TAX - PENNSYLVANIA

City of Erie v. Erie County Board of Assessment Appeals

Commonwealth Court of Pennsylvania - July 14, 2021 - Slip Copy - 2021 WL 2944364

City of Erie and Erie City School District (collectively, Taxing Authorities) appealed the order of the Erie County Court of Common Pleas granting the summary judgment motion of the Erie County Board of Assessment Appeals (Board) and Erie County Convention Center Authority (Convention Authority) and finding that the Sheraton (Sheraton) and Courtyard by Marriott (Courtyard) hotels (collectively, Hotels) and appurtenant parking garages owned by the Convention Authority are not subject to real estate taxation by the Taxing Authorities.

The Commonwealth Court affirmed.

The Convention Authority built the Bayfront Convention Center (BCC) located on the shoreline of Presque Isle Bay, which opened on August 2, 2007. At the same time, the Convention Authority constructed the 200-room Sheraton, which opened in 2008. The Convention Authority also constructed the 192-room Courtyard, which opened in 2015.

On September 28, 2016, the Board sent a "Notice of Change of Assessment" to the Convention Authority regarding the tax-exempt status of the hotel properties. The Board's action was premised on the fact that at least 63% of hotel occupancy was attributable to the general public, rather than to convention-related business.

The Commonwealth Court found that, "the commingling of the general public's use of the Sheraton and Courtyard hotel rooms with those used for BCC-related functions in no way affects the immunity of the Convention Authority's hotel properties herein. All such uses are a necessary and essential component of, and directly tied to, the Convention Authority's statutory purpose as set forth in the Act and the Alternative Act 'for the public purpose of promoting, attracting, stimulating, developing and expanding business, industry, commerce and tourism[,]' and 'of acquiring, holding, developing, designing, constructing, improving, maintaining, managing, operating, financing, furnishing, fixturing, equipping, repairing, … and owning convention center facilities, or parts thereof,' because the statutory definition of 'convention center facilities' specifically includes 'any land, improvement, structure, building, or part thereof, or property interest therein, … owned by … an authority, … and all facilities, furniture, fixtures and equipment necessary and incident thereto, including hotels ….'"

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com