310 (63.8 percent) in Parkland. Another large increase occurred in East Penn (\$14,035,961, also 63.8 percent). Allentown City recorded a decrease of \$1,008,265 or 2.0 percent in its real estate tax levy between 1994 and 1999.

School district real estate tax levies for 1999 range from \$7,018,641 in Catasauqua Area to \$49,859,274 in Allentown City; in 1994 the range was from \$6,205,461 in Northern Lehigh to \$50,867,539 in Allentown City. (See Table 1.)

Real estate tax millages increased in six of the county's school districts between 1998 and 1999 and were unchanged in three. The largest absolute and proportionate increases occurred in East Penn (1.91 mills or 6.4 percent), Parkland (1.57 mills or 6.5 percent), and Southern Lehigh (2.0 mills or 8.9 percent). The districts which retained last year's millage rates were Allentown City, Catasauqua Area, and Northwestern Lehigh.

For the five-year period beginning in 1994, school millages increased in eight of the nine county districts. Increases during this period ranged from 1.63 mills or 6.8 percent in Salisbury Township to 10.57 mills or 50.1 percent in East Penn; the 1999 millage in Allentown City remained unchanged from 1994.

Improving Government Since 1936

Table 1

Change in School District Real Estate Tax Levies—1999

School District	1999	Change 1998 to 1999		Change 1994 to 1999	
	Tax Levy	\$	%	\$	%
Allentown City	\$ 49,859,274	\$ -243,137	-0.5%	\$ -1,008,265	-2.0%
Catasauqua Area	7,018,641	-1,612	<-0.1	669,871	10.6
East Penn	36,007,809	2,899,526	8.8	14,035,961	63.8
Northern Lehigh	7,928,332	230,249	3.0	1,722,871	27.8
Northwestern Lehigh	10,029,753	316,583	3.3	2,290,113	29.6
Parkland	44,919,190	3,899,010	9.5	17,501,310	63.8
Salisbury Township	10,469,942	344,939	3.4	346,064	3.4
Southern Lehigh	12,684,935	1,404,316	12.4	2,941,192	30.2
Whitehall-Coplay	<u>16,013,390</u>	<u>883,199</u>	5.8	<u>3,573,106</u>	28.7
Total	\$194,931,266	\$9,733,074	5.3%	\$42,072,224	27.5%

Millage rates in 1999 among Lehigh's districts range from 24.0 mills in Whitehall-Coplay to 36.3 mills in Northern Lehigh; the range in 1994 was from 18.80 mills in Parkland to 31.27 mills in Allentown City. (See Table 2.)

Table 2

Change in School District Real Estate Tax Millages—1999

School District	1999	Change 1998 to 1999		Change 1994 to 1999	
	Millage	Mills	%	Mills	%
Allentown City	31.270	—	— %	—	— %
Catasauqua Area	25.750	—	—	3.16	14.0
East Penn	31.660	1.91	6.4	10.57	50.1
Northern Lehigh	36.300	1.00	2.8	6.75	22.8
Northwestern Lehigh	31.680	—	—	3.35	11.8
Parkland	25.770	1.57	6.5	6.97	37.1
Salisbury Township	25.625	0.75	3.0	1.63	6.8
Southern Lehigh	24.500	2.00	8.9	2.00	8.9
Whitehall-Coplay	24.000	1.00	4.3	3.60	17.6

Assessed valuations of taxable property rose in eight county school districts in 1999 ranging from \$124,550 (or 0.1 percent) in the Lehigh County portion of Catasauqua Area to \$48,031,950 (or 2.8 percent) in Parkland. Other sizable dollar increases occurred in East Penn (\$24,444,700) and Southern Lehigh (\$16,931,600), which, along with Northwestern Lehigh, recorded the largest proportionate growth at 3.3 percent. The sole decrease was experienced in Allentown City (\$7,775,400 or 0.5 percent).

For the five-year period beginning in 1994, assessed valuations of taxable property increased in six of the county's nine school districts ranging from \$6,315,600 (3.6 percent) in the Lehigh County portion of Northern Lehigh to \$284,682,850 (19.5 percent) in Parkland. Other sizable dollar increases during this period were recorded in East Penn (\$95,514,600) and Southern Lehigh (\$84,697,200), which experienced the largest proportionate growth (19.6 percent). Decreases in assessed valuations between 1994 and 1999 occurred in Allentown City (\$32,243,850 or 2.0 percent), the Lehigh County portion of Catasauqua Area (\$5,141,650 or 2.2 percent), and Salisbury Township (\$13,245,150 or 3.1 percent).

The 1999 school district assessed valuations range from \$179,568,400 in the Lehigh County portion of Northern Lehigh to \$1,743,080,700 in Parkland; in 1994 the valuations ranged from \$173,252,800 in the Lehigh County portion of Northern Lehigh to \$1,626,720,150 in Allentown City. (See Table 3.)

Table 3

Change in School District Assessed Valuations—1999

School District	1999	Change 1998 to 1999		Change 1994 to 1999	
	Assessed Value	\$	%	\$	%
Allentown City	\$1,594,476,300	\$-7,775,400	-0.5%	\$-32,243,850	-2.0%
Catasauqua Area ^{1/}	226,815,850	124,550	0.1	-5,141,650	-2.2
East Penn	1,137,328,150	24,444,700	2.2	95,514,600	9.2
Northern Lehigh ^{1/}	179,568,400	527,650	0.3	6,315,600	3.6
Northwestern Lehigh	316,595,750	9,993,150	3.3	43,399,850	15.9
Parkland	1,743,080,700	48,031,950	2.8	284,682,850	19.5
Salisbury Township	408,583,100	1,547,800	0.4	-13,245,150	-3.1
Southern Lehigh	517,752,450	16,391,600	3.3	84,697,200	19.6
Whitehall-Coplay	667,224,600	9,390,200	1.4	57,406,750	9.4

^{1/} Includes Lehigh County portion only.

The county's predetermined assessment ratio for 1999, 1998, and 1994 is 50 percent. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 50.1 percent in 1994 and 49.3 percent in 1998 (the most recent figure available). The county most recently reassessed in 1991.

Enrollments in Lehigh County's public school districts for the 1998-99 school year (the most recent readily available figures) were up by 1.9 percent over the prior year and by 8.9 percent from five years earlier—the 1993-94 school year. For the one-year period, enrollments increased in seven districts, decreased in one, and were unchanged in one—Northern Lehigh. Southern Lehigh rose the greatest (3.5 percent), followed by Catasauqua Area and Parkland (each 3.2 percent), and Whitehall-Coplay (2.8 percent). The smallest increases were in East Penn (0.1 percent) and Salisbury Township (0.9 percent). The sole decrease in enrollment during this period was recorded in Northwestern Lehigh (0.4 percent).

Eight of the county's nine districts had higher enrollments in 1998-99 than in 1993-94. During the five-year period the largest increases occurred in Parkland (16.9 percent), Whitehall-Coplay (14.4 percent), and Allentown City (12.0 percent). The sole decrease during this period was in Northern Lehigh (0.4 percent). (See Table 4.)

Table 4

Change in Total Enrollments by School District—1999

School District	1998-99 Enrollment	Change 1997-98 to 1998-99		Change 1993-94 to 1998-99	
		Pupils	%	Pupils	%
Allentown City	15,986	357	2.3%	1,707	12.0%
Catasauqua Area	1,836	57	3.2	41	2.3
East Penn	6,559	9	0.1	46	0.7
Northern Lehigh	2,209	—	—	-9	-0.4
Northwestern Lehigh	2,290	-10	-0.4	81	3.7
Parkland	7,484	231	3.2	1,082	16.9
Southern Lehigh	2,634	90	3.5	203	8.4
Salisbury Township	1,813	16	0.9	32	1.8
Whitehall-Coplay	<u>3,735</u>	<u>101</u>	2.8	<u>471</u>	14.4
Total	44,546	851	1.9%	3,654	8.9%

Combined county, municipal, and school district real estate tax millages were higher in 1999 than in 1998 in 17 of the county's 24 municipalities as a result of millage increases in six school districts and one municipality. The increases in total millage ranged from 0.61 mill in Fountain Hill Borough to 2.00 mills in each of the municipalities of the Southern Lehigh School District. The combined 1999 millages in Allentown City, Catasauqua Borough, and the townships of Hanover, Heidelberg, Lowhill, Lynn, and Weisenberg were unchanged from 1998. Combined county, municipal, and school district real estate tax millages were higher in 1999 than in 1994 in 23 county municipalities as a result of increases in eight school districts and eight municipalities. The increases in total millage between 1994 and 1999 ranged from 1.63 mills in Salisbury Township to 11.57 mills in Alburts Borough. The combined 1999 millage in Allentown City was unchanged from 1994. (See Exhibit I.)

The combined 1999 real estate tax levy for the nine school districts, Lehigh County, Allentown City, and the 24 boroughs and townships is \$286,442,633, which is \$10,695,058 or 3.9 percent higher than in 1998 and \$47,734,221 or 20.0 percent higher than in 1994. Of the overall net increase in the real estate tax levy since last year, the school districts represent 91.1 percent; the county, 7.0 percent; and the boroughs and townships, 2.0 percent. The city's tax levy decreased. Of the net increase since 1994, the school districts represent 88.2 percent; the county, 8.2 percent; and the boroughs and townships, 4.1 percent. The city's levy also decreased during the five-year period.

In 1994 the school districts represented 64.0 percent of the total amount of real estate taxes levied in Lehigh County; the county government, 20.8 percent; the city, 8.4 percent; and the boroughs and townships, 6.8 percent. By 1999 the school districts' share of the total amount of real estate taxes levied in Lehigh County had increased to 68.1 percent; the county government's share had decreased to 18.7 percent; the city's share had decreased to 6.9 percent; and the boroughs' and townships' portion of the real estate taxes levied in the county had dropped to 6.3 percent. (See Table 5.)

Table 5

Change in Combined School District, County, City, Borough, and Township Real Estate Tax Levies--1999

	Real Estate Tax Levy				Change 1998 to 1999		Change 1994 to 1999	
	1999	% of Total			\$	% of Total	\$	% of Total
		1999	1998	1994				
County	\$ 53,552,267	18.7%	19.1%	20.8%	\$ 751,888	7.0%	\$ 3,932,972	8.2%
School Districts	194,931,266	68.1	67.2	64.0	9,733,074	91.1	42,072,224	88.2
City	19,886,801	6.9	7.2	8.4	-5,824	-0.1	-230,438	-0.5
Boros. & Twps.	<u>18,072,299</u>	<u>6.3</u>	<u>6.5</u>	<u>6.8</u>	<u>215,920</u>	<u>2.0</u>	<u>1,959,463</u>	<u>4.1</u>
Total	\$286,442,633	100.0%	100.0%	100.0%	\$10,695,058	100.0%	\$ 47,734,221	100.0%

The total county, school district, and municipal real estate tax levy for individual municipalities in 1999 ranges from \$1,548,049 in Alburty's Borough to \$82,462,006 in Allentown City. Increases in the combined levy between 1998 and 1999 occurred in all or part of 22 of the county municipalities which are members of a Lehigh County school district. On a proportionate basis, the increases ranged from 0.6 percent in Catasauqua Borough to 10.3 percent in Upper Saucon Township. A decrease in the combined levy of 0.4 percent was recorded in Hanover Township. Between 1994 and 1999 increases in the combined levy were recorded in all or part of each county municipality which is a member of a Lehigh County school district; the portion of Allentown in the Allentown City School Districts experienced a decrease in the combined levy of 2.0 percent. Increases in the combined levy during the five-year period ranged from 1.3 percent in Salisbury Township to 63.9 percent in both North Whitehall Township and Upper Macungie Township. (See Exhibit II.)

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, 11 Lehigh County municipalities report annual garbage collection fees in 1999 ranging from \$134 to \$200 per household. Also, various nonproperty taxes, particularly those levied under Act 511 (earned income, per capita, occupational privilege, real estate transfer, amusement, mercantile, and business privilege), are widely used by Lehigh County's school districts and municipalities. **During the period under**

review some jurisdictions may have imposed for the first time or may have changed nonproperty tax rates, service fees, or special purpose real estate taxes.

The foregoing narrative and tables and the 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's school districts. No valid comparison of tax burden among jurisdictions can be made without a detailed analysis of the quantity and quality of services and programs provided; capital projects underway or recently completed; the relative role of state funding in financing school district operations; the use of nonproperty taxes and special fees and charges, if any; and, in the case of counties and municipalities, the role of any government-operated utilities.

The Pennsylvania Economy League is a 63-year old nonprofit, nonpartisan organization which serves as an active agent of change for the increased effectiveness of state government, and also for the adoption of state policies and programs which will improve the state's economy and encourage economic development in order to improve the quality of life for the citizens of Pennsylvania. At the local level PEL works to improve government by bringing about the sound financing and the most cost-effective delivery of necessary public services. To these ends, PEL encourages and assists officials of Pennsylvania's state and local governments in formulating and implementing sound policies and practices through its program of professional and unbiased research in government finance and management. PEL's efforts are 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
Municipal, School, and County Real Estate Tax Rates—1999

Municipalities	1999 Millage			Change 1998 to 1999						Change 1994 to 1999					
	Municipal	School District	Total ^{1/}	Municipal		School District		Total ^{2/}		Municipal		School District		Total ^{2/}	
				Mills	%	Mills	%	Mills	%	Mills	%	Mills	%	Mills	%
CITIES:															
Allentown ^{HR/ 3/ 4/}	12.23	31.27	50.81	—	—	—	—	—	—	—	—	—	—	—	—
BOROUGHES:															
Alburtis	7.40	31.66	46.37	—	—	1.91	6.4	1.91	4.3	1.00	15.6	10.57	50.1	11.57	33.2
Catasauqua	7.00	25.70	40.01	—	—	—	—	—	—	—	—	3.16	14.0	3.16	8.6
Coopersburg	8.00	24.50	39.81	—	—	2.00	8.9	2.00	5.3	1.95	32.2	2.00	8.9	3.95	11.0
Coplay	5.00	24.00	36.31	—	—	1.00	4.3	1.00	2.8	—	—	3.60	17.6	3.60	11.0
Emmaus	7.25	31.66	46.22	-0.06	-0.8	1.91	6.4	1.85	4.2	-0.27	-3.6	10.57	50.1	10.30	28.7
Fountain Hill	10.25	26.14	43.70	—	—	0.61	2.4	0.61	1.4	1.56	18.0	5.09	24.2	6.65	17.9
Macungie	2.95	31.66	41.92	—	—	1.91	6.4	1.91	4.8	0.18	6.5	10.57	50.1	10.75	34.5
Slatington	10.63	36.30	54.24	0.25	2.4	1.00	2.8	1.25	2.4	0.25	2.4	6.75	22.8	7.00	14.8
TOWNSHIPS:															
Hanover ^{HR/}	0.50	25.70	33.51	—	—	—	—	—	—	—	—	3.16	14.0	3.16	10.4
Heidelberg	1.40	31.68	40.39	—	—	—	—	—	—	—	—	3.35	11.8	3.35	9.0
Lower Macungie	0.50	31.66	39.47	—	—	1.91	6.4	1.91	5.1	—	—	10.57	50.1	10.57	36.6
Lower Milford	2.00	24.50	33.81	—	—	2.00	8.9	2.00	6.3	—	—	2.00	8.9	2.00	6.3
Lowhill	2.00	31.68	40.99	—	—	—	—	—	—	—	—	3.35	11.8	3.35	8.9
Lynn	1.30	31.68	40.29	—	—	—	—	—	—	—	—	3.35	11.8	3.35	9.1
North Whitehall	0.75	25.77	33.83	—	—	1.57	6.5	1.57	4.9	0.25	50.0	6.97	37.1	7.22	27.1
Salisbury ♦	4.18	25.63	37.12	—	—	0.75	3.0	0.75	2.1	—	—	1.63	6.8	1.63	4.6
South Whitehall ♦	4.90	25.77	37.98	—	—	1.57	6.5	1.57	4.3	—	—	6.97	37.1	6.97	22.5
Upper Macungie	1.00	25.77	34.08	—	—	1.57	6.5	1.57	4.8	—	—	6.97	37.1	6.97	25.7
Upper Milford	0.25	31.66	39.22	—	—	1.91	6.4	1.91	5.1	—	—	10.57	50.1	10.57	36.9
Upper Saucon	4.20	24.50	36.01	—	—	2.00	8.9	2.00	5.9	—	—	2.00	8.9	2.00	5.9
Washington	0.70	36.30	44.31	—	—	1.00	2.8	1.00	2.3	—	—	6.75	22.8	6.75	18.0
Weisenberg	2.00	31.68	40.99	—	—	—	—	—	—	—	—	3.35	11.8	3.35	8.9
Whitehall ♦ ^{HR/}	7.15	24.00	38.46	—	—	1.00	4.3	1.00	2.7	0.50	7.5	3.60	17.6	4.10	11.9

♦ First Class Township

^{HR/} Home Rule Charter Municipality

^{1/} Includes the county's real estate tax rate of 7.31 mills.

^{2/} Reflects no change in the county's real estate millage.

^{3/} Municipal millages represent the single millage equivalent of the City's split tax rate on land and improvements.

^{4/} Portions of the municipality are part of another school district and may have different school and total tax rates.

SOURCE: County, Municipalities, and School Districts

PEL:CD September 1999

EXHIBIT II

Lehigh County
County, Municipal, and School District Real Estate Tax Levies—1999

Municipalities Arranged by School District ^{1/}	1999 Real Estate Tax Levies				Percentage Change 1998 to 1999				Percentage Change 1994 to 1999			
	County	Municipal	S.D.	Total	County	Municipal	S.D.	Total	County	Municipal	S.D.	Total
	\$	\$	\$	\$	%	%	%	%	%	%	%	%
Allentown City												
Allentown City ^{HR/ 2/}	11,655,622	19,494,896	49,859,274	81,009,792	-0.5	-0.4	-0.5	-0.5	-2.0	-1.9	-2.0	-2.0
Catasauqua Area												
Catasauqua Borough	703,336	673,509	2,477,552	3,854,397	0.6	0.6	0.6	0.6	1.4	1.4	15.6	10.1
Hanover Township ^{HR/}	954,688	65,300	3,362,956	4,382,944	-0.4	-0.4	-0.4	-0.4	-4.7	-4.7	8.6	5.2
East Penn												
Alburtis Borough	244,042	247,047	1,056,960	1,548,049	1.2	1.2	7.7	5.6	10.4	27.6	65.7	47.1
Emmaus Borough	1,868,892	1,853,552	8,094,270	11,816,714	<0.1	-0.8	6.5	4.2	2.8	-0.9	54.4	32.3
Macungie Borough	464,971	187,642	2,013,815	2,666,428	3.0	3.0	9.6	7.9	17.0	24.6	75.7	57.4
Lower Macungie Township	4,277,554	292,582	18,526,314	23,096,450	3.1	3.1	9.7	8.3	10.1	10.1	65.3	50.4
Upper Milford Township	1,458,410	49,877	6,316,450	7,824,737	2.4	2.4	8.9	7.6	12.6	12.6	69.0	54.1
Northern Lehigh												
Slatington Borough	388,858	565,466	1,930,989	2,885,313	-0.5	1.9	2.3	1.9	0.2	2.6	23.1	15.0
Washington Township	923,787	88,461	4,587,344	5,599,592	0.6	0.6	3.5	2.9	5.2	5.2	29.2	24.1
Northwestern Lehigh												
Heidelberg Township	490,669	93,972	2,126,457	2,711,098	2.1	2.1	2.1	2.1	7.8	7.8	20.6	17.6
Lowhill Township	421,713	115,380	1,827,614	2,364,707	2.9	2.9	2.9	2.9	17.3	17.3	31.2	27.7
Lynn Township	601,315	106,937	2,605,975	3,314,227	2.1	2.1	2.1	2.1	11.3	11.3	24.4	21.4
Weisenberg Township	800,618	219,047	3,469,708	4,489,373	5.1	5.1	5.1	5.1	24.7	24.7	39.4	35.8
Parkland												
Allentown City ^{2/}	232,880	389,509	820,973	1,443,362	28.1	28.2	36.4	32.7	64.7	64.8	125.8	94.7
North Whitehall Township	2,651,612	272,053	9,347,749	12,271,414	3.5	3.5	10.2	8.5	28.8	93.2	76.6	63.9
South Whitehall Township [◆]	4,588,304	3,075,607	16,175,182	23,839,093	0.1	0.1	6.6	4.4	3.8	3.8	42.3	27.1
Upper Macungie Township	5,269,124	720,810	18,575,285	24,565,219	4.1	4.1	10.8	9.1	30.4	30.4	78.8	63.9
Salisbury Township												
Allentown City ^{2/}	1,433	2,396	5,023	8,852	—	—	3.0	1.7	—	—	6.8	3.8
Salisbury Township [◆]	2,985,310	1,707,058	10,464,919	15,157,287	0.4	0.4	3.5	2.5	-3.1	-3.1	3.4	1.3
Southern Lehigh												
Coopersburg Borough	404,718	442,920	1,356,441	2,204,079	-0.1	-0.1	8.8	5.2	1.1	33.7	10.1	12.2
Lower Milford Township	741,560	202,889	2,485,391	3,429,840	1.9	1.9	10.9	8.3	10.0	10.0	19.8	17.0
Upper Saucon Township	2,638,493	1,515,960	8,843,102	12,997,555	4.2	4.2	13.5	10.3	26.2	26.2	37.4	33.6
Whitehall-Coplay												
Coplay Borough	393,322	269,030	1,291,345	1,953,697	0.1	0.1	4.4	2.9	3.7	3.7	22.0	15.2
Whitehall Township ^{◆ HR/}	4,484,090	4,385,943	14,722,045	23,592,078	1.5	1.5	6.0	4.3	9.9	18.2	29.3	23.1

◆ First Class Township

^{HR/} Home Rule Charter Municipality

^{1/} Includes Lehigh County municipalities and school districts only.

^{2/} Portions of the municipality are part of another school district.