AAP Journal
Assessors Association of Pennsylvania

Issue 5 Volume 3 Summer 2004

KOZ/KOEZ/KOIZ

AND THE ROLE OF THE ASSESSMENT OFFICE

by Tom Hill, CPE, Monroe County and Phil Light, CPE, Westmoreland County

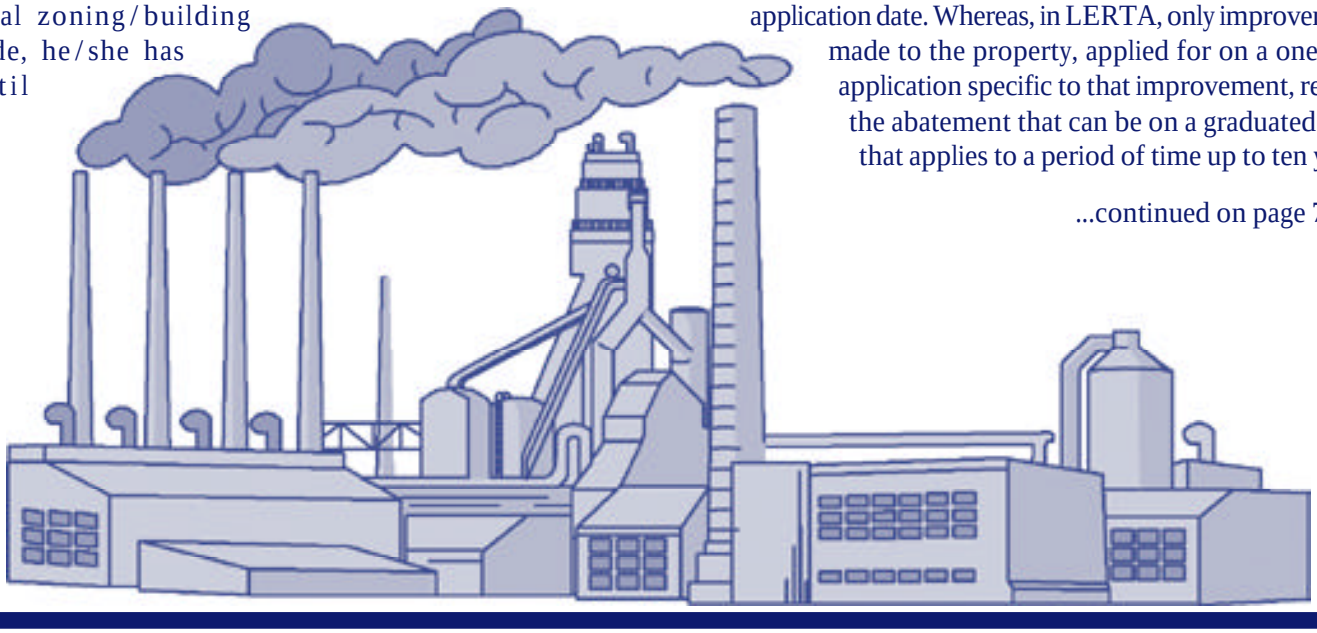
The various Keystone Opportunity Zones (KOZ), Keystone Opportunity Expansion Zones (KOEZ) and Keystone Opportunity Improvement Zones (KOIZ) are designed to revive economically distressed areas in Pennsylvania's communities. Participating taxing districts can designate geographic areas that are virtually tax-free for a set duration of years. In addition, property owners in these KOZ/KOEZ/KOIZ districts are given priority consideration for various community building assistance programs as they become available.

There are certain compliances a business or residential property owner must meet in order to qualify. The owner must first apply with the local agency designated to administer the KOZ/KOEZ/KOIZ program and a new application must be filed every year. Real estate taxes must be current up to the year the property is entered in one of the programs. The property must meet all local zoning requirements and receive approval from the Department of Community and Economic Development. If the taxpayer is not in compliance with the local zoning/building code, he/she has until February 5th of the following year to comply.

The KOZ/KOEZ/KOIZ program also provides for exemption, with certain restrictions, from state personal income tax, sales and use tax, corporate net income tax, a tax on net gains from the sale of real estate located in the designated area for a resident, non-resident and business entity. If the owner is selling his/her principle residence, he/she must have lived on the property for at least two of the five years preceding the date of the sale. In a situation of an owner-tenant, the owner is entitled to the abatement unless the tenant is considered a KOZ/KOEZ/KOIZ resident individual or a KOZ/KOEZ/KOIZ qualified business.

These programs differ from LERTA (Local Economic Revitalization Tax Assistance Act) in that all land and building real estate taxes are entitled to a tax abatement, (note - not exempted), which expires on a specific date, either January 1, 2008, January 1, 2010, or January 1, 2013, regardless of the application date. Whereas, in LERTA, only improvements made to the property, applied for on a one-time application specific to that improvement, receive the abatement that can be on a graduated scale that applies to a period of time up to ten years.

...continued on page 7...



AAP OFFICERS

Edward Rupert, CPE
PRESIDENT
Butler Co. Assessment Office
PO Box 1208
Butler, PA 16003-1208
Phone: 724.284.5323
Fax: 724.284.5430
erupert@co.butler.pa.us

Brenda Shaw, CPE
PRESIDENT-ELECT
Berks County
Assessment Office
633 Court St., 3rd Fl.
Reading, PA 19601-4320
Phone: 610.478.6259
Fax: 610.478.6261
bsshaw@countyofberks.com

Thomas Hill, CPE
VICE-PRESIDENT
Monroe County Assessment Office
Monroe Co. Adm. Bldg. Rm. 102
1 Quaker Plaza
Stroudsburg, PA 18360-2171
Phone: 570.517.3136
Fax: 570.420.3428
thill@co.monroe.pa.us

Eric Brown, CPE
TREASURER
Wyoming County Assess. Office
1 Courthouse Square
Tunkhannock, PA 18657
Phone: 570.996.2261
Fax: 570.836.5797
ebrown@wycopa.com

Randy Waggoner, CPE
SECRETARY
EDUCATION CO-CHAIRMAN
Perry Co. Assessment Office
PO Box 37
New Bloomfield, PA 17068
Phone: 717.582.2131
Fax: 717.582.5162
rwaggoner@perryco.org

Barbara Walter, CPE
PAST-PRESIDENT
Adams Co. Assessment Office
Courthouse Rm. 202
111-117 Baltimore St.
Gettysburg, PA 17325
Phone: 717.337.9837
Fax: 717.334.2091
bwalter@acc.pa.net

AAP COMMITTEE CHAIRMAN

Steven L. Howe, CPE
AAP JOURNAL EDITOR
EDUCATION CO-CHAIRMAN
Dauphin Co. Assessment Office
PO Box 1295
Harrisburg, PA 17108-1295
Phone: 717.780.6101
Fax: 717.780.6484
showe@dauphinc.org

Philip Light, CPE
LEGISLATIVE CHAIRMAN
Westmoreland Co. Assess. Office
2 N. Main St., Suite 403
Greensburg, PA 15601
Phone: 724.830.3411
Fax: 724.830.3852
plight@co.westmoreland.pa.us

President's Message....



Congratulations to Barb Walter on a great year as President of the Association. After working with her over the last couple of years, I realize what an asset she is to the association as well as to Adams County. Barb has taken a giant step toward moving the association into the future. Again, congratulations, Barb.

As we are now preparing to close the assessment rolls and starting to schedule tax appeals for another year, we cannot help but look back and see how far we have progressed in the ever-changing assessment world. In the last twenty plus years we have changed from being perceived as unqualified, uneducated, coffee-drinking assessors to professional individuals. Although most of us still drink coffee, with our educational backgrounds, due in large part to the educational opportunities provided by the AAP, we can now sit down with MAIs and other appraisers and converse knowledgeably about market values and the different approaches to value.

In the changing assessment world, the position of the assessor has become a professional vocation dealing with all facets of the appraisal process as well as many administrative responsibilities. Each year the legislators add more indepth duties to the assessment office and as in the past, we will learn to deal with these added responsibilities. The association has overcome many hurtles in the past: LERTA, KOZ, CLR appeals, re-writing PURTA, TIF, RAP, USPAP, homestead/farmstead and in the future Senate Bill 100 (tax shifting) to name a few. As I think back to when I started in the assessment field, I remember that the commissioners who hired me told me that my job would probably be eliminated within the year because tax reform was on its way.

Well, here we are many years later still with no tax reform, just added responsibilities. I know each of us, as professional members of the AAP, will handle the new changes with professionalism just as we have done in the past. It gives me great pride to be a member of such an organization. With the membership working together, we can continue to advance in our field, enhance our educational experiences, and let our counties and taxpayers know we continue to learn on a regular basis so that we are able to perform our jobs to the very best of our ability.

Remember that after the many hours of classroom continuing education, the networking we do after class is just as important as the knowledge we gain in class. So attend the educational opportunities provided by AAP and your chapters and make sure you introduce yourself to a stranger. You may be surprised at what you may learn.

Edward Rupert
AAP President

FIVE THOUSAND FORMS, INC.
Your BEST Shot!
Fogelsville, PA 18051-0757
CALL 610.395.0900
givemefive.com

PRINT & MAIL SERVICES
LETTERHEAD & ENVELOPES
LASER FORMS
COMMERCIAL PRINTING
ASSESSMENT NOTICES
TAX BILLS
PROMOTIONAL PRODUCTS

Serving 64 of 67 counties in PA.
Since 1973

2004 AAP Annual Conference Recap

The 2004 Annual Conference of the Assessors' Association of Pennsylvania held its 56th Annual Conference on Assessment Administration May 4 to 7 at the Hershey Lodge and Convention Center. Over 275 assessors and cooperative members from all across the state attended this year's conference to take advantage of the numerous class offerings for recertification, conduct the business of AAP and network with colleagues.

During the Membership Meeting members vote on their leaders for the next year. This year, members elected Randy Waggoner, Chief Assessor from Perry County, as the association's new secretary. Randy spent approximately 20 years as an assessor in Cumberland County, worked briefly in the private sector and is back with county government in Perry County. The rest of the officers moved up in the chairs. See page 5 for a listing of the new officers and Board of Governors' members.

Duane Duffy (Elk), Robert Lieberum (Clarion) and Joe Cocco (Erie) were made honorary members of AAP in recognition of their contributions to AAP over the years. We look forward to seeing them at future conferences.

One of the most anticipated events at the Annual Conference is the Wednesday evening education auction. For this evening of food and fun, members and cooperative members contribute unique items from their county to raise money to fund chapter education initiatives over the next year. This year's auction brought in $2,059 for the fund. Thank you to all who donated items and those who bought them!

During this year's Annual Banquet, Barbara Walter was honored and thanked for her year of service as president of AAP. Barb thanked her fellow officers, board members and AAP staff for having such a great year and encouraged the membership to keep AAP moving forward. New AAP President Edward Rupert (Butler) thanked Barb for all her hard work in leading the association this past year.

Many other AAP members were honored at this year's banquet through special awards and service awards. The Awards Committee chair, Norma J.P. Sando (Lebanon), presented three special awards to members of AAP. Thomas Hill (Monroe) received the Hanisits Memorial Award for exemplifying the spirit of volunteerism in the assessment profession. The Chudy Award for the best article in the AAP Journal went to Kristin Shultz (Sullivan County) for her article on HB 657. Finally, Edward Rupert (Butler) was awarded the Naessig Award for meritorious service in the assessment profession.

Norma also handed out the service awards to assessors who have served 20 years or more in the assessment field:

Trailblazer Awards (20 to 29 Years of Service)

Debbie Kolodziej, Bradford County, 20 years
Bernard W. Walsh, Bradford County, 20 years
David L. Good, Columbia County, 20 years
Sue Ellen Martin, Fayette County, 20 years
Joan Tracy, Fayette County, 20 years
Richard Bowman, Lancaster County, 20 years

Board of Governors' Awards (30 to 39 Years of Service)

Barbara Walter, Adams County, 30 years
Sheila J. Bunch, Berks County, 30 years
Lisa Hoch, Berks County, 30 years
Martin R. Medvetz, Indiana County, 30 years
Michael L. Martucci, Lehigh County, 30 years
AnnMarie Paddock, Luzerne County, 30 yrs
Alfred Tossi, Luzerne County, 36 yrs
Thomas Brauner, Montgomery County, 30 yrs
Stephen Wiener, Philadelphia County, 30 yrs
Richard T. Kamansky, Susquehanna County, 30 yrs

AAP STAFF

Douglas E. Hill
EXECUTIVE DIRECTOR
17 North Front St.
Harrisburg, PA 17101
Phone: 717.232.7554
Fax: 717.232.2162
dhill@pacounties.org

Terry Cochran
DEPUTY DIRECTOR
PO Box 60769
Harrisburg, PA 17106-0769
Phone: 717.526.1010
Fax: 717.526.1020
tcochran@pacounties.org

Amy L. Shivers
DIRECTOR OF COMMUNICATIONS & MEMBER RELATIONS
PO Box 60769
Harrisburg, PA 17106-0769
Phone: 717.526.1010
Fax: 717.526.1020
ashivers@pacounties.org

The *AAP Journal* is published four times each year.

DEADLINE for the FALL 2004 issue is October 5, 2004.

Article ideas and submissions are welcome. Send them to:

Steve Howe
Dauphin County
Assessment Office
PO Box 1295
Harrisburg, PA 17108
Phone: 717.780.6101
Fax: 717.780.6484
E-mail:
showe@dauphinc.org

Would your business like to get in touch with hundreds of Pennsylvania's tax assessment professionals?

ADVERTISE IN THE AAP JOURNAL

Contact:
Amy L. Shivers
PO Box 60769
Harrisburg, PA 17106-0769
Phone: 717.526.1010
Fax: 717.526.1020

AAP Presents Workshop at CCAP Conference

On March 23, 2004, Randy Waggoner, Tom Hill and Barb Walter presented a seminar titled "Introduction to Assessment Administration" to a group of county commissioners at a break-out session at the CCAP Spring Conference in Harrisburg.

The session was the first of what we hope are many presentations to the group. The group was made up of newly elected commissioners, along with experienced seasoned commissioners. We spoke briefly on several assessment office issues including the duties of the Board of Assessment Appeals, the Homestead/ Farmstead Exclusion Program, Clean and Green and the importance of education and the Assessor's Certification.

The commissioners were very receptive to us. They made several comments and posed several questions to the panel on the various topics. We hope that the presentation spurred interaction between your commissioners and your assessment personnel.

This new educational venture is just another endeavor in the AAP's commitment to education.

South Central Chapter News

Congratulations to York County Appraiser, Glenn Collier, who retired on July 6th after 8 years of county employment. We wish Glenn good luck and hope he enjoys retirement!

Welcome to newly hired appraisers Mike Altland and Mike Bruggeman. Both of these individuals have been working as data collectors on York County's reassessment project.

The next South Central Chapter meeting will be held on September 10, 2004, at the Adams County Agricultural and Natural Resources Center in Gettysburg. Please contact Barb Walter for more information.

AAP People

Congratulations to:

Beth Stabile of **Westmoreland County** and her husband, Dennis, welcomed a baby girl into their family on April 26th.

Kelley Cosner of **Wyoming County** and her husband, Bruce, expanded their family with a baby boy on April 17th.

Mary Ann Ace has made a move from **Northampton County** back to the **Monroe County** Assessment Office.

Congratulations go out to **Joan Righter** of **Montgomery County** on her marriage to Frederick G. Price, Jr. The nuptials took place on May 22nd.

Resource Technologies Corporation

- Geographic Information Systems
- Geotechnical Analysis
- **Appraisal and Assessment**
- Planning and Management Systems
- Environmental Analysis
- **Parcel Mapping**
- Clean and Green Analysis
- CAMA Database Design
- **Web Based Mapping**
- Govern Software® Partner
- MapInfo® Business Partner
- Vertical Mapper™ Reseller



P.O. Box 242
State College, PA 16804
Phone: 814-237-4009 Fax: 814-237-1769

clients@resourcetec.com
www.resourcetec.com

Govern Software
MapInfo Business Partner

CONGRATULATIONS TO THE NEW BOARD OF GOVERNORS

Chapter Representatives

Laurel Mountain: *Tamra Forgan, Somerset County*; *Joyce Hillegas, Bedford County*

North Central: *Mary Kay Abell, Bradford County*; *Wendy Cook, Snyder County*

Northeast: *John Nolan, Wayne Co.*

Northwest: *Angelia Pinner, McKean County*; *Rebecca Broad, Armstrong County*

South Central: *Gary Yorlets, Cumberland County*; *Daryl Crum, Adams County*

South East: *William Fogle, Lehigh County; Michael Piper, Philadelphia County*

Committee Chairs/ Liaisons

CCAP Board Representative: *Hap Rudolph, Dauphin County*

Education Co-Chairs: *Steve Howe, Dauphin County; Randy Waggoner, Perry County*

Legislative Chair: *Philip Light, Westmoreland County*

Assessment Reform Chair: *Joan M. Righter Price, Esquire; Montgomery County*

State Board Representative: *Steve Howe, Dauphin County*

Health and Welfare: *Mary Kay Abell, Bradford County*

Clean and Green: *Mary Lou Rudolph, CPE, Fulton County*

MEMBER-ABILIA



Jerry Jesperson, CPE
Warren County

COUNTY OR COMPANY: Warren County

BIRTHPLACE: Jamestown, New York

MARITAL STATUS & FAMILY: Married 33 years, wife Marita, three children, Ryan 27, Chad 24, Leah 17

YEAR IN THE ASSESSMENT FIELD: 19

BEFORE I WAS IN THE ASSESSMENT FIELD, I WAS INVOVED IN: Farming and Mechanical Work

WHAT IRRITATES ME MOST IN THE ASSESSMENT BUSINESS: People of means, that seem to have a lot of money to appeal, but not pay their fair share.

MOST EMBARRASSING MOMENT IN THE ASSESSMENT BUSINESS: Informing my in-laws and neighbors that their assessments would go up after the reassessment because the rates were wrong in that township.

MOST PEOPLE WOULD BE SURPRISED TO KNOW THAT: I am in charge of a Grand American Tractor Pull.

BIGGEST CHALLENGE AS AN ASSESSOR: Uniformity

GOALS FOR LIFE AND CAREER: To make a difference while I am here, and to be a good father and husband.

ASSESSOR YOU ADMIRE MOST: Mark Sibert

IF I COULDN'T BE AN ASSESSOR, I'D BE: An Agricultural Engineer

FAVORITE FOOD AND DRINK: Spiced pork roast, corn on the cob, strawberry rhubarb pie and lemonade.

FAVORITE VACATION: Traveling anywhere with my family

FAVORITE MOVIE: Sound of Music (I love musicals)

ASSOCIATION &/OR COMMUNITY INVOLVEMENT: Warren County Fair Board Member; Assistant Fire Chief; Pastor Parish Chair, Lander United Methodist Church; Agricultural Rescue Instructor

HOBBIES AND INTERESTS: Hunting, golf, working in the woods, reading

For more information, please contact Phil Light, Government Information Chair, at 724-830-3411 or plight@co.westmoreland.pa.us

LEGISLATIVE UPDATE



I seem to be receiving a goodly number of calls lately concerning proposed legislation that has been discussed in the newspapers such as: "State Representative So And So, along with Representative Whomever, has proposed legislation that would require walking on the grass whenever possible in order to save wear and tear on the sidewalks." My normal response is: "I will get back to you when I have more information." Or, in other words, when I see it in black and white with a legislative bill number attached to it. My lack of meaningful response is probably damaging my already shaky reputation, but it is truly amazing to me what newspapers will put on the front page anymore. If you think about it, there have been at least 124 bills that were actually introduced during the 2003/2004 legislative session, that could affect the assessment world in one way or another, and only two have passed. One concerns not considering federal tax credits and considering federal and state program restrictions. That should only affect most of you if you do a reassessment, or have an appeal before the board of assessment appeals or before a court. The other one concerns KOZs and deals mainly with Keystone Opportunity Improvement Zones and has no real effect on us at all. So, let us not panic until we see the governor's signature. But keep calling, as I truly enjoy the opportunity to offer my opinion as long as you remember that's all it is.

I was glad to see recently that the governor agrees with my philosophy. He is not going to comment on the slot machine authorization and school property tax relief measure until it comes across his desk for his signature and neither will I. Hopefully, by the time this article appears, the General Assembly will have made up it's collective mind one way or another. There is some legislation that has been introduced or has shown some movement, since the last article, that I should briefly discuss. House Bill 42 would appear to limit school property taxes to no greater than 3% of household income for qualified homestead and farmstead owners/occupiers. House Bill 1556 would amend the Constitution to allow extending the disabled veterans law to widows of service persons killed in action if financial need is determined. House bill 1573 would amend the constitution to allow elimination of local taxes on homestead property. House Bill 2009 would allow class 1, 2 and 2-A counties to adopt, by referendum, a property tax system that would not allow reassessment of a property until it sold or was substantially improved. Family transfers would be exempt from reassessment. House Bill 2562 would allow exemption of property purchased by fire companies/rescue squads that is to be used for benefit of the organization within five years of purchase. House Bill 2613 would amend the local tax collection act to add 10% penalty only to the portion of tax not paid. House Bill 2703 would establish a tax freeze and tax deferral program for needy senior citizens. House Bill 2732 would limit second-class county municipalities to a 0% increase in tax revenue in year following a reassessment. House Bill 2738 would require first-class county municipalities to establish a revenue neutral millage rate in year following a reassessment or predetermined ratio change. Then, by separate vote, they could establish any millage rate they wanted for that year. The following House Bills have passed the House and are in the Senate. House Bill 2022 would require assessors in a second-class county to be certified. House Bill 2304 would prevent tax claims bureaus from collecting delinquent taxes on property donated to a/an municipality/authority by the debtor. House Bill 2305 would prevent any political subdivision, including counties, from levying an occupation tax if they do not levy one now. House Bill 2638 would give counties the authority to appoint agents to collect certain delinquent taxes and still maintain a tax claim bureau. In the Senate, Senate Bill 1100 has passed the Senate and is in the House. It would require municipalities to set a millage rate reflective of the actual amount of the previous year's collections. Then, by separate vote, they could establish a rate reflective of no more than 110% of previous year's collections. Finally, Senate Bill 1153 would amend the Constitution and add a subsection by which municipalities could establish a property tax system where tax assessments would be based upon an owner's cost of acquisition of the property.

Also, of some interest, is Senate Bill 1139 which has passed the Senate and is now moving through the House. This would again amend the Uniform Construction Code Act to exclude most residential remodeling, recreational cabins, more farm buildings and one-room schoolhouses. If you need any more information about any of these bills, please contact Phil Light, Government Information Chairman, at 724-830-3411 or *plight@co.westmoreland.pa.us.*

...from page 1...

As you can imagine there are a number of issues these programs raise for the assessment office even though we are not directly charged with administering the program. There is an implied responsibility in most counties that involves the county assessment office so that these programs can move smoothly forward. It would be beneficial to have a good line of communication between your office and the agency administering the program in order to avoid misunderstandings.

For example, the Monroe County Assessment Office received inquires from taxing districts after certification last year on why the assessed values weren't as high as expected. The answer was the number of KOZ/KOEZ properties abated last year. Another issue is if a property fails to re-apply or does not come up to building code, then it is no longer eligible for the program. The only way the assessment office will know that is if the responsible agency informs the board that it loses the abatement.

In Westmoreland County, the assessment office relies on the county planning department to supply the information concerning applications and other pertinent information. The assessment office then applies the abatement or removes it, more or less, as a favor to the local taxing authorities. If the Westmoreland County Assessment Office receives a late notification of approval or removal in regards to a KOZ/KOEZ/ (and now) KOIZ property, after the duplicate has been certified, it is the responsibility of the various political subdivisions to exonerate or surcharge taxes, not the Westmoreland County Board of Assessment or Assessment Office.

There are various General Assembly bills that have been introduced during this current legislative session that could amend Act 92 of 1998, the original KOZ Act, once again. However, as of this date, none of them would impose any additional responsibilities on the assessment office. As to the value of these programs in revitalizing local economies, that probably won't be known until the end of their respective abatement cycles.

As the industry leader, Manatron has set the standard for the development of systems and applications that help Pennsylvania Assessors meet their information needs. Manatron's wide spectrum of product and service offerings include:

MANATRON

MANATRON
4105 Executive Drive
Beavercreek, OH 45430
(800) 776-7227
Fax (937) 431-4001

Helping **Government** Work
For Pennsylvania Assessors

PROPERTY APPRAISAL & MAINTENANCE
- Reappraisal Services For Residential, Agricultural, Commercial, and Industrial

CONSULTATION
- Property Valuation
- Assessment Administration

CAMA SYSTEM
- PC Windows-Based
- Video and Document Imaging
- GIS Connectivity

TAX & ASSESSMENT SYSTEMS
- Assessment Maintenance
- ACT 319 Clean and Green
- Tax Claim
- ACT 50 Homestead

www.manatron.com



helping counties analyze and organize property tax data more efficiently

helping county departments share information

helping taxpayers access property information via the Internet

CLT's *ias*World will serve your property tax needs today and tomorrow. Here are just a few of the possibilities:

- Access and print all of the information related to a property – permits, sales information, maps, encumbrances, for example – through one, integrated system.
- Download photos, sketches, maps, and data to a handheld PDA or other portable device while in the field.
- Organize field work by coordinating work packs, GIS information, and the most efficient driving routes.
- Save taxpayers a trip to the courthouse by allowing access to property information and the ability to send feedback to the county 24 hours a day through the Internet.

For more information, contact Doug White at 800/800-2581 or dlwhite@cltco.com

Cole Layer Trumble Company

a division of Tyler Technologies, Inc.

CLT tyler *works.*

Assessors' Association of Pennsylvania
17 North Front Street
Harrisburg, PA 17101