AAP Journal
Assessors' Association of Pennsylvania

AAP Assessors' Association of Pennsylvania
Spring 2013
Issue 2 Volume 10
CCAP County Commissioners Association of Pennsylvania
Serving Counties Since 1886
An affiliate of the County Commissioners Association of Pennsylvania

Avoiding Spot Reassessment

By Sharon F. DiPaolo, Esquire, Partner
Siegel Jennings, Co., L.P.A

Assessors monitoring the assessments of thousands of tax parcels attempt to maintain the uniformity required by our Constitution, while also complying with the requirements of four assessment statutes and myriad reported cases from Pennsylvania courts. How to meet uniformity without engaging in spot assessment? An analysis of recent statutory changes and case law provides guidance.

First and foremost, uniformity is achieved by countywide reassessment. Outside of the reassessment cycle and assessment appeals, Pennsylvania law limits the assessor's ability to change an individual parcel's assessment to three discrete situations:
1. To correct clerical error, mathematical error, or omissions;
2. When a property is subdivided and the subdivided parcel is sold; or
3. When a physical change occurs on the property (whether by new construction or demolition)

Notably, these situations are all based on readily-determined facts: Was the property subdivided and sold? Is there a data error? Has there been a change in the improvement? The four Pennsylvania assessment statutes are consistent in limiting assessment changes to these circumstances, and the case law interpreting these statutes has been remarkably consistent. Simply put, if the assessor wishes to make a change based on a subjective judgment, such as an opinion that the value of the property has changed outside of these three fact-based scenarios, that change would be an impermissible spot assessment.

One of the most important changes in the new Consolidated County Assessment Law, 53 Pa. C.S.A. §8801 et seq., which originated in this Association's Assessment Reform Committee, was to codify Pennsylvania's case law regarding spot assessment. The new Law also strengthened the proscription against spot assessment in three ways. First, the Law expressly defines "spot assessment." §8802. Second, the Law adds new language: "The County assessment office is prohibited from engaging the practice of spot assessment." 53 Pa. C.S.A. §8843. Third, the Law contains a new provision that allows a taxpayer to file an appeal to the Board limited to the issue of spot assessment. 53 Pa. C.S.A. §8843.

Early this year, the Commonwealth Court issued its decision in *Krohn v. Snyder County Board of Assessment Appeals*, No. 1116 of 2012 (Pa. Commw. Ct. January 23, 2013), which illustrates that subjectively-based changes by the assessor – no matter how well-intentioned -- outside of the three allowable factual circumstances will be deemed to be spot assessment. While the Krohn case arose under the now-repealed Fourth to Eighth Class County Law, 72 P.S. 5020-204, the case is still instructive because the new Consolidated County Assessment Law, 53 Pa. C.S. A. §8801 et seq., not only incorporates the same standard as the prior statute, it includes an even stronger proscription against spot assessment.

The facts underlying the Krohn decision are that in 2009 the senior Krohns transferred their 120-acre farm to their son

continued on page 5

Ideas for You

DELIVER A "NO" WITHOUT DEVASTATING

As difficult as it can be to tell someone "No," you can turn that moment into a positive experience. Maybe an employee is asking for a raise, or your boss is gung ho about an idea that you know is doomed. *With this approach, the other person will thank you later:*

Soften your "No."
Put yourself in the other person's shoes, understanding that they want a "Yes." Say "I wish that I could tell you that (what the person wants to hear) but I can't." Say that simply, without apologizing.

Redirect.
Steer the conversation in a positive direction. Lead the person with a phrase like "Let's do this . . ." or "Here's what we can do instead . . ."

You will maintain your credibility as an honest person and be seen as someone who is a problem solver rather than a naysayer.

Adapted from "What to Say When You Can't Say 'Yes,'" Beth Haiken, PR News, www.prnewsonline.com.

Communication Briefings, March 2012

What's Inside

President's Message, AAP Education Dates, Legislative Update, AAP People

AAP OFFICERS

Christopher Savage, CPE
Butler County
President
PO Box 1208
Butler, PA 16003-1208
(724) 284-5320
csavage@co.butler.pa.us

Anthony Alu, CPE
Luzerne County
President Elect
County Courthouse
200 N. River Street
Wilkes Barre, PA 18711-1004
(570) 825-1869
anthony.alu@luzernecounty.org

Charles "JR" Hardester, CPE
Lawrence County
Vice President
430 Court Street
New Castle, PA 16101-3503
(724) 656-2191
chardester@co.lawrence.pa.us

Melissa Border, CPE
Bedford County
Treasurer
200 S. Juliana St Suite 104
Bedford, PA 15522-1772
(814) 623-4842
mborder@bedfordcountypa.org

Angelia Tennies, CPE
McKean County
Secretary
500 W. Main Street
Smethport, PA 16749-1149
(814) 887-3215
astennies@mckeancountypa.org

Steve Howe, CPE
Dauphin County
Immediate Past President
Dauphin County Assessment Office
112 Market Street, PO Box 1295
Harrisburg, PA 17108-1295
(717) 780-6101
showe@dauphinc.org

AAP COMMITTEE CHAIRS

Larry Shubert, CPE
Philadelphia County
AAP Journal Editor
Office of Assessment
601 Walnut Street - Suite 300
Philadelphia, PA 19106
(215) 801-2135
larry.shubert@phila.gov

Jonathan Schuck, CPE
Chester County
Government Information
121 N. Walnut Street, PO Box 2748
West Chester, PA 19380-0991
(610) 344-6147
jschuck@chesco.org



President's Message

Happy Spring to everyone,

Wow, I can't believe this past year has gone by so quickly and soon I will be the past President. I just don't know where the time has gone. At this time I would like to thank everyone for all of the support, advice and encouragement that I have received as President and now as Chief Assessor of Butler County. I couldn't have done it without you.

I knew Ed Rupert did many reports for the state, but until you have to do them yourself, you really don't understand about the work and thought processes that go into them. I have new logins, new passwords and a lot saved in my favorites! My desk looks like the copies exploded, and now the emails…… What's next? I have had nothing but full cooperation from PURTA, STEB and the Department of Agriculture. I have taken good notes so hopefully next year will run a little smoother.

Seriously, it has been a great year and a big learning experience. I have enjoyed working with the CCAP staff, the Board of Governors, the various committees and the different state departments. It seems to me if we all work together, we can solve any issues that may affect the AAP.

My Mom always wanted me to work hard, do my best and treat others the way I would like to be treated; I hope I have made her proud.

It has been an honor and a privilege to have served as your president and I wish to once again give thanks to all of you for your help this past year. I know you will all support and welcome Tony Alu as your new president at this coming Annual Conference in Seven Springs. I hope to see you there.

Best Regards,

Chris

Chris Savage
AAP President



Legislative Update

By Jonathan B. Schuck, Chair
Government Information Committee and
Assistant Director of Assessment/Tax Claim, Chester County

Greetings fellow assessment professionals throughout the Commonwealth of Pennsylvania! By the time you receive this issue of the AAP Journal, the vestiges of this winter should be receding and the first signs of spring should be bursting forth. The Legislature in Harrisburg has gotten a jump on the season, having sprung into action early in the 2013/2014 Session. Since mid-January, more than 1,566 bills/resolutions have been introduced, 32 of which pertain to assessment-related matters. Following are synopses for a sample of the assessment-related bills:

State Tax Equalization Board (STEB)
Several bills have been introduced that further activities initiated during the 2011/2012 Session:

House Bill 672
This amendment puts the definitions of STEB's powers and responsibilities under the Community and Economic Development Enhancement Act.

Senate Bill 66
This amendment repeals the prior STEB law and redefines STEB under the Community and Economic Development Enhancement Act. Passed 49-0 in Senate on January 29 and in House Local Government Committee as of January 30.

Property Tax Relief for Senior Citizens
A plethora of legislation has been introduced, much of which is identical or similar to that introduced at the beginning of past sessions:

House Bill 104/Senate Bill 197
These acts would freeze increases to real estate taxes caused by millage increases, changes to the assessment ratio or countywide reassessments. The bills make no mention of how any revenue shortfall would be addressed.

House Bill 625
For the school district tax year beginning after December 31, 2014, this act would limit the tax rate for school districts to the rate used for the prior year. For all tax years beginning after December 31, 2015 school districts (or taxing authorities acting on their behalf) would lose the power to levy or assess any tax on real property. The act also establishes a Property Tax Assistance Program to pay the school taxes of claimants who are over 65 years of age and have an income of not more than $40,000 (*see former House Bill 1742*).

House Bill 629
This amendment would pay the property taxes for claimants who are over 65 years of age and have an annual household income of not more than $50,000. It would be funded by the Property Tax Relief Fund (*see former House Bill 1743*).

Senate Bill 299
This amendment would freeze school real estate taxes of senior citizens enrolled under Homestead to a base amount and increases to the taxes would be paid to the taxing authority by the Commonwealth.

Senate Bill 484
This act would forbid any political subdivision from increasing the tax or tax rate on the real property of persons who are all of the following: 65 or older, has resided in the property for at least five consecutive years, has an income not more than $65,000 and is not receiving this exemption on any other property. The Commonwealth would be making up the revenue shortfall through the Department of Revenue. It does not list any exceptions that would allow increase (such as improvement to the property).

continued on page 4

AAP STAFF

Douglas E. Hill
Executive Director
17 North Front Street
Harrisburg, PA 17101
(717) 232-7554 x 3115
fax (717) 232-2162
dhill@pacounties.org

Terry Cochran
Deputy Director
PO Box 60769
Harrisburg, PA 17106-0769
(717) 526-1010 x 3334
fax (717) 526-1020
tcochran@pacounties.org

Lori Lawyer
Administrative Assistant
17 North Front Street
Harrisburg, PA 17101
(717) 232-7554 x 3112
fax (717) 232-2162
llawyer@pacounties.org

The *AAP Journal* is published four times a year.
Deadline for the Summer 2013 issue is June 8, 2013.

Article submissions are welcome.
Please send to:
Larry Shubert, CPE
Philadelphia County
Journal Editor

Publication Disclaimer
The information provided in this publication is not intended to take the place of professional advice. Readers are encouraged to consult with competent legal, financial, or other appropriate professionals. Statements of facts and opinions expressed in this publication, by authors other than Association staff and officers, are the sole responsibility of the authors and do not necessarily represent an opinion or philosophy of the officers, members and staff of the Assessors' Association of Pennsylvania (AAP). No endorsement of advertised products or services is implied by AAP unless those products or services are expressly endorsed, or are owned or managed by the Association programs, or our affiliates. This publication may not be reproduced, modified, distributed, or displayed in part or in whole, by any means, without advance written permission of AAP. Please direct your requests to Debra S. Tingley, APR. *Note:* As part of its copyright agreement, the AAP grants the author the right to place the final version of his/her manuscript on the author's home page, subject to AAP's standards, or in a public digital repository, provided there is a link to the AAP website.

continued from page 3

Limitations of Tax Increases Following Countywide Reassessment

House Bill 219
This amendment would allow individuals who have owned a residence for 30 or more years and occupied the property for no less than the previous ten years to apply to have an alternative base year assessment used for their property after a mandated countywide reassessment.

House Bill 338
This amendment states, "In the event the property tax obligation associated with a single tract or parcel of real property increases by more than 10% as a result of a countywide reassessment, an entity that levies property tax must limit the amount it increases property tax to 10% per year until the total obligation is realized" (*see former House Bill 2315*).

Legislation Pertaining to Cities/Counties of the First Class

House Bill 389
This Constitutional amendment would allow counties of the first class to impose a rate of taxation on residential real property that is different from the rate of taxation on commercial real property.

House Bill 390
This amendment changes the conditions for deferral or exemption and states that the relief shall apply to property taxes owed to either the city or school district. For tax years 2014-2023, the governing body shall use financial need or age or both of the longtime owner-occupant to determine eligibility. Beginning with the tax year 2024, the governing body may use financial need or age or both of the longtime owner-occupant to determine eligibility.

House Bill 408/Senate Bill 385
This amendment would make the Assessors Certification Act apply to counties of the first class. Assessors employed by a county of the first class would have three years to become certified.

21st Annual PA GIS Conference
June 3 - 5, 2013
Penn Stater
State College, PA

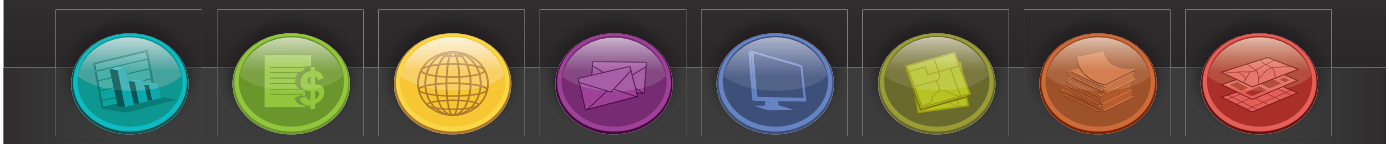
The 2013 PA GIS (Geospatial Information Systems) Conference is a great opportunity to receive key GIS updates at the local, state and national levels! Come share your latest GIS efforts and network with your colleagues. Join us at the Penn Stater Conference Center Hotel.

The theme of this year's Conference in "Optimizing Operations with GIS." Embracing geospatial technology can transform the way you approach both your personal and professional lives. Come share and discover how GIS can help you and your organization work smarter, maximize efficiencies, and uncover new ways to look at old information.

Visit *www.pagisconference.org* for more details information.

DEVNET INCORPORATED

Your Information. Our Technology.
Endless Possibilities.



Celebrating 15 years

DEVNET is celebrating 15 years of providing integrated Appraisal, Assessment, Collection and e-government solutions designed to empower the public sector user.

DEVNET Edge® Pennsylvania Solutions

Fully Integrated Solutions: Computer Assisted Mass Appraisal (CAMA), Tax Assessment Administration, Tax Claims, Billing and Collection for Remote Collectors and County Treasurers, Remote Collector Distribution, GIS Integration, wEdge e-government solution, Tax Bill & Notice Printing & Mailing Services and Hardware Sales & Support.

www.devnetinc.com
866-4-DEVNET
Info@devnetinc.com

continued from page 1

and his wife ("Farm Tract"). Previously, in 1996 the senior Krohns recorded a subdivision plan for the Farm Tract dividing it into two lots, but they kept the two tracts in common ownership and transferred them together to the junior Krohns, recorded as one parcel in the 2009 deed. In 2010, the Board of Assessment ("Board") increased the assessment on the Farm Tract stating its reason as "purchase of land." The same day the Board also increased the assessment of the neighboring 2-acre tract of land improved by a barn, which the senior Krohns owned and which had not sold ("Barn Tract"). The Board's reason for increasing the Barn Tract was "the sale of land and the assessment of a home site not assessed previously."

The taxpayers filed an assessment appeal claiming the assessment changes constituted spot assessment. The Board denied their appeal and taxpayers appealed to the trial court. At trial, the County's position rested on two arguments – 1) that there was a subdivision and transfer which triggered the ability to reassess, and 2) that it assessed a "home site value" to each parcel in an attempt to achieve uniformity in assessment. The County explained that it determined that the highest and best use of the parcels was as a home site, and that the County had a practice of assessing all properties that it classified as "home sites" uniformly.

Both the trial court and the Commonwealth Court ruled that the reassessments were impermissible spot assessments. The Commonwealth Court reviewed the three bases for reassessing an individual parcel. As to the subdivision, the fact that the parcels were nevertheless held in common ownership and not sold off individually supported the Court's finding that the subdivision exception did not apply. As to the County's practice of reclassifying and revaluing of "home sites," that rationale did not meet one of three allowable exceptions for reassessing. Finding none of three bases on the facts presented, the Commonwealth Court affirmed the trial court ruling the County's action amounted to spot assessment.

Over time, the common lesson in Pennsylvania's law regarding spot assessment is that if the rationale for the change to an individual property is outside the scope of the three allowable bases, the change will be deemed to be a spot assessment. To avoid spot assessment, assessors should examine tax parcels for one of three fact-based bases for change. Outside of these bases, the cure for a lack of uniformity is countywide reassessment.

Consolidated County Assessment Law, 53 Pa. C.S.A. § 8816-17 (applying to 2nd Class A, Third, Fourth, Fifth, Sixth, Seventh and Eighth Class Counties), as of January 1, 2011 replacing Fourth to Eighth Class County Law, 72, P.S. §§ 5453.602a, 5453.703a and 5453.703c; First Class County Law, 72 P.S. §5341.6 and §5341.8 (applying to Philadelphia County); Second Class County Law, 72 P.S. §§5352.13, 5352.13a (applying to Allegheny County).

See Pennsylvania General Assembly Local Government Commission Report on Consolidated County Assessment Law, Executive Summary, http://www.lgc.state.pa.us at 2 (One of "[t]he most important changes" of the new law is that "[s]pot reassessment provisions are updated to comport with case law.")

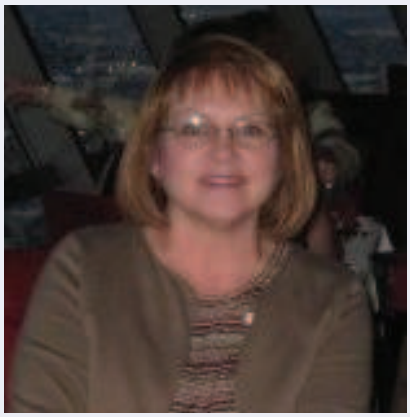
Empowering people who serve the public
tyler technologies

iasWorld®. Everywhere.

iasWorld® 7. Easy-to-use software that goes where you go. Thanks to browser independence, you can now access the power of iasWorld® from an iPad®, Android tablet or any device with standard HTML browser capabilities. Discover how portable and user-friendly tax assessment can be.

To find out more visit www.tylertech.com/iasworld-everywhere





Paulette Sebring
Deputy Chief Assessor
Monroe County

Year in Assessment Field: 40 (I started when I was 6.)

Marital status and Family: Single. My son, Ryan, daughter, Kristen, and granddaughter, Avery.

What Irritates Me Most in the Assessment Business: I have to grit my teeth with "out of court settlements" which throws our uniformity for another curve…….. and don't get me started on the STEB ratio.

Most people Would be Surprised to Know: I love the slot machines!

Biggest Challenge as an Assessor: Patience….patience….patience.

First Job: Babysitter when I was 12.

If I Couldn't be an Assessor, I'd: a babysitter for my granddaughter, Avery or work in a garden nursery.

If I Won Millions in the Lottery, I Would: retire, help my family and friends, donate some to my high school and hit the casinos.

Favorite Food and Drink: Lobster and sweet tea

Favorite Vacation: Maine and Lobster Fest

Favorite Movie: Love Actually or Stand by Me

Three People Living or Dead That I Would Invite to Dinner: My Mom, my "Mem" and Jesus. I'd have to ask what heaven is like and how I can be a better person so I can get there.

The Hardest Lesson I Ever Learned as an Assessor Was the Time: For brownie points, I raised my hand back in 1975 and said I would love to help with that brand new program—Act 319. If I only knew then what I know now.

If I Could Live in the Past for One Day, I Would Change: May 22, 1976 — only I know why and I am not saying.

My Best Friend: My siblings, Karen, Kim, Stacey and Todd

AAP
ASSESSORS' ASSOCIATION OF PENNSYLVANIA

MEMBERABILIA

AAP People & Chapter News

Condolences to Wesmoreland County's Assessment Office on the loss of **Timothy Walter**, Assessor Supervisor, on March 13. Cards can be sent to: Pamela Walter, 1251 Scenic Drive, Latrobe, PA 15650.

On January 11, 2013, **Richard A. (Dick) Frontz Sr.**, 84, of Meadville passed away. He worked as the Crawford County chief assessor from 1983 to 1989 and served on the Pennsylvania State Tax Equalization Board from 1989 to 2002 as a certified Pennsylvania evaluator.

David Wayne Sheets, 68, of Port Royal, died at 10:10 p.m. Thursday, Jan. 24, 2013. he worked in the assessment office for both Snyder and Juniata Counties.

Contact Us With Your Chapter and County News!

Don't forget to send your important news for the next *AAP Journal*. Our next deadline is June 8. Please send your news to Terry Cochran at *tcochran@pacounties.org*.

AAP Educational Opportunities

USPAP and Act 28 Classes
May 29 and 30
CCAP North Office

CPE Test Review Class
June 12-14
CCAP North Office

Board of Governors' Meeting
July 19
CCAP North Office

2013 Fall Conference
November 7 and 8
Nittany Lion Inn
State College

Fall CPE Classes
Ramada Inn
State College

September 9 - 13 — Introduction
September 17 - 20 — Site/Market
September 23 - 27 — Cost
October 1 - 4 — Income

Check the AAP website - *www.paassessors.org* for details on all of these upcoming education sessions.

INFOCON CORPORATION
Celebrating 36 Years 1976 - 2012

172 Gateway Road, P.O. Box 568
Ebensburg, Pennsylvania 15931-0568
Telephone: (814) 472-6066, Fax: (814) 472-5019
E-Mail - infocon@ic-access.com Web Site - www.infoconcorporation.com
Providing County, School and Municipal Governments.....

Consulting	On-Line Computer Services	Document Imaging Services
Tax Printing Service	Mailing Services	Microfilm Services
Tax Claim Services	Forms and Supplies	Digital Scanning Services

VISION
GOVERNMENT SOLUTIONS

CAMA Technology
that provides flexibility and ease of use

Software Features

- Flexible Technology with a Strong Foundation of Support
- Highly Configurable Data & Valuation Models
- Associated Images & Documents
- Integrated Report Writing and Query Tools
- Hosted/Cloud Capabilities
- Integrated Workflow
- Mobile Database Technology
- GIS Functionality using ArcGIS
- Integrated Personal Property Module
- Fully compliant with USPAP and IAAO Standards

Successfully implemented in more than 400 jurisdictions, and utilized to complete more than 1500 reassessments.

For inquiries, please call:
800 628 1013 ext. 2
sales@vgsi.com
www.vgsi.com

New CPE Certification Period - Check Your Transcript

The new CPE certification period begins on July 1. Current certificates expire June 30, 2013.

Notices are mailed to the most recent address the certificate-holder has reported to the Board. *Please note: The Postal Service does not forward licenses.*

If you need to check your certification hours, please log on to the AAP website (you must be registered on the website), look under Members Only section and then click on Education Transcripts. Click on the certification period you want to review and your AAP classes will appear.

If you see any discrepancies. please contact Lori Lawyer at *llawyer@pacounties.*

17 North Front Street
Harrisburg, Pennsylvania 17101
(717) 232-7554
fax (717) 232-2162