

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

Tax base still shrinking

Pottstown's tax base continues to fall.

As of Jan. 1, 2017, the total assessed value of Pottstown's 8,380 taxable properties will be \$803,730,299, nearly \$2 million below last year and more than \$10 million below where it was two decades ago, when the county last reassessed.



Commentary by
Tom Hylton

The borough has 325 tax-exempt parcels assessed at \$202,759,780 — equal to 20 percent of Pottstown's total real estate value. The borough's largest tax-exempt property, of course, is The Hill School, assessed at about \$41 million.

But that's not all the bad news. When Bethel Community Church bought the Hased Shel Emet synagogue on North Keim Street last summer, its \$1.6 million assessed value went back on the tax rolls. The church will surely request an exemption this year, which will lower our tax base even further.

In addition, the owner of Pottstown's fourth most valuable commercial property — the Pottstown Plaza, which lost its Giant supermarket to Upland Square in 2009 — seeks a substantial reduction in its assessed value.

LERTA

Last summer, Pottstown Council and the Pottstown School Board agreed to a tax-break program for new development called LERTA (Local Economic Revitalization Tax Act). In the long run, LERTA is supposed to encourage investment in Pottstown by giving property owners a temporary tax break if they improve the value of their properties.

But in the short run, at least, it reduces the chance our tax base will start growing any time soon.

No help from state

Our declining tax base affects the school district far more than the borough government, because

74 percent of Pottstown's real estate taxes go for schools.

My colleagues on the Pottstown School Board hope the state will provide more funding for education.

I don't see that happening.

The state is looking at a \$500 million shortfall in its current budget, which is projected to grow to a \$1.7 billion deficit next year.

Republicans, who are strongly opposed to raising either state sales or income taxes, just increased their majorities in both the state House and Senate.

The school district has to start cutting costs. There is no other way.

Pottstown's Shrinking Tax Base

| Year | Total assessed valuation |
|------|--------------------------|
| 1998 | \$816,841,351 |
| 1999 | \$815,336,411 |
| 2000 | \$811,451,511 |
| 2001 | \$811,270,791 |
| 2002 | \$810,501,750 |
| 2003 | \$806,218,259 |
| 2004 | \$834,552,749 |
| 2005 | \$830,652,557 |
| 2006 | \$834,827,477 |
| 2007 | \$838,545,347 |
| 2008 | \$829,017,802 |
| 2009 | \$826,475,792 |
| 2010 | \$817,728,017 |
| 2011 | \$817,767,813 |
| 2012 | \$812,279,226 |
| 2013 | \$813,227,426 |
| 2014 | \$813,390,719 |
| 2015 | \$810,387,119 |
| 2016 | \$805,577,279 |
| 2017 | \$803,730,299 |

Pottstown's tax base is lower than it was in 1998, the last time Montgomery County reassessed real estate.