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Assessors Association of Pennsylvania

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ACT 72: HOMESTEAD AND FARMSTEAD EXCLUSION - PART 2

by Barbara Walter, CPE, Adams County Tax Assessment Office

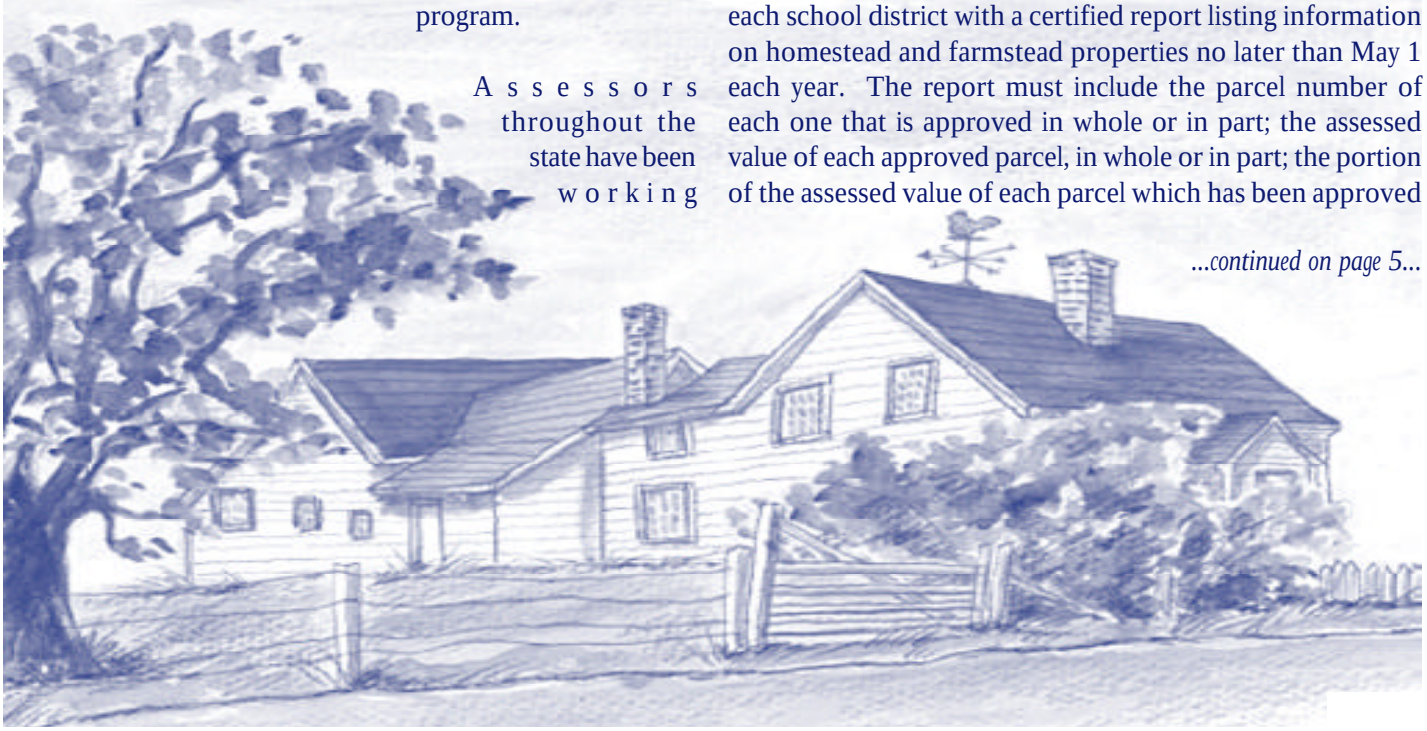
As I reported in my last *Journal* article, the Homestead/Farmstead Exclusion has resurfaced in Pennsylvania with the passage of Act 72 in July 2004. I noted that although the Homestead/Farmstead Exclusion Program began with the passage of Act 50 in 1998, only a handful of districts throughout the state implemented the program, so most county assessment offices, although initially inundated with applications and questions, have spent very little time on the exclusion since 1998 or 1999. But with the passage of Act 72, our offices are buzzing with questions about the program and the effect the program would have on the taxpayers of our counties. While Act 72's goal is to provide relief of the school districts' reliance on real estate taxes by providing new funding options such as local personal or additional earned income taxes and gaming funds, the reduction in property taxes will be achieved by using these funding sources to provide homestead and farmstead exclusions. The Act also continues the original role of the county assessment offices with responsibility for most aspects of the administration of the program.

Assessors throughout the state have been working since October to meet the 30-day notification deadlines for all applications filed with our offices. The first mailing in October kept us all busy. And, just when many of us were catching up with the applications and beginning to see the light at the end of the tunnel, the second mailing was sent by December 31, 2004.

I think most assessors would agree that the application mailing requirements of Act 72 have increased the overall application filings and the number of applications that were filed at the beginning of the process. This will most likely lessen the rush during the last two weeks of February, which occurred during the Act 50 program. But, regardless of the number of applications that meet the March 1 deadline, the program is always open and does not end with the deadline, which means that as applications are filed throughout the year, you must respond within the thirty days required by law.

Additionally, Act 50 and Act 72 require the assessor to provide each school district with a certified report listing information on homestead and farmstead properties no later than May 1 each year. The report must include the parcel number of each one that is approved in whole or in part; the assessed value of each approved parcel, in whole or in part; the portion of the assessed value of each parcel which has been approved

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President's Message....



Congratulations to all for having made it through the first round of the Homestead (Act 72) applications. Reimbursement for the additional workload placed on our office staff did not arrive in time for Christmas and by my best estimate, gambling monies may not be available until 2007 for property tax relief, if by then.

I would like to thank the AAP's Clean and Green Committee for their dedication and hard work in getting the amendments to Act 319 implemented. The committee will continue to update us on the changes to Act 319, and work to have them uniformly applied throughout the state.

Please mark your calendars for the AAP's 57th Annual Conference to be held May 4 - 6, 2005, in the beautiful Laurel Highlands at Seven Springs Mountain Resort. The Conference Planning Committee will be meeting in mid-January to ensure that the conference will be a successful educational experience and create the opportunity to share your knowledge with other association members.

I would like to thank my fellow officers, committees, the board of governors, AAP staff, and members of the association for your cooperation in achieving my mission - to make the association a little bit better for all during my tenure as president.

Edward Rupert
AAP President

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Plan to Attend the AAP 57th Annual Conference

This year's Annual Conference will be held May 4 to 6, 2005, at the Seven Springs Mountain Resort in the beautiful Laurel Highlands. This meeting is absolutely the best way to earn recertification hours as well as network with colleagues from all over the state. Over 200 assessment professionals attend this jam-packed three-day conference.

In addition to classes each day, this conference is when AAP holds its auction to benefit chapter education. This fun event is one of the highlights of the conference. Another annual event is the Thursday evening banquet where we honor our president, present member awards and service awards and recognize new CPEs. The Annual Conference is truly an event you don't want to miss.

Class and registration information will be mailed to each member by mid-March. To get updates on the conference and downloadable registration forms, please visit our website at www.pacounties.org/aap. Registration materials will be available on the AAP website after March 7.

In the meantime, if you would like information about Seven Springs, please take a look at their website, www.7springs.com.

We look forward to seeing you in May.



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

DEADLINE for the SPRING 2005 issue is April 5, 2005.

Article ideas and submissions are welcome. Send them to:

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MEMBER-ABILIA



Merry Bratton
Mifflin County

BIRTHPLACE: Altoona, PA

MARITAL STATUS & FAMILY: Married high school sweetheart, Shawn. They have a son, Dustin (16)

YEARS IN ASSESSMENT FIELD: 7

BEFORE I WAS IN THE ASSESSMENT FIELD, I WAS INVOLVED IN: County Planning

WHAT IRRITATES ME MOST IN THE ASSESSMENT BUSINESS: Trying to explain an assessment to a taxpayer who really does not want to understand.

MOST EMBARRASSING MOMENT IN THE ASSESSMENT BUSINESS: Walking into a disgruntled taxpayer's bedroom (thinking it was the back door) while on a field visit on which a commissioner was present.

MOST PEOPLE WOULD BE SURPRISED TO KNOW THAT: I love to make people laugh.

BIGGEST CHALLENGE AS AN ASSESSOR: Interpreting those gray areas of assessment and trying to be a goodwill ambassador to those who choose not to listen.

ASSESSOR YOU ADMIRE MOST: Does former assessor count? If so, it would definitely be Paul Bryan. He has been a great mentor and an excellent teacher.

IF I COULDN'T BE AN ASSESSOR, I'D BE: I'd own and operate the world's largest day care center. I love children!

FAVORITE FOOD & DRINK: Chinese food & green tea

FAVORITE VACATION: Any beach

FAVORITE MOVIE: *Elf*

ASSOCIATION &/OR COMMUNITY INVOLVEMENT: 4-H leader

MY BEST FRIEND: My dog Jack; he listens but never gives an opinion or complains

MY GREATEST FANTASY: That there were enough hours in a day to do everything that needs to be done in addition to having a little time to relax and reflect.

...continued from page 1...

as a homestead property; the median assessed value of the portion of the assessments approved for each homestead property; the parcel number of each farmstead property which has been approved, in whole or in part; the assessed value of each parcel which is approved, in whole or in part, as farmstead property; and the portion of the assessed value of each parcel approved in whole or in part as a farmstead property.

Counties should document the spending and costs associated with Act 72 in anticipation of the state grants, which will be issued to help counties bear the burden of the first year's expenses. Specific details about the grant are forthcoming.

Recently, the AAP surveyed the counties about Act 72. The results reflect the responses of 38 of 67 counties. As of press time, of the responding counties the average personnel time spent is 1,260 hours per county. The counties' average total cost is $42,276.

Every responding county reported some cost to the county ranging from several thousand dollars to nearly $175,000. Nine of the responding counties did the mailing themselves and billed the school districts for the actual cost of printing, postage and other expenses. The school districts were responsible for the mailings in 17 counties. Most of those obtained the mailing lists and/or forms from the county assessment office. An outside vendor performed the mailings in 11 counties.

Most of the counties used some sort of technology such as bar coding or data entry to facilitate the process. And most counties did some level of public outreach to publicize the application process.

A complete listing of the survey results is available on the AAP Web site, *www.pacounties.org/aap*.

Questions still remain for many assessors concerning qualifications as owners. When determining qualification, remember that under the Homestead definition the owner must be a natural person (a real person as opposed to a fictitious person); the exception to that rule is the family farm corporations and partnerships. *Act 50, Subchapter A, Section 8401* of the Tax Reform Code is helpful. The fact that the "farm" is owned by a family corporation/partnership does not automatically qualify the property as a "family farm corporation or partnership" under the Act. If you have questions about these definitions or other Act 72 issues, please consult your solicitor for advice.

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CHAPTER NOTES & OTHER NEWS

SOUTH CENTRAL CHAPTER

Adams County News
…..Appraisal Clerk, **Lois (Dutterer) Simmons** retired after over 23 years working in the Assessment Office. We wish Lois good luck and hope she enjoys retirement.

Dauphin County News
…..Welcome to new employees, **Doug Boswell**, Data Analyst/ Appraisal Service Coordinator and Paul Kreiser, CPE, Residential Field Appraiser.

Lebanon County News
…..Congratulations to the county's newest CPE, **Dale Roth**.

The next South Central Chapter Meeting will be held on Friday, March 11, 2005 at the Adams County Agricultural and Natural Resources Center in Gettysburg. Please contact Barb Walter for more information.

SOUTHEAST CHAPTER

The Southeast Chapter meets next on Wednesday, March 16, 2005 at the Indian Valley Country Club in Telford, PA. The 3 hour seminar, "Surveying: Know What You're Appraising," will feature two instructors. The instructors are Donald Kamp, PLS, PP, CP, of Hopewell Valley Engineering, and Don Rife, PLS, of Pickering, Corts, and Summerson.

Times are as follows:

Registration is from 8:45 AM to 9:45 AM.

Morning Session is from 10:00 AM to Noon.

Lunch is from Noon to 1:00 PM.

Afternoon Session is from 1:00 PM to 2:00 PM.

Also, (for chapter members) board elections will take place at the March meeting. Membership fees ($10.00) are now due.

SECAAP golf shirts and umbrellas are still available.

Chester County News
....Retired - **Gerald Porter, CPE**, Assessor III, 12 years
....Promoted - **Steve Lord, CPE** to Assessor III
....Hired - **Rick Wright, CPE**, formerly with Lancaster County

NEWS FROM STEB

Sad news from STEB:

Tony DiMatteo, former supervisor of the Western Pennsylvania STEB field staff died in July of 2004. Tony worked from 1967 until his retirement in 1991.

Dick Paul, father of Dauphin County's **Lori Paul** and former Director of Certifications with STEB, died in January, 2005.

AAP PEOPLE

Get Well Wishes to . . .

Marian Ciliberti, Lehigh County
Joan Righter Price, Montgomery County

Farewell to . . .

Mary Kay Abell, Chief Assessor, Bradford County, Past President and member of the Board of Governors, is retiring after over 20 years in assessment.

Cathy McCann Diana retired from Delaware County as of December 2004.

Welcome . . .

Donna Roof will replace Mary Kay. Donna worked in the Bradford County Assessment Office from 1992 to 2001 as a Field Investigator and then left to take the position of Director of Elections for Bradford County. She started her responsibilities as Chief Assessor effective December 27, 2004. Donna has been a life long resident of Bradford County, is married to Mark and has three children, and has an associate's degree in early childhood education.

Congratulations . . .

Angelia Pinner, Chief Assessor, McKean County and member of the Board of Governors was married January 21 to Jay Tennis. We wish them happy.

Mary J. Shefsky, Evaluator from Philadelphia recently became a grandmother on November 12th, 2004, to BRELYNN ASHLEE SHEFSKY, 7lbs. 2 ozs. This is Mary's first grandchild. She says, "I can not explain the wonderful feeling of being a grandparent."

Congratulations go out to **John Sanders, CPE**, Westmoreland County as the new Director of Assessment. John has been in the Assessment Office since 1972 advancing from an Assessor to Assessor Supervisor to Assistant Director of Assessment to this current position. He has also been a past President of the chapter and recipient of the Trailblazer award. John's remark on his new position, "Every day what little I learn makes the next day easier." We wish him all the best.



If you have something to share with AAP People, contact:

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