



27 March 2009

Dear Friends,

Today's update contains a few notes of interest and two stories that will probably infuriate you and will strongly emphasize the need to continue our efforts for property tax elimination.

- There's not much to report about the reintroduction of the School Property Tax Elimination Act (SPTEA). Although no definite date has been set, we're expecting an introduction of the bill before the end of April. I'll send an update immediately when we know more.

- Most people who are paying a mortgage have their property tax bills sent directly to their mortgage holder and a property tax escrow amount is included in their monthly payment. When they receive their annual escrow analysis that includes an increase in their monthly payment, many of these folks just consider this a part of doing business and are unaware of the total amount of taxes paid. When you ask folks to support the SPTEA, please tell them to look at their total property tax bill to see how much they can save if school taxes are totally eliminated.

- A PTCC subscriber sent me a response from Senate Majority Leader Dominic Pileggi (R-9) to a letter he wrote asking for the senator's help in enacting the SPTEA. Senator Pileggi's reply contained more than a page of useless rhetoric followed by his endorsement of slots money for property tax "relief" (more about this below). From the tone of his letter, it is pretty obvious that Senator Pileggi has no interest whatsoever in tackling the elimination property taxes. This is unfortunate since he, as Majority Leader, has the power to determine the flow of legislation in the senate. All of you, and especially those in his district, might want to send Senator Pileggi a letter advising him of your displeasure at his inaction on this issue.
dpileggi@pasen.gov

- The Pennsylvania Coalition of Taxpayer Associations (PCTA) is pleased to announce the addition of the 31st taxpayer group to the alliance. The Wyoming County Concerned Taxpayers joined us earlier in March in support of the SPTEA and we're excited to have them as part of our coalition. Welcome! If you're a resident of Wyoming County, please consider joining this very active and focused group. Contact information is available on the PTCC website under the "About the PCTA" tab. If you've considered starting a taxpayer group in your area and need help, contact any PCTA member group for assistance.

- Just one more short item: Each month we lose a few PTCC subscribers because they've changed their e-mail address or internet service provider. If your e-mail address changes, please send a brief note with the old and new addresses so you will continue to receive the updates.

Now for the stories ...

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No property tax relief this year?

In the March 23 edition of the Harrisburg *Patriot-News*, reporter Sharon Smith wrote an [article](#) indicating a strong possibility that there will be no property tax cuts from slots revenue this year.

By law, the property tax relief fund must reach a trigger level of \$570 million by April 15 before the state can distribute any "relief". A spokesperson for the Governor's Budget Office indicated that revenue through the end of February will total about \$505 million, leaving a \$65 million shortfall to be made up by the certification date. Average monthly relief revenue is about \$46 million, so it is very possible that the trigger level will not be reached. Even if it is, the amount of relief will be even less than the minimal amount that was distributed last year.

This has a number of very ugly consequences, especially for those who live in modest homes in school districts where last year's relief was greatest. Here's a quick example that was calculated by a finance expert who is a member of our coalition:

Last year's property tax relief in the York School District was \$525. The total gross school property tax on a home assessed at approximately \$34,000 was \$1,000, leaving that homeowner with a \$475 net tax bill after the reduction. If there is no property tax relief this year, this homeowner will have to pay the full \$1,000 - a tax increase of **110%** over last year's bill, and this assumes that there will be no increase in this year's school property taxes. If the York SD increases taxes to the 6.5% Act 1 limit, this homeowner will pay \$1065, a tax increase of 124% over last year!

Using the same math, a York SD home that is assessed at the \$55,000 average for the district would see a 57.3% increase.

But it can get even worse.

The immediate impact could be much more than what you'd think if a person's real estate taxes are escrowed. Using the average assessed home value above as an example, the property tax could go up about \$600, which means the mortgage company will likely be that much "short" when they make the tax payment this summer. First, they'll have to make up the shortfall for this year by adding \$50+ to your monthly payment. Second, they'll raise the escrow at least another \$50+ per month for next year's bill so they aren't behind in the escrow again next year. The potential result? A double-whammy of about \$1,200, or \$100 per month. This could vary depending on how far under or over you are with your current escrow balance.

In short, look for little to no "relief" this year and the real possibility of some pain compared to last year.

This is the sad result of the "substantial" property tax relief that was promised to us by the governor and the lawmakers who were the rabid proponents of legalized gambling. Do you still believe that legalizing slot machines was about property tax relief? Can you believe that they are still insisting that this is the answer to the property tax crisis? All of the bogus property tax "relief" plans that have been, and continue to be, foisted on us are motivated by nothing more than worthless, self-serving politics that has no regard whatsoever for the taxpayers.

A Deputy Sheriff speaks out!

It is estimated that about 10,000 homes are sold at sheriff's sale each year in Pennsylvania. Even though that number in itself is shocking, few of us know the truly revolting details of how this is done.

In January I received a letter from a deputy sheriff that described the process of evicting a family whose home is being sold at a sheriff's sale. While I have no reason to doubt the letter's accuracy, I nonetheless submitted it to a deputy in a different area of the state who verified that the facts are correct. Here's the letter:

From:

Date: Jan 19, 2009

Subject: A Deputy Sheriff's View of Property Tax Seizures

Dear David,

I have to write you this note because of disgust I have with the excessive taxes and the ugly result that is happening to our property owners in Pennsylvania.

I am a Deputy Sheriff in Pennsylvania. One of the duties of our job is to serve foreclosure notices and conduct physical evictions on property owners. Imagine having someone knock on your door up to 10:00 P.M. in the evening. You answer the door and are faced with two or more Deputy Sheriffs in full uniform with a marked sheriff's car outside. The local police may already been notified in the event of a "problem". The neighbors may be watching. One of the deputies presents you with a court order stating that you are being evicted from your home due to unpaid property taxes. This process may already taken a year or so before coming to this tragic end, but the property owner knows it's coming. The property owner reacts with fear, uncertainty, anger and shame.

You advise the owner and family present that they have a "short" (fifteen minutes or so) time to vacate the premises. The wife starts crying, the kids are screaming and it gets ugly. Emotions are at their highest. You follow (for the safety of the deputies) the residents through their house and "allow" them to pack a few bags before they are "escorted" out of the house and off the property. Sometimes even the vehicles are seized as a result of default thereby making the owners and family leave on foot. A latch and lock bolts are attached to the doors and notices are posted that the house is now available for "Sheriff's Sale".

This is real life reenactment of what we do. It's dirty, disgusting and shameful. How can this happen you may ask yourself? Let me tell you. Your local municipality and school district elected officials are often incompetent and lack any business experience and/or training. They levy tax after tax after tax on "improvements" that your "representatives" see fit for the "good" of the community. New and "improved" multimillion dollar schools and township buildings are built resulting in "needed additional taxes". These ever increasing taxes are levied on top of your already high taxes. The two working parent/partner property owners struggle to pay these taxes BUT now the working, retired, disabled or low wage earning family just can't keep up. They are unable to pay these excessive taxes and go into default. Additional fines and penalties are assessed, further aggravating the situation. Eventually a court action is levied by the county against the owner and the property is seized (sometimes by force and arrest). YES, BY THE SHOW OF OR ACTUAL PHYSICAL FORCE AND ARREST!

Now is the time to stop this abuse. Restructure the way we are assessed taxes and save the homes of hard working, retired and disabled property owners in Pennsylvania. Have the Deputy Sheriffs do what we do best and that is Law Enforcement, not tax collectors and evictors! Remember, our country seceded from the British rule but not without an ugly price. History is reliving itself. Remember the revolution. Is it necessary to come to that? It may be.

This letter starkly illustrates the horrific abuse to which good, decent, law-abiding homeowners of Pennsylvania are being subjected; they are treated like criminals simply because they can no longer afford to pay tribute to their government and schools through inequitable and subjective property taxes. Perhaps we should find a way to make every Harrisburg politician who opposes property tax elimination ride with a deputy on one of these seizures to see firsthand the devastation that is caused by their inaction and selfish political games.

I sent you these stories today to emphasize the need for us to do everything possible to end this injustice. We knew from the beginning that the road to property tax elimination would be long and difficult and that fighting the entrenched, corrupt political establishment would be a struggle. But no matter how weary or discouraged we may become, WE CANNOT GIVE UP! The politicians depend on the taxpayers to have short memories and little patience and they will continue to give us the runaround in the hope that we will give up and go away. We must demonstrate to them that we will not yield until they have returned to us what is rightfully ours: To be secure in our homes and property.

For the cause,

David Baldinger
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www.ptcc.us

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